



**OFFICE OF THE CHANCELLOR**

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**VERMONT STATE COLLEGES**

CASTLETON STATE COLLEGE  
COMMUNITY COLLEGE OF VERMONT  
JOHNSON STATE COLLEGE  
LYNDON STATE COLLEGE  
VERMONT TECHNICAL COLLEGE

**MEMORANDUM**

TO: VSC Finance & Facilities Committee  
Martha O'Connor, Chair  
M. Jerome Diamond  
Michelle Fairbrother  
Tim Jerman  
Chris Macfarlane  
Linda Milne  
Gary Moore, *ex officio*

FROM: Tom Robbins, Vice President of Finance & Administration  
Chief Financial Officer

DATE: May 15, 2014

SUBJ: Finance & Facilities Committee Meeting scheduled for May 22, 2014

Tom

The Finance & Facilities Committee of the VSC Board of Trustees will meet beginning at 10 a.m. in the 1787 Room in the Campus Center at Castleton State College. The agenda and back up material for the meeting are enclosed.

If you have any questions, I can be reached at (802) 224-3022.

Thank you.

cc: VSC Board of Trustees  
Council of Presidents  
Business Affairs Council  
Bradley Kukenberger, Dept. of Finance & Management  
Douglas Hoffer, State Auditor

**Finance and Facilities Committee Meeting**  
**May 22, 2014**

**AGENDA**

**A. ITEMS FOR DISCUSSION AND ACTION**

1. Minutes of the April 3, 2014 Finance & Facilities Committee
2. Review and Recommend Approval of FY2015 Budget
  - a. VSC Budget
  - b. Nursing & Allied Health Programs Budget
  - c. VIT Budget
  - d. Workforce Development Budget
3. Review and Recommend Approval of Additional VTC Operating Loan Commitment
4. Review and Recommend Approval of Annual Banking and Investment Resolution
5. Establishment of Endowments: Consent Agenda
6. Establishment of Grants: Consent Agenda

**B. ITEMS FOR INFORMATION AND DISCUSSION**

1. Review Q3 Financials
2. Update on Legislative Issues
3. Update on Ongoing VSC Construction
4. Review Capital Projects Report

**C. ITEMS FOR INFORMATION ONLY**

1. Monthly Grant Activity Report
2. VSC Q3 Endowment Report
3. Monthly Cash Report

A. ITEMS FOR DISCUSSION AND ACTION

1. Minutes of the April 3, 2014 Finance & Facilities Committee

The Finance and Facilities Committee met on April 3, 2014 at Vermont Technical College in Randolph, Vermont.

*Note: These are unapproved minutes, subject to amendment and/or approval at the subsequent committee meeting.*

Committee members present: Jerry Diamond, Michelle Fairbrother, ~~Tim Jerman~~, Christopher Macfarlane, ~~Linda Milne~~, Martha O'Connor (Chair)

Other trustees present: Lynn Dickinson, Kraig Hannum, ~~Tim Jerman~~, Bill Lippert, Karen Luneau, ~~Linda Milne~~, Heidi Pelletier, Colin Santee

From the Chancellor's Office: Tim Donovan, Dick Ethier, Annie Howell, Bill Reedy, Tom Robbins, Elaine Sopchak

College Presidents: Joe Bertolino, Joyce Judy, Barbara Murphy, Dan Smith, Dave Wolk

From the colleges: Tess Conant, Scott Dikeman, Eileen Donovan, Loren Loomis Hubbell, Barbara Martin, Andy Myrick, Martha Trombley Oakes, Linda Olson, Jay Paterson, Phil Petty, Sharron Scott

Chair O'Connor called the meeting to order at 3 p.m.

A. ITEMS FOR DISCUSSION AND ACTION

1. Minutes of the February 12, 2014 Finance & Facilities Committee Meeting

Trustee Diamond moved and Trustee Fairbrother seconded the approval of the minutes of the February 20, 2014 meeting. The minutes were approved unanimously.

2. Endorsement of Grant Proposal

Trustee Fairbrother moved and Trustee Diamond seconded the resolution Endorsement of Grant Proposal. The resolution passed unanimously.

B. ITEMS FOR INFORMATION AND DISCUSSION

1. Discuss FY2015 Budget Development

Chair O'Connor informed the committee that they have no materials to review for the discussion as the budgets are still in progress and not final. The final budgets will be presented and voted on in May. Each president will present how they are putting their budgets together, what they might look like, and any significant differences from the present year.

Chancellor Donovan reminded the committee that budgets always come to the Board for approval in May. Assumptions about enrollment drive the budget process. He reminded the committee that the VSC is self-insured for employee health insurance and that premiums are based on an 18-month trend line.

Trustee Fairbrother inquired when the budget materials would be available for review prior to the May meeting. CFO Robbins confirmed that they would be available by May 15<sup>th</sup>.

Vermont Technical College

Vermont Technical College Acting President Dan Smith shared that his objectives in his new position are a smooth transition; returning the college to financial stability; creating a framework where good ideas for innovation are shared and acted on; and creating an energetic and collegial environment. Trustee O'Connor thanked him for stepping in to take on this role. Acting President Smith acknowledged and thanked CFO Robbins for his essential role and his clarity and candor.

Vermont Tech is currently projecting a shortfall for this year and going into next year. CFO Robbins has already met with administrative department heads, and meetings with academic department heads and the Programs and Curriculum Committee are forthcoming to discuss expense reductions with minimal impact on the student experience. Acting President Smith stated they are also working with institutional research to look at indirect and direct costs of programs for a clear look at where programs stand in terms of revenue and the overhead cost to the overall administration of the college.

In the near term the plan is to build a budget that contains expenses and is based on reasonable and accurate revenue projections, and to review the business plan from a tactical perspective to see if enrollment projections are reasonable and other aspects are achievable in the current environment. At the same time the

Innovation Working Group has identified some specific strategies to pursue: the creation of a summer pilot training camp; expanded use of nursing simulators; and expanding the use of alternative delivery systems for more open access for non-traditional students.

The deposit deadline is May 1<sup>st</sup>, and numbers will evolve over the course of the summer. There is a lot of fluctuation that makes it difficult to finalize revenue projections. NEBHE good neighbor applications are up 23%. Acting President Smith stated that the planned increase in lab fees included in the current business plan will be more modest than what was originally proposed, and that approximately 25% of that revenue will be directed to financial aid.

Vermont Tech's several auxiliary enterprises VMEC, SBDC and VIT benefit from the college's support in terms of administrative overhead; these costs are transferred from their budgets into Vermont Tech's. Recent institutional research finds that currently these enterprises transfer about 25% of the actual value of the support they receive. Further research will be ongoing to determine a more appropriate transfer amount to better cover the cost of the support and balance it with the college's mission. Trustee Luneau emphasized that the public does not know much about these enterprises or that they come from the VSC, and asked Acting President Smith to explain their roles and their funding sources. Acting President Smith explained that VMEC (Vermont Manufacturing Extension Center) is a largely federally funded economic development program, providing workforce training in innovation, manufacturing and entrepreneurship. A portion of the VSC state appropriation goes toward matching the federal funding. Chancellor Donovan reminded the committee that each year they receive a separate budget for workforce development, which is the VMEC match. Trustee Fairbrother asked for the amount of the match; Acting President Smith replied that it is \$427,000. SBDC is the Small Business Development Center, a largely federally funded program that provides direct services to entrepreneurs and small businesses. Their offices are generally co-located with regional development corporations across the state. The SBDC headquarters are in the Vermont Tech Enterprise Center in Randolph, VT. VIT receives a state appropriation for both capital and budget and are partially fee-for-service. The VSC relies on VIT for distance learning applications, and the legislature uses VIT for open hearings across the state. Trustee Fairbrother asked what Vermont Tech's state appropriation would be without the matching funds for the auxiliary enterprises. Chancellor Donovan said that at the May meeting the committee will see specific details about the appropriation. The core appropriation to the VSC is divided by five and each college gets the same amount of money. Then there is an allied

health appropriation that comes from global commitment funds that goes to the allied health programs at Vermont Tech. Then there is a workforce development contribution that is rolled into the VSC appropriation but which the VSC keeps separate from funds divided equally among the five colleges. Finally, VIT receives its own appropriation.

Acting President Smith stated that he and CFO Robbins are also looking at certain non-performing real estate assets that cost more to operate than they realize in revenue. An example of this is the Vermont Tech Enterprise building; they are investigating a transition for that building.

CFO Robbins emphasized that they are looking at the budget in the short term as well as the long term, taking a measured approach to avoid immediate changes that would harm the college in the future. Trustee Macfarlane asked Acting President Smith for his opinion on morale at the college, and asked CFO Robbins if he has identified any specific areas where the college is losing money. CFO Robbins answered that the Enterprise Center is such an area, and that the farm, which is set up to be an educational working farm, is not profitable. Acting President Smith stated that it is too early in the budget development process to have identified all the places that need attention. As to morale, Acting President Smith, he shared that the entire Vermont Tech community is aware of the importance of the college to the state, and the importance of closing the budget gap.

Trustee Fairbrother asked how much of the reduced lab fee revenue would be applied to the budget deficit. Acting President Smith answered that he will have a more concrete answer towards the end of the six-week budget development process. Trustee Fairbrother asked what degree of revision the business plan requires. Acting President Smith stated that once the budget process is complete he will be more able to recast the plan. Trustee Fairbrother asked how long it will take for the college to recover. Chancellor Donovan stated that the business plan is not unsound and that improvement will come over time. Trustee Diamond inquired about the cost of Vermont Tech's lab fees in relation to those at other VSC colleges. Chancellor Donovan clarified that the colleges charge lab fees based on lab credit hours, not an hour of time in the lab. This clarification when applied to Vermont Tech's budget will put the college more in line with the lab fees that the other colleges charge.

Trustee Macfarlane asked for an explanation of the budget approval process. Trustee O'Connor stated that normally the budgets come before the Finance and

Facilities Committee, which then votes to recommend them to the Board for approval. Trustee Macfarlane asked if there will be an opportunity for the committee to discuss the budgets between receiving the budget materials and meeting as a committee. Trustee O'Connor urged trustees to contact her directly with questions, and if a large group of trustees has concerns, they can schedule a conference call to discuss them. Chancellor Donovan explained that in the past the Board has received summary institutional budgets, and that he is confident that the colleges will bring in balanced budgets with the exception of Vermont Tech. He requested that the Board keep its review of budgets at the governance level.

Trustee Fairbrother asked if the Board would be seeing budget details about the digester and the farm at the May meeting. Acting President Smith stated that the day before the meeting the biodigester generated power and sold it back to Green Mountain Power for the first time at 14 cents per kilowatt hour. Trustee Milne asked about budget overages for the biodigester. Facilities Director Dick Ethier explained that the current budget number includes all engineering work, permitting expenses and other charges.

#### Johnson State College

Johnson State College President Barbara Murphy assured the Board that JSC's 2014 budget will be balanced through a combination of cost savings and reserve usage and that for 2015 the college is managing an enrollment challenge. There was a drop of 55 students from 2013 to 2014. At the moment fall deposits are up and EDP enrollments are flat. Fall to spring retention is up by a few percentage points. President Murphy has created a college-wide budget task force that is working to close the gap on the 2015 budget. She is meeting with faculty and staff, and department chairs are meeting with the academic dean to go over program costs. The assumptions are that the quality of the student experience will not be compromised and there will be broad participation from college constituents. They will invest in core functions and replenish teaching ranks, and share costs across departments. Retirements and resignations will be viewed as potential opportunities for budget savings but they will not assume that every staff opening is a direct savings.

The 2015 budget will be balanced though it may depend on some one-time funds, which will allow President Murphy to make more structural, permanent adjustments. With the Chancellor's permission Johnson State will be drawing on its fully funded 5% reserve. The course correction will be a two to three year process. The college has moved from a \$2M gap to a \$1M gap by implementing a

variety of creative strategies including forestry management and changes to cell service and hospitality, as well as possibly selling property. President Murphy is working with Chancellor Donovan on the small amount of the strategic reserve that may be necessary.

All but approximately twenty of the college's positions are subject to multi-year agreements, so changes will need to be thoughtful and follow agreed upon procedures. Areas of investment include projects to improve student retention, replenishing the teaching ranks, continuing the college's investment in student financial aid, outside expert assessment of core functions as needed, embedding new programs in existing degree programs.

Contributors to the budget situation are a challenging geographic location; a low continuation rate in Lamoille County; a student population highly dependent on aid; and a challenging liberal arts market. Johnson State is continuing its investment in student research and work with faculty. The college has a low debt service obligation and many strong programs.

Chancellor Donovan reminded the Board that the colleges have two reserves. One is a 2.5% reserve that is required to be full at all times. It is considered the Board's reserve and is untouchable by the college. The colleges also build a 5% budget reserve; this is often funded with a previous year's carryover. With the exception of Vermont Tech, those reserves are all full. Presidents must receive permission from the Chancellor to use these funds. Chancellor Donovan's instructions to the presidents regarding these reserves are that they are not to be used to balance a budget. The reserve is to deal with unexpected, emergency situations. In his time as President of CCV, Chancellor Donovan viewed the reserve as funds that could help the college absorb a large drop in enrollment without having to first resort to layoffs. In President Murphy's case they are looking at a one-time expense that will leverage the college to a balanced budget in the future; this expense could take many forms. The reserves are a responsible way to manage a business.

President Murphy described the student admissions process and its effect on the budget. The college measures student inquiries, which is becoming more difficult to do due to social media. They also measure completed and submitted applications, and then accepted applications. Finally they measure deposits; this information can fluctuate but it is the main predictor.



Trustee Jerman shared that despite the activism of students and faculty throughout the VSC regarding the state's appropriation level, the legislature is not focusing on higher education now or in the near future. He cautioned the colleges not to look to Montpelier to provide additional funding. Vermont Tech Acting President Smith added that it is also important not to diminish the impact the state's funding decisions have on the VSC.

Trustee Milne expressed concern that budgets are being based on potential enrollment growth that is not necessarily borne out by demographic trends. President Murphy clarified that though deposits are up, she is not budgeting for more students next year. Chancellor Donovan shared that VSC enrollments are 16% higher now than ten years ago, and that growth has masked some structural challenges that are exposed when enrollments level off. He sees all the presidents making strategic investments addressing structural issues and demographic changes. Trustee Fairbrother asked President Murphy to clarify what her assumptions for next year's enrollment are. President Murphy responded that enrollment will be slightly down from last year. Trustee Fairbrother asked how much of the reserve fund will be used; President Murphy estimates approximately \$250,000 of the \$1.5M reserve.

Trustee Lippert asked President Murphy to elaborate on the college's efforts to help Lamoille County students. President Murphy explained the college is working with VSAC to provide aid for students in Lamoille County, which has the lowest aspiration rate in Vermont. Trustee Diamond asked if any entrepreneurial ventures are being considered. President Murphy replied that the budget task force is currently focusing on the budget that is due in six weeks, and that they will turn to new ventures after that.

Chair Moore asked President Murphy whether the Babcock property costs Johnson State any money. President Murphy replied that the Babcock property was left to the VSC system along with a small amount of money that the college uses to fix any damage that might occur over the winter. The property is not losing money for the college. Dean of Administration Sharron Scott informed the Board that the property is not taxed and that there are things that could be done with the property if there were more money available, but according to the covenants if the college chose to use the land for non-educational purposes (like timbering), the land would revert to the Nature Conservancy.

### Lyndon State College

Lyndon State College President Joe Bertolino shared that Lyndon State will have a surplus at the end of this academic year, and that the college is not budgeting for enrollment growth next year. The 2015 plan currently has a \$150,000 deficit that will be balanced by the May meeting. The 2014 surplus will be about \$900,000; the components of that include a \$1M gift. In terms of operations, they are projecting plus or minus \$100,000, and not having touched the gift. Enrollment was stronger than anticipated in 2014, particularly with returning students. Financial aid has also been higher as a result. Lyndon State is building enrollment models with contributions from more campus staff than usual during budget development.

Enrollment assumptions for next year are conservative and the budget is based on flat enrollment and a slight decrease in the spring. They have dramatically reduced revenue expectations with some educational partners, including the NEK Small Business Development Center, though the college is in talks with the area supervisory unions on closer collaboration. Deposits for next year are currently slightly up.

The budget includes a number of strategic investments: five new faculty hires; the implementation of the Vermont Success Initiative; creation of a new Music Business and Industry lab to support the explosive growth in that program; investment in science facilities; support of faculty and administrative grants; and programming support for the upcoming year of social justice.

The college has engaged in a number of external reviews. In 2014 reviews took place in institutional development and athletics, and last year in IT. In 2015 there will be an external review of the physical plant and maintenance departments. The college does not plan to touch the \$1M gift or its reserves. The college is looking at a number of entrepreneurial ventures including youth summer camps.

The college has also developed a worst case scenario based on enrollments, which would lead to a deficit of \$355,000; they are working on a contingency plan for this amount. They are also working on scenarios for 5% and 10% decreases in enrollment. Trustee O'Connor asked about the impact on the college of two upcoming business closures. President Bertolino stated the closures will have an immediate impact on the community requiring Lyndon State to become more involved in the community as a resource provider.

Trustee Pelletier asked whether the recent gift to Lyndon State is restricted. President Bertolino stated that the gift is unrestricted. The college wants to use the funds to leverage its institutional advancement and development operations so that the college can raise more funds by providing matching gifts, for example.

Trustee Milne inquired whether the external reviews recently completed have enabled the college to improve operations and lower costs. President Bertolino stated that the external reviews are primarily useful in helping the college find ways to be more efficient and make improvements, particularly in staffing and IT operations.

#### Community College of Vermont

Community College of Vermont President Joyce Judy stated that CCV will end the year with a small surplus. CCV's admission process is very different from the other colleges, with three different times during the year when there is an influx of students. They use many time tested metrics to measure enrollment but couple them with newer tools including monitoring a lot of social media.

President Judy said that CCV's budget is \$31M, with about 80% coming from student tuition, about 14% from the state appropriation and 6% from gifts. The state appropriation equates to less than two months of CCV's operating budget. They must balance cost containment with services students now expect and the cost of doing business.

President Judy explained that 80% of CCV's operating budget is people. Twenty percent is facilities and operations. She announced that she had recently received an anonymous contribution of \$25,000, unrestricted for operations.

When creating CCV's budget President Judy said she plans on growth but budgets for non-growth. Demographics among high school students show a decline and more adults are going back to work, so CCV needs to plan accordingly. The college is working on building relationships with employers and high schools to ensure they are providing them their educational needs. This spring CCV has 500 adults in workforce training programs.

For next year CCV is assuming a 5% decrease in enrollment. They will look at restructuring rather than filling open positions. CCV is also working on diversifying its revenue streams, including working with more businesses and increasing their expertise online. Currently they are working with two state agencies to put their professional development programs online.

The fiscal environment is challenging; an example of this is concern over pay for staff at lower levels. One way the college is trying to address that is by considering dividing the total salary pool evenly and giving everyone the same dollar increase.

Trustee Milne inquired about CCV's ratio of faculty to students. President Judy stated that CCV has always aimed for a class size of 12.5 students. This number is successful for students and faculty so the college is not changing that. Online course sizes are slightly higher at 13 to 14. Online enrollment has grown 6% in the last year and is CCV's fastest growing area. President Judy stated that it is CCV's small class size that separates the college from its competition, particularly online. She stated that the college finds savings in other areas by using technology and restructuring administratively. She also clarified that class size is used for budgetary purposes in that courses may be cancelled if the college's average class size goes lower than 12.5.

Trustee Diamond asked whether CCV will be purchasing its current Newport location from the state. President Judy replied that the college is still pursuing this and they are hopeful that it will happen.

#### Castleton State College

Castleton State College President Dave Wolk stated that Castleton will have a balanced budget at the end of the year. They have recently completed their ten-year plan that provided for incremental increases in undergraduate enrollment up to 2,000 students. The college is now into its new Castleton Plan, which continues incremental increases over the next ten years to an enrollment not to exceed 2,500. Currently enrollment is about 2,100 including graduate students and part time students.

The plan includes increasing graduate programs; significant growth in the international student population; and a greater college presence in Rutland. The plan also assumes that the state appropriation will remain at low levels and tuition increases will remain reasonable. Balancing the budget going forward will require incremental increases in strategic areas of enrollment; providing appropriate faculty and staff; and engaging in more entrepreneurial ventures that benefit the college and serve the state.

There will not be any reductions in personnel, but open positions are often recast according to the college's needs. Deposits are up 5%, and there is a greater increase in Vermont enrollments compared to out-of-state. The enrollment

projection for next year is a 1% increase; this does not include an increase in graduate student enrollment. If enrollment declined by 5% or 10%, the first response would be to reduce scholarships commensurate with the decline, followed by looking for other reductions in the budget.

There are several curriculum additions at the graduate level occurring in the upcoming year as well as some smaller curriculum changes at the undergraduate level. The admissions office will be relocated to a newly renovated building, which will allow other departments to move around, providing more space for academic programs. The Spartan Dome will be opened soon and will operate as a regional recreation facility for the entire Rutland area, as well as learning labs for many Castleton programs. The Polling Institute has expanded its hours due to the number of contracts it has. Conferences and events continue to be a big part of Castleton's revenue. Castleton has added 400 beds in five residence halls, and they are full. This fall the college will contract with Rutland hotels to house students.

Trustee O'Connor asked if Castleton and Vermont Tech might consider having their nursing programs work together as a cost savings. President Wolk replied that the programs are very different. Castleton has moved to a bachelor's degree accredited program and are considering a master's degree program. The Vermont Tech programs are 1+1 and two-year programs. The colleges are each serving different populations. Castleton now has a virtual hospital on campus; they are considering siting that off campus to allow students and practicing nurses the opportunity to use it. Acting President Smith added that the regional aspects of Vermont Tech's nursing program, with locations in Bennington, Brattleboro, Randolph, White River Junction, Lyndonville, Williston, St. Albans and Springfield, has historically been a regionally delivered program.

Trustee Diamond asked President Wolk to clarify what he meant when he mentioned need based scholarships approved at the last Board meeting. He asked to clarify that Castleton asked for approval of a 3% tuition increase plus 1% for need based aid. President Wolk stated the approval was for 3% plus 2% for need based aid, and that Lyndon State was approved for 3% plus 1%. Trustee Diamond stated that his understanding was that the Board approved a 3% increase for in-state, undergraduate students, not including need based aid. Chancellor Donovan reminded the Board that twice at the last meeting he clarified that the Board would be voting on the proposal originally brought before them, which was a net increase of 3% at all colleges, with Castleton having an extra 2% to go to aid, and Lyndon having an extra 1% for aid, but for a duration of one year rather than two.

President Wolk stated that because of the additional 2% allocated for aid, a total of 500 Vermonters would be paying less tuition.

Trustee Macfarlane asked President Wolk to confirm that there is no more room on campus to expand. President Wolk confirmed this and reminded the Board that the college is continuing to expand in Rutland.

2. Update on Legislative Issues

Acting President Smith reminded the Board of Trustee Jerman's comments regarding the current budget priorities at the legislature. He stated that the governor had proposed a 2% increase prorated to the second half of the year, which equated to a 1% increase to the VSC base. The budget was written with \$14M in revenue that the House Ways and Means Committee had previously rejected. The budget passed with a .5% increase to higher education for 1% prorated to the second half of the year, which equates to \$25,000 per college.

S.220, a Senate economic development bill, included language building a framework for the Vermont Strong Scholars Program that would create a mechanism for a state funded scholarship or loan forgiveness program tied to the final year or final semester of tuition. A Vermont student enrolled in a state college or UVM who selects an economically relevant major and finishes their degree on time could have their final year or semester paid back over a three to four year period if they stay in Vermont. The bill is in House Commerce at this time.

S.40 proposes to change the composition of the subcommittee on higher education of the PreK-16 Council to include more voices to build policy recommendations around bringing state higher education funding back up to more reasonable funding levels. Trustee Dickinson confirmed this bill is with the House Education Committee at this time.

H.878 is a prevailing wage bill that would require those building state construction projects to pay federal prevailing wages. We are currently required to pay state prevailing wages. The federal wages standards are substantially higher for a number of the trades and would impact our construction projects.

3. Update on Ongoing VSC Construction

Facilities Director Dick Ethier reported that the Vermont Tech biodigester is now online. The Brattleboro site is making good progress and the move-in date is anticipated to be early August. Johnson State's solar project is back on track now that the renewable energy cap for utilities has been raised. The solar project will go back to the originally anticipated 150 kw project. The request for a Certificate of Public Good has been resubmitted and a lease on the project will be signed soon.

4. Review Capital Projects Report

There was no discussion on this item.

C. ITEMS FOR INFORMATION ONLY

1. Monthly Grant Activity Report
2. Monthly Cash Report

There was no discussion of these items.

Chair O'Connor adjourned the meeting at 2:50 p.m.

## 2. Review and Recommend Approval of FY2015 Budget

### a. VSC Budget

Adopting the upcoming fiscal year's operating budget is among the most important annual activities of the VSC's Board of Trustees. The FY2015 budget proposed incorporates the FY2015 student charges set at the February 20, 2014 meeting.

Immediately after the resolution are the FY2015 operating budget spreadsheets for the VSC aggregated, and then each college plus the system office, along with corresponding narratives. Each college/entity used the approved assumptions while creating their budgets. Any additional assumptions were added in the "College Adjustment" column. These additional assumptions are detailed in the narrative accompanying the budgets.

The budget proposals are characterized by the following key elements:

- Full Paying Equivalent (FPE) Student Enrollments  
Tuitions and fees from FPE students constitute revenue to the college's operating budgets, and for FY2015 FPEs (whether new or from improved retention) are projected to be slightly down from FY2014 budget levels at CCV, JSC, and VTC, relatively flat at LSC and slightly up at CSC. Within these projections, the mix of in-state versus out-of-state students is continually shifting.
- Revenue  
Net of the GASB 45 allocation of 1%, the approved tuition increase is 2.0% for in-state and NEBHE students at CCV, JSC and VTC. Net of the GASB allocation of 1% CSC increased its tuition 4% (with 2% being committed to student aid) and LSC increased tuition 3% (with 1% being committed to student aid). Net of the GASB 45 allocation of 1%, out-of-state tuition will increase 2% at CCV, JSC and VTC, 3% at LSC and 5% at CSC. Fees and board rates increased 3%.
- State Operating Appropriation  
The state operating appropriation for FY2015 was at the governor's recommended amount of \$23,872,565. In addition \$119,363 is being added to the VSC base allocation.
- Salaries/Benefits  
Unless otherwise stipulated by union contract VSC employees received a 2% pay increase. Health insurance will increase 4.3%, which is a combination of 1.1% enrollment growth and 3.2% expense increase. Our experience and trend line for FY2015 lead us to believe this is the appropriate increase to maintain a balance of



covering predicted costs and maintaining a sufficient cushion for unanticipated increases.

Wages and attendant costs continue to dominate our expense structure accounting for 68% of our unrestricted operating expenses. A large majority of the VSC full time employees belong to one of the five unions. The union contracts contain agreed upon pay increases over the life of the contracts.

The GASB 45 net annual accrual (Other Post-Employment Benefits) impact on the FY2015 is approximately \$7,645,000. This is the third year that we have budgeted to put money aside to partially fund our GASB obligation. This amount will be ~ \$6,000,000 at the end of FY2015. The total VSC liability for the GASB 45 liability, which includes both past and future obligations Medical/Dental/Life, is \$171,121,000. This amount includes medical and life insurance for all employees. This is being allocated according to employee headcount. As we have discussed in the past the portion of this liability not funded with cash will end up being a reduction to our fund balance.

- Other Operating

Throughout the budget, colleges have undertaken substantial adjustments and realignments in order to mitigate the impact of inflation on expenses, enrollment and other priorities.

The State of Vermont's FY2015 budget included the following appropriations:

<b>VSC Appropriations</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>
Base	\$22,679,349	\$22,679,349	<b>\$23,372,565</b>
Addition to Base	\$0	\$693,216	<b>\$119,363</b>
Transfer of Next Gen Scholarships into base	n/a	\$500,000	<b>\$500,000</b>
<b>Total</b>	<b>\$22,679,349</b>	<b>\$23,872,565</b>	<b>\$23,991,928</b>

<b>VSC Appropriations</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>
Allied Health General Fund	\$711,096	\$744,591	<b>\$748,314</b>
Allied Health Global Commitment	\$405,407	\$405,407	<b>\$409,461</b>
<b>Allied Health Total</b>	<b>\$1,116,503</b>	<b>\$1,149,998</b>	<b>\$1,157,775</b>

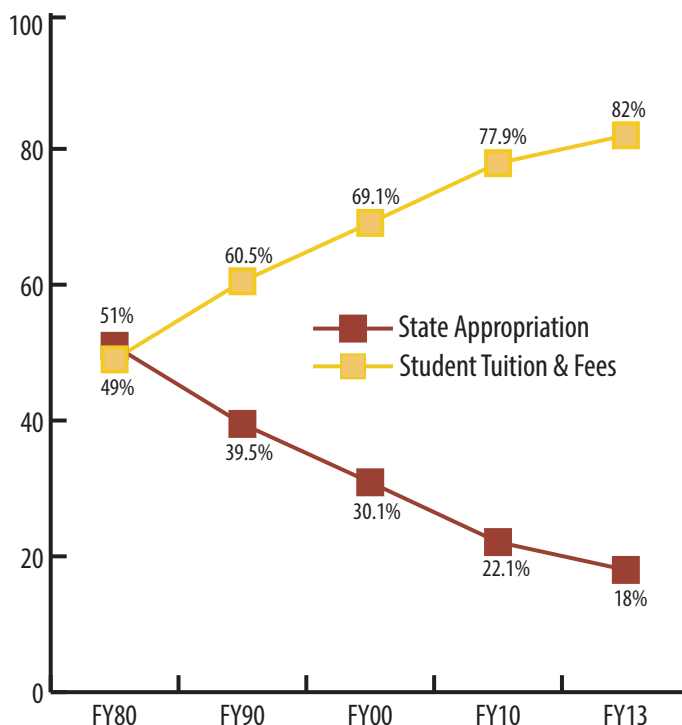
**Targeted Appropriations**

	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>
VSC-Capital	\$1,800,000	\$1,392,000	<b>\$1,392,000</b>
VMEC	\$427,898	\$427,898	<b>\$427,898</b>
VIT-Operating	\$785,679	\$809,249	<b>\$817,341</b>
VIT-Capital	\$299,241	\$286,285	<b>\$286,285</b>
Next Generation Scholarships	\$500,000	*	*
Dual Enrollment	\$400,000	\$800,000	<b>\$800,000</b>

\*included in base

Higher education appropriations in Vermont per FTE continue to rank either last or second to last in the country by a substantial margin. In FY2013, the state of Vermont provided \$2,655 per FTE (FY2012 was \$2,651). The only state with less appropriation per FTE was New Hampshire. In FY2013, New York provided \$7,843 per FTE and Massachusetts provided \$5,672 per FTE. The top five states per FTE in FY2013: Wyoming - \$16,474; Alaska - \$12,932; Illinois - \$9,439; North Carolina - \$8,687 and New Mexico - \$8,580. (*Source: SHEEO, State Higher Education Finance Report, FY 2013*).

The graph below tracks VSC revenue streams over thirty-years.



It is worth noting that in 1980, the state operating appropriation contributed more than tuition and fees. The current mix is more than \$4 of tuition and fees to \$1 of state appropriation. The lack of state funding puts a significant amount of pressure on the VSC mission of maintaining affordability through low levels of tuitions and fees. These five colleges are the access institutions for many Vermonters. Eighty-three (83%) of all VSC students are Vermonters and 53% of the Vermont students enrolled in the VSC are the first in their families to attend college.

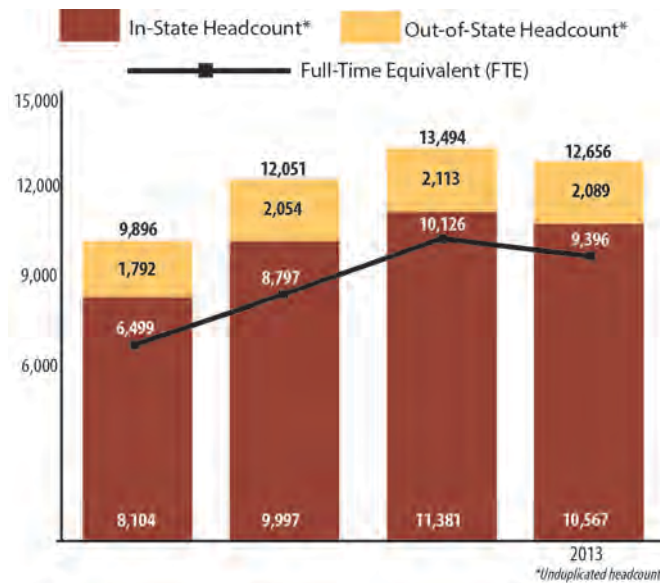
Operating and capital funding levels continue to put our colleges at a competitive disadvantage with regards to facilities, building maintenance and academic equipment purchases.

Despite these challenges, the colleges continue to have an impact in every region of our state. During 2014, the VSC served ~9,400 full time equivalent students.

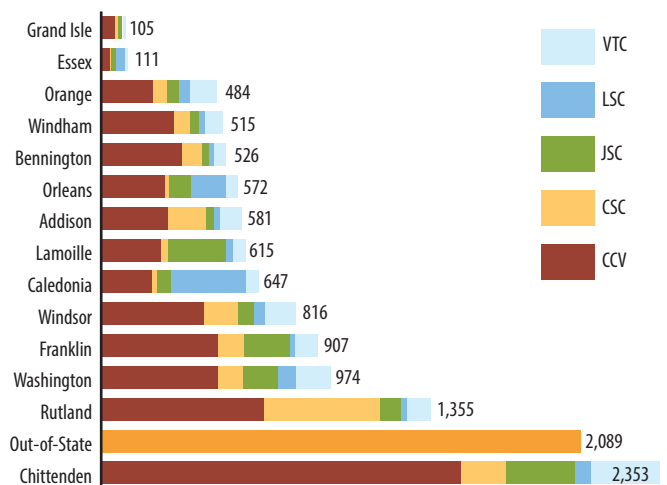
In spite of the financial challenges faced by the VSC we remain highly cognizant and sensitive to the burden of tuition and fees on our students. We strive to keep our increases to a minimum. The Vermont State Colleges continue to be the most affordable colleges in Vermont.

We are entering the sixth year of a significant reduction in the number of high school graduates in Vermont. Our extensive work with high schools, dual enrollment, and the PreK-16 continuum should contribute to an increase in college continuation rates in Vermont and increased affiliation with the state colleges. For the past few years approximately 700 high school students participated in our dual enrollment program. The guidance counselor perception of quality at the VSC is high.

### VSC Fall Enrollment



### VSC Headcount Enrollment by County of Residence, Fall 2013



**Statement of Revenues, Expenses and Changes in Net Assets**  
**Draft Unrestricted Budget - FY2015**  
**CCV**

5/22/14

	FY2014 Budget	FY2015 % Assumptions	FY2015 \$ Assumptions	College Adjustments	FY2015 Budget
<b>REVENUES</b>					
Operating Revenues					
Tuition and Fees (Gross)	24,500,229	3.00%	735,007	(1,117,701)	24,117,535
(Less Scholarship Allowance)	428,480	3.00%	12,854	(12,854)	428,480
410 Net Tuition and Fees:	24,071,749		722,152	(1,104,847)	23,689,054
420 Federal Grants and Contracts	12,649	0.00%	0	0	12,649
430 State and Local Grants and Contracts	0	0.00%	0	0	0
440 Non-Governmental Grants and Contracts	0	0.00%	0	0	0
450 Interest Income (from Accts Receivable)	0	0.00%	0	0	0
460 Interest on Student Loans Receivable	0	0.00%	0	0	0
470 Sales and Services	70,000	0.00%	0	30,000	100,000
480 Auxiliary Enterprises	0	0.00%	0	0	0
490 Other Operating Revenue	25,000	3.00%	750	(750)	25,000
<b>TOTAL OPERATING REVENUE</b>	<b>24,179,398</b>		<b>722,902</b>	<b>(1,075,597)</b>	<b>23,826,703</b>
<b>EXPENSES</b>					
Operating Expenses					
510 Salaries and Wages	15,985,509	actual	319,710	(800,063)	15,505,156
Employee Benefits - Group Insurance	2,487,438	6.10%	151,734	(14,977)	2,624,195
Employee Benefits - GASB 45	518,938	actual	0	0	518,938
Payment to Trust Fund for GASB 45 Benefits	483,027	actual	0	227,645	710,672
520 Employee Benefits - All Other	2,615,743	3.00%	78,472	(145,906)	2,548,309
530 Scholarships and Fellowships	315,877	3.00%	9,476	(9,476)	315,877
540 Supplies and Other Services	3,935,977	2.00%	78,720	(148,438)	3,866,259
Travel	230,000	4.00%	9,200	(29,000)	210,200
Equipment	195,051	2.00%	3,901	(11,900)	187,052
Library Acquisitions	0	2.00%	0	0	0
550 Utilities	300,000	10.00%	30,000	(40,000)	290,000
Transfers	0	actual	0	0	0
910 Inter-Entity	2,817,428	actual	0	(149,916)	2,667,512
920 Intra-Entity	(216,675)	actual	0	50,000	(166,675)
560 Depreciation	0	actual	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>29,668,313</b>		<b>681,213</b>	<b>(1,072,031)</b>	<b>29,277,495</b>
Operating Income (Loss)	(5,488,915)		41,689	(3,566)	(5,450,792)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
710 State Appropriation	4,774,513	0.50%	23,873	0	4,798,386
720 Gifts	30,000	0.00%	0	10,000	40,000
730 Investment Income (Net of Expense)	165,464	0.00%	0	(71,996)	93,468
740 Interest Expenses on Capital Debt	0	0.00%	0	0	0
770 Other Non-Operating Revenues	0	0.00%	0	0	0
Use of Strategic Reserve	0	0.00%	0	0	0
Net Non-Operating Revenues	4,969,977		23,873	(61,996)	4,931,854
Income before Other Rev, Exp, Gains, Losses	(518,938)		65,562	(65,562)	(518,938)
760 Capital Appropriations	0	0.00%	0	0	0
760 Capital Grants and Gifts	0	0.00%	0	0	0
750 Additions to Non-Expendable Assests	0	0.00%	0	0	0
Increase/(Decrease)in Net Assets	(518,938)		65,562	(65,562)	(518,938)
Increase (Decrease) in GASB 45 Liability	518,938		0	0	518,938
<b>TOTAL</b>	<b>0</b>		<b>65,562</b>	<b>(65,562)</b>	<b>(0)</b>

Community College of Vermont  
FY 2015 Budget Submission  
Adjustment Narrative

The following narrative briefly explains the college adjustments reflected in the Statement of Revenues, Expenses and Changes in Net Assets submitted for Fiscal Year 2015.

Operating Revenues:

Net Tuition and Fees – reduction reflects a conservative projection in student enrollment.

Sales and Service – anticipated modest increase due to growth in workforce education.

Other Operating Revenue – projected to remain stable.

Operating Expenses:

Salaries and Wages – a 2% increase in staff and faculty salaries is reflected. Adjustments reflect position adjustments due to retirements, position turnover and adjusting projected faculty hires to reflect projected class needs.

Employee Benefits - Group Insurance: Based upon actual participation that changes from year to year and employee to employee and reflective of current positions.

Payment to Trust Fund, GASB – calculated at 3% of net tuition and fees.

Employee Benefits – Other: Based upon actual predicted costs that are slightly less than budgeted 2014.

Scholarships and Fellowships – planned to remain at FY 2013 level.

Supplies and Services – reduction based upon actual performance of FY 2014 and planned efficiencies.

Travel – includes employee and class travel and is reduced based upon actual performance of FY 2014.

Equipment – adjusted to reflect anticipated needs.

Utilities – adjusted to reflect historical pattern now that new facilities are on line and systems are balanced.

Transfers – Inter-Entity: budgeted to reflect actual costs as well as reflect projections of college transfers for student tuition.

Transfers – Intra-Entity – reduced to reflect end of TAACCCCT grant administration

Gifts – modest increase projected to reflect actual recent pattern

**Statement of Revenues, Expenses and Changes in Net Assets**  
**Draft Unrestricted Budget - FY2015**  
**CSC**

5/22/14

	FY2014 Budget	FY2015 % Assumptions	FY2015 \$ Assumptions	College Adjustments	FY2015 Budget
<b>REVENUES</b>					
Operating Revenues					
Tuition and Fees (Gross)	29,884,788	3.00%	896,544	858,154	31,639,486
(Less Scholarship Allowance)	220,000	3.00%	6,600	93,400	320,000
410 Net Tuition and Fees:	29,664,788		889,944	764,754	31,319,486
420 Federal Grants and Contracts	0	0.00%	0	0	0
430 State and Local Grants and Contracts	0	0.00%	0	0	0
440 Non-Governmental Grants and Contracts	0	0.00%	0	0	0
450 Interest Income (from Accts Receivable)	0	0.00%	0	0	0
460 Interest on Student Loans Receivable	0	0.00%	0	0	0
470 Sales and Services	830,000	3.00%	24,900	(30,900)	824,000
480 Auxiliary Enterprises	10,408,224	3.00%	312,247	(195,581)	10,524,890
490 Other Operating Revenue	177,500	3.00%	5,325	(41,825)	141,000
<b>TOTAL OPERATING REVENUE</b>	<b>41,080,512</b>		<b>1,232,415</b>	<b>496,448</b>	<b>42,809,375</b>
<b>EXPENSES</b>					
Operating Expenses					
510 Salaries and Wages	18,404,839	actual	401,574	(280,569)	18,525,844
Employee Benefits - Group Insurance	5,046,245	6.10%	307,821	219,034	5,573,100
Employee Benefits - GASB 45	1,468,517	actual	0	0	1,468,517
Payment to Trust Fund for GASB 45 Benefits	564,580	actual	0	308,017	872,597
520 Employee Benefits - All Other	4,216,104	3.00%	126,483	334,491	4,677,078
530 Scholarships and Fellowships	1,620,566	3.00%	48,617	(256,806)	1,412,377
540 Supplies and Other Services	8,169,253	2.00%	163,385	107,917	8,440,555
Travel	446,818	4.00%	17,873	15,309	480,000
Equipment	459,901	2.00%	9,198	1,901	471,000
Library Acquisitions	415,050	2.00%	8,301	(851)	422,500
550 Utilities	2,174,318	10.00%	217,432	(114,603)	2,277,147
Transfers	0	actual	0	0	0
910 Inter-Entity	5,399,359	actual	0	(31,363)	5,367,996
920 Intra-Entity	(303,915)	actual	0	0	(303,915)
560 Depreciation	0	actual	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>48,081,635</b>		<b>1,300,684</b>	<b>302,477</b>	<b>49,684,796</b>
Operating Income (Loss)	(7,001,123)		(68,268)	193,971	(6,875,420)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
710 State Appropriation	4,774,513	0.50%	23,873	0	4,798,386
720 Gifts	435,000	0.00%	0	20,000	455,000
730 Investment Income (Net of Expense)	323,093	0.00%	0	(169,575)	153,518
740 Interest Expenses on Capital Debt	0	0.00%	0	0	0
770 Other Non-Operating Revenues	0	0.00%	0	0	0
Use of Strategic Reserve	0	0.00%	0	0	0
Net Non-Operating Revenues	5,532,606		23,873	(149,575)	5,406,904
Income before Other Rev, Exp, Gains, Losses	(1,468,517)		(44,396)	44,396	(1,468,517)
760 Capital Appropriations	0	0.00%	0	0	0
760 Capital Grants and Gifts	0	0.00%	0	0	0
750 Additions to Non-Expendable Assets	0	0.00%	0	0	0
Increase/(Decrease)in Net Assets	(1,468,517)		(44,396)	44,396	(1,468,517)
Increase (Decrease) in GASB 45 Liability	1,468,517		0	0	1,468,517
<b>TOTAL</b>	<b>0</b>		<b>(44,396)</b>	<b>44,396</b>	<b>0</b>

Castleton State College  
FY2015 Budget Submission  
Explanation of Adjustments

Some of our budget line items do not reflect a straight across the board percentage increase, so adjustments have been made to bring them in line with the actual expectations of the upcoming fiscal year. Explanations of these line item adjustments are listed below:

Operating Revenues

Tuition and Fees- The adjustments incorporate the changes to the Out-of State and Nursing tuition rates with consideration of the new GASB funding plan. Based on the number of new student deposits received by the beginning of May and returning student forecasts, adjustments to the projected enrollment figures were also integrated.

Allowances- Historic actuals are used to project the amount of funding needed to support our discounted programs.

Sales and Services- There is a slight decrease in the Sales and Service line primarily based on the expectations related to Conferences and Events and our Polling Institute.

Auxiliary- An adjustment is needed based on the projected number of students and the corresponding increases in room and meal rates.

Other Operating- The detail in this line is based on historical actuals. An adjustment in this line will reflect anticipated activity in FY15.

Operating Expenses

Salaries and Wages- The increase in this line item is the result of the variety of salary percentage increases for the different bargaining units and the open positions needed for campus operations.

Benefits- Group insurance is based on actual employees with allocations for currently open positions. Other benefit increases are for tuition/room remission, and professional development funds that are based on a combination of projected actual results and contract percentage increases.

Scholarships- This line reflects what is projected to be awarded to students this upcoming academic year.

Supplies and Travel- Adjustments to our operational budgets have been made to compensate for resulting budgets adjustments in other areas.



Library- This adjustment is based on the projections of increases to operating costs.

Utilities- The adjustment is based on prior year actuals, while also taking into consideration the projected increases in fuel prices, electricity rates and any new additional square footage coverage.

Transfers- The adjustment to these lines reflect the net result of scheduled increases in our debt service, and other additional Chancellor's Office chargebacks.

#### Non-Operating Revenue-

Gifts- Based on actual results during fiscal year 2014, Development has increased gift projections to reflect anticipated results.

Investment Income- This adjustment is based on projections provided by the Chancellor's Office.

**Statement of Revenues, Expenses and Changes in Net Assets**  
**Draft Unrestricted Budget - FY2015**  
**JSC**

5/22/14

	FY2014 Budget	FY2015 % Assumptions	FY2015 \$ Assumptions	College Adjustments	FY2015 Budget
<b>REVENUES</b>					
Operating Revenues					
Tuition and Fees (Gross)	18,996,001	3.00%	569,880	(1,029,603)	18,536,278
(Less Scholarship Allowance)	918,217	3.00%	27,547	(98,019)	847,745
410 Net Tuition and Fees:	18,077,784		542,334	(931,584)	17,688,534
420 Federal Grants and Contracts	0	0.00%	0	0	0
430 State and Local Grants and Contracts	0	0.00%	0	0	0
440 Non-Governmental Grants and Contracts	0	0.00%	0	0	0
450 Interest Income (from Accts Receivable)	0	0.00%	0	0	0
460 Interest on Student Loans Receivable	0	0.00%	0	0	0
470 Sales and Services	384,480	3.00%	11,534	152,492	548,506
480 Auxiliary Enterprises	4,987,244	3.00%	149,617	(530,688)	4,606,173
490 Other Operating Revenue	167,741	3.00%	5,032	(47,135)	125,638
<b>TOTAL OPERATING REVENUE</b>	<b>23,617,249</b>		<b>708,517</b>	<b>(1,356,915)</b>	<b>22,968,851</b>
<b>EXPENSES</b>					
Operating Expenses					
510 Salaries and Wages	11,888,545	actual	261,256	(918,539)	11,231,262
Employee Benefits - Group Insurance	3,209,515	6.10%	195,780	17,238	3,422,533
Employee Benefits - GASB 45	924,048	actual	0	(194,929)	729,119
Payment to Trust Fund for GASB 45 Benefits	352,225	actual	0	194,929	547,155
520 Employee Benefits - All Other	2,598,898	3.00%	77,967	(177,459)	2,499,406
530 Scholarships and Fellowships	1,563,589	3.00%	46,908	458,503	2,069,000
540 Supplies and Other Services	3,891,481	2.00%	77,830	3,949	3,973,260
Travel	271,338	4.00%	10,854	43,988	326,180
Equipment	221,031	2.00%	4,421	(5,421)	220,031
Library Acquisitions	170,839	2.00%	3,417	(36,376)	137,880
550 Utilities	1,507,325	10.00%	150,733	(149,635)	1,508,423
Transfers	0	actual	0	0	0
910 Inter-Entity	3,544,084	actual	0	58,212	3,602,296
920 Intra-Entity	(542,442)	actual	0	(200,000)	(742,442)
560 Depreciation	0	actual	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>29,600,477</b>		<b>829,165</b>	<b>(905,540)</b>	<b>29,524,102</b>
Operating Income (Loss)	(5,983,228)		(120,647)	(451,375)	(6,555,250)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
710 State Appropriation	4,774,513	0.50%	23,873	0	4,798,386
720 Gifts	0	0.00%	0	189,851	189,851
730 Investment Income (Net of Expense)	284,667	0.00%	0	(121,773)	162,894
740 Interest Expenses on Capital Debt	0	0.00%	0	0	0
770 Other Non-Operating Revenues	0	0.00%	0	0	0
Use of Strategic Reserve	0	0.00%	0	675,000	675,000
Net Non-Operating Revenues	5,059,180		23,873	743,078	5,826,131
Income before Other Rev, Exp, Gains, Losses	(924,048)		(96,774)	291,703	(729,119)
760 Capital Appropriations	0	0.00%	0	0	0
760 Capital Grants and Gifts	0	0.00%	0	0	0
750 Additions to Non-Expendable Assets	0	0.00%	0	0	0
Increase/(Decrease)in Net Assets	(924,048)		(96,774)	291,703	(729,119)
Increase (Decrease) in GASB 45 Liability	924,048		0	(194,929)	729,119
<b>TOTAL</b>	<b>0</b>		<b>(96,774)</b>	<b>96,774</b>	<b>(0)</b>



## **FY2015 College Adjustments Narrative**

### **REVENUES**

#### **1. Net Tuition and Fees (932k)**

This reduction reflects an adjustment in tuition and fee revenue based on actual performance during FY14. In addition, we are projecting cautiously and, therefore, budgeting for a 2% reduction in undergraduate students due largely to smaller incoming classes during the previous three fiscal years. Early admissions data indicates a slight growth with out-of-state deposits as well as 14 Early College deposits.

#### **2. Sales and Services +152k**

This reduction reflects an adjustment in sales and service revenue based on actual performance during FY14.

#### **3. Auxiliary Enterprises (531k)**

This reduction reflects an adjustment in room and board revenue based on actual performance during FY14. The college is expecting the number of residents for FY15 to remain constant with FY14.

### **EXPENSES**

#### **1. Wages and Benefits exclusive of GASB 45 Liability (1,071k)**

This reduction reflects an adjustment in wage and benefit expenses based on actual performance during FY14. Wage reductions reflect the retirement of long-term employees, holding open vacant positions where possible, tight management of part-time faculty budgets, and a reduction in force. Further benefit reductions were made based on actual participation and thus reflect a lower than budgeted increase. A decrease in salaries and benefits explained in the preceding sentences is offset somewhat by faculty replacements.

#### **2. Payment to Trust Fund for GASB 45 +195k**

This adjustment reflects the required step up in contribution from 2% to 3% of net tuition to the GASB 45 trust fund as well as the college's additional contribution of 1.12% of VSEA wages.

**3. Scholarships and Fellowships +458k**

This adjustment reflects an increased commitment in funds for merit based financial assistance to Vermonters as well as year four of the college's success scholarship for out-of-state students.

**4. Utilities (150k)**

This reduction is based on actual performance during FY14 and a savings from contemplated closure of the pool in the second quarter of FY15.

**5. Intra Entity Transfers (200k)**

The proceeds from the sale of property transferred from the invested in capital entity.

**NON-OPERATING REVENUES****1. Gifts +190k**

Reflects a level of giving consistent with FY14 and includes an anticipated \$75k unrestricted gift from the Prescott Stearns Estate.

**2. Investment Income (122k)**

Reflects the level of investment income anticipated by the Chancellor's Office.

**3. College Reserves +675k**

Johnson State College will use a portion of its reserves as part of a strategy to realign revenue with expenses. Among the tactics to achieving a stronger fiscal position are adjustments to academic programming, recruitment of students, revisions to instructional staffing, improved student persistence and fund raising. By preserving the structure necessary to deliver high academic and co-curricular programming, the college can focus on diversifying and expanding enrollment and restructuring expenses.

**Statement of Revenues, Expenses and Changes in Net Assets**  
**Draft Unrestricted Budget - FY2015**  
**LSC**

5/22/14

	FY2014 Budget	FY2015 % Assumptions	FY2015 \$ Assumptions	College Adjustments	FY2015 Budget
<b>REVENUES</b>					
Operating Revenues					
Tuition and Fees (Gross)	20,575,727	3.00%	617,272	784,670	21,977,669
(Less Scholarship Allowance)	2,217,845	3.00%	66,535	407,589	2,691,969
410 Net Tuition and Fees:	18,357,882		550,736	377,081	19,285,699
420 Federal Grants and Contracts	0	0.00%	0	0	0
430 State and Local Grants and Contracts	0	0.00%	0	0	0
440 Non-Governmental Grants and Contracts	0	0.00%	0	0	0
450 Interest Income (from Accts Receivable)	0	0.00%	0	0	0
460 Interest on Student Loans Receivable	0	0.00%	0	0	0
470 Sales and Services	703,279	3.00%	21,098	0	724,377
480 Auxiliary Enterprises	5,893,250	3.00%	176,798	9,952	6,080,000
490 Other Operating Revenue	113,318	3.00%	3,400	(26,718)	90,000
TOTAL OPERATING REVENUE	25,067,729		752,032	360,315	26,180,076
<b>EXPENSES</b>					
Operating Expenses					
510 Salaries and Wages	11,111,146	actual	245,781	14,892	11,371,819
Employee Benefits - Group Insurance	3,698,489	6.10%	225,608	(229,430)	3,694,667
Employee Benefits - GASB 45	807,426	actual	0	(157,426)	650,000
Payment to Trust Fund for GASB 45 Benefits	361,781	actual	0	252,729	614,510
520 Employee Benefits - All Other	2,836,263	3.00%	79,088	5,442	2,720,793
530 Scholarships and Fellowships	1,718,480	3.00%	51,554	187,185	1,957,219
540 Supplies and Other Services	5,032,189	2.00%	100,644	90,643	5,223,476
Travel	557,428	4.00%	22,297	(5,575)	574,150
Equipment	507,631	2.00%	10,153	114,924	632,708
Library Acquisitions	181,299	2.00%	3,626	(1,813)	183,112
550 Utilities	1,614,154	10.00%	161,415	(151,569)	1,624,000
Transfers	0	actual	0	0	0
910 Inter-Entity	3,145,708	actual	0	37,265	3,182,973
920 Intra-Entity	(307,440)	actual	0	(9,560)	(317,000)
560 Depreciation	0	actual	0	0	0
TOTAL OPERATING EXPENSES	31,064,554		900,166	147,707	32,112,427
Operating Income (Loss)	(5,996,825)		(148,134)	212,608	(5,932,351)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
710 State Appropriation	4,774,513	0.50%	23,873	0	4,798,386
720 Gifts	161,530	0.00%	0	10,000	171,530
730 Investment Income (Net of Expense)	253,356	0.00%	0	(110,920)	142,436
740 Interest Expenses on Capital Debt	0	0.00%	0	0	0
770 Other Non-Operating Revenues	0	0.00%	0	0	0
Use of Strategic Reserve	0	0.00%	0	170,000	170,000
Net Non-Operating Revenues	5,189,399		23,873	69,080	5,282,352
Income before Other Rev, Exp, Gains, Losses	(807,426)		(124,262)	281,688	(650,000)
760 Capital Appropriations	0	0.00%	0	0	0
760 Capital Grants and Gifts	0	0.00%	0	0	0
750 Additions to Non-Expendable Assets	0	0.00%	0	0	0
Increase/(Decrease)in Net Assets	(807,426)		(124,262)	281,688	(650,000)
Increase (Decrease) in GASB 45 Liability	807,426		0	(157,426)	650,000
TOTAL	0		(124,262)	124,262	0

Lyndon State College  
FY2015 Operating Budget Narrative

Tuition and fees are in line with the system assumptions. LSC is assuming flat enrollment for next year.

The scholarship allowance increases because of the change in NEHBE and Good Neighbor rates. Additionally the Frontier scholarship (actually a waiver) has been correctly reclassified to this line. This is matched with a corresponding decrease to scholarship expense.

Auxiliary revenues increase because we are budgeting more closely to actual revenue history.

Likewise the decrease in other revenues reflects the recognition, in the budget, of more realistic assumptions on that score.

Salaries increase slightly as a result of many "ups" and "downs". Extraordinary expenses in NBU last year are not continuing, early retirement commitments to certain faculty are winding down, and there are some faculty retirements. These combine to fund new faculty lines and promotions, raise assumptions, reclassifications that occurred during FY14, and reserves for bargaining unit settlements.

Benefits decrease because we are not expensing the approximately \$200,000 for the self insurance reserve but are funding the increase in the reserve of approximately \$22,000. Likewise we are not budgeting an internal transfer for the return of the self insurance reserve. Benefits also decrease because the final % increase in the expense was lower than the initial budget factor of 6.1%.

The GASB 45 expense is budgeted based upon our actual experience this year. The transfer to fund is calculated as 3% of net tuition plus the increment under the VSEA contract.

Scholarships and fellowships are up because we are incorporating into the budget the increase in scholarship expense realized in FY14. Additionally we funding the fellowship program for needy Vermont students that was included in LSC's tuition proposal. Lastly, we are using a base assumption of a 4% aid increase since our tuition increased by 4%. Offsetting those increases, we are transferring the Frontier "scholarship," which is more accurately characterized as a "waiver," to the net tuition calculation line.

Supplies is increasing to reflect premium increases and dining charges which are higher than the assumed inflation rate for the supplies line. Additionally, we are budgeting for the portion of the IDC recovery put back into department budgets. Offsetting those increases, we are assuming a general inflation rate of 1% instead of 2%, as part of the measures put in place to balance the budget.

Equipment is higher than the pro forma budget reflecting two key investments in equipment: increased funding for the science lab renovation and replacement/upgrade of aging infrastructure in IT. These projects will be funded by the College's reserves, specifically the unspent carryover from FY12. As a budget saving measure, the base rate of increase in equipment spending was decreased from 2% to 1%.

The utilities budget is lower than the pro forma budget calculation because the historical budget was simply higher than needed. The College has gone through a process of forecasting energy usage based on historical consumption and normalized weather data.

The transfer budget increases with the correction of an omitted budget item in FY14, the increase for the Chancellor's Office, and the change in debt payments. Partially offsetting that increase is the change in the venture capital funding requirement.

Gifts increased by \$10,000 to reflect higher expectations for this line.

Investment income has been decreased to reflect lowered revenue expectations.

The College proposes to use reserves to fund the two equipment projects discussed above and to fund the first year the expanded IA operations. In future years, increased giving will justify the increased expense and reserve funding will not be required.

**Statement of Revenues, Expenses and Changes in Net Assets**  
**Draft Unrestricted Budget - FY2015**  
**VTC**

5/22/14

	FY2014 Budget	FY2015 % Assumptions	FY2015 \$ Assumptions	College Adjustments	FY2015 Budget
<b>REVENUES</b>					
Operating Revenues					
Tuition and Fees (Gross)	17,382,700	3.00%	521,481	(1,360,673)	16,543,508
(Less Scholarship Allowance)	882,500	3.00%	26,475	(271,975)	637,000
410 Net Tuition and Fees:	16,500,200		495,006	(1,088,698)	15,906,508
420 Federal Grants and Contracts	0	0.00%	0	0	0
430 State and Local Grants and Contracts	0	0.00%	0	0	0
440 Non-Governmental Grants and Contracts	0	0.00%	0	0	0
450 Interest Income (from Accts Receivable)	0	0.00%	0	0	0
460 Interest on Student Loans Receivable	0	0.00%	0	0	0
470 Sales and Services	1,223,987	3.00%	36,720	353,593	1,614,300
480 Auxiliary Enterprises	4,383,800	3.00%	131,514	(359,814)	4,155,500
490 Other Operating Revenue	226,050	3.00%	6,782	(26,782)	206,050
<b>TOTAL OPERATING REVENUE</b>	<b>22,334,037</b>		<b>670,021</b>	<b>(1,121,701)</b>	<b>21,882,357</b>
<b>EXPENSES</b>					
Operating Expenses					
510 Salaries and Wages	11,446,900	actual	248,639	(571,906)	11,123,633
Employee Benefits - Group Insurance	3,721,191	6.10%	226,993	(356,784)	3,591,400
Employee Benefits - GASB 45	1,144,283	actual	0	(296,683)	847,600
Payment to Trust Fund for GASB 45 Benefits	308,286	actual	0	168,909	477,195
520 Employee Benefits - All Other	2,727,720	3.00%	81,832	(132,502)	2,677,050
530 Scholarships and Fellowships	546,080	3.00%	16,382	222,538	785,000
540 Supplies and Other Services	5,652,526	2.00%	113,051	661,641	6,427,218
Travel	250,730	4.00%	10,029	(45,224)	215,535
Equipment	175,300	2.00%	3,506	(120,306)	58,500
Library Acquisitions	276,000	2.00%	5,520	3,980	285,500
550 Utilities	1,477,300	10.00%	147,730	(79,630)	1,545,400
Transfers	0	actual	0	0	0
910 Inter-Entity	1,758,957	actual	0	289,147	2,048,104
920 Intra-Entity	(44,000)	actual	0	93,900	49,900
560 Depreciation	0	actual	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>29,441,273</b>		<b>853,681</b>	<b>(162,920)</b>	<b>30,132,034</b>
Operating Income (Loss)	(7,107,236)		(183,660)	(958,781)	(8,249,677)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
710 State Appropriation	4,774,513	0.50%	23,873	0	4,798,386
720 Gifts	52,000	0.00%	0	74,000	126,000
730 Investment Income (Net of Expense)	161,670	0.00%	0	(88,988)	72,682
740 Interest Expenses on Capital Debt	0	0.00%	0	0	0
770 Other Non-Operating Revenues	0	0.00%	0	0	0
VSC Line of Credit	974,770		0	(974,770)	0
Net Non-Operating Revenues	5,962,953		23,873	(989,758)	4,997,068
Income before Other Rev, Exp, Gains, Losses	(1,144,283)		(159,788)	(1,948,539)	(3,252,610)
760 Capital Appropriations	0	0.00%	0	0	0
760 Capital Grants and Gifts	0	0.00%	0	0	0
750 Additions to Non-Expendable Assests	0	0.00%	0	0	0
Increase/(Decrease)in Net Assets	(1,144,283)		(159,788)	(1,948,539)	(3,252,610)
Increase (Decrease) in GASB 45 Liability	1,144,283		0	(296,683)	847,600
<b>TOTAL</b>	<b>0</b>		<b>(159,788)</b>	<b>(2,245,222)</b>	<b>(2,405,010)</b>



**Vermont Technical College**  
FY2015 Budget Narrative

**Explanation of College Adjustment column:**

**REVENUES**

1. Net Tuition and Fees

The FY2015 budget is based upon lower FPE from the FY2014 budget. This decrease is slightly offset by tuition increases and an increase in lab fees.

Sales and Services

Sales and Services are expected to increase due primarily to revenue generated by the bio digester, the Vermont Flight Academy and the farm.

2. Auxiliary Enterprises

Room and board income is expected to decrease correspondingly with enrollment projections.

3. Other Operating Revenue

Decline based mostly upon reduced bookstore commissions.

**EXPENSES**

1. Salaries and Wages

Decrease due to reduction in force somewhat offset by contractually mandated increases.

2. Employee Benefits – Group Insurance

Decrease due to reduction in force somewhat offset by a 4.3% insurance increase.

3. Payment to Trust Fund for GASB 45 Benefits

This adjustment reflects the required step up in contribution from 2% to 3% of net tuition to the GASB 45 trust fund as well as the college's additional contribution of 1.12% of VSEA wages.

4. Employee Benefits – All Other

Decrease due to reduction in force.

5. Scholarships and Fellowships

Increase in Scholarships and Fellowships as a strategic initiative.

6. Supplies and other Services

For the most part the FY2015 expenses were either reduced or held flat with FY2014. There were three primary increases; the bio digester coming on line for FY2015, flight fees that are paid to the Vermont Flight

Academy (flight fees are a pass-through) and budgeting for two accreditation visits during FY2015.

7. Travel

Travel has been curtailed except for recruitment, faculty and sport team transportation.

8. Equipment

Equipment purchases have been curtailed except for needed academic equipment.

9. Library acquisitions

Essentially budgeted at FY2014 level.

10. Utilities

The college under budgeted utilities for FY2014. This is a more realistic number.

11. Transfers – Inter/Intra Entity

The net increases here are spread fairly evenly between system chargebacks, debt service, and other inter-entity charges.

**NON-OPERATING REVENUES (EXPENSES)**

1. State Appropriation

This is the same as FY2014 with an anticipated .5% increase.

2. Gifts

We are going to focus on Gifts more during FY2015.

3. Investment Income (Net of Expense)

This reflects the amount given to us by the OC.

4. VSC Line of Credit

During FY2015 VTC will experience a net loss due primarily to a decline in enrollment. This temporary line of credit will give time and space to VTC to continue to execute its marketing and recruitment plan that began during FY2013. The alternative to a line of credit is to make adjustments to balance the FY2015 budget, even though those adjustments might not be good for the long term of the college. This line of credit will be paid down as funds become available. The college will pay interest on the used portion of the line of credit.

**Statement of Revenues, Expenses and Changes in Net Assets**  
**Draft Unrestricted Budget - FY2015**  
**OC**

5/22/14

	FY2014 Budget	FY2015 % Assumptions	FY2015 \$ Assumptions	College Adjustments	FY2015 Budget
<b>REVENUES</b>					
Operating Revenues					
Tuition and Fees (Gross)	0	0.00%	0	0	0
(Less Scholarship Allowance)	0	0.00%	0	0	0
410 Net Tuition and Fees:	0		0	0	0
420 Federal Grants and Contracts	0	0.00%	0	0	0
430 State and Local Grants and Contracts	0	0.00%	0	0	0
440 Non-Governmental Grants and Contracts	0	0.00%	0	0	0
450 Interest Income (from Accts Receivable)	0	0.00%	0	0	0
460 Interest on Student Loans Receivable	0	0.00%	0	0	0
470 Sales and Services	0	0.00%	0	0	0
480 Auxiliary Enterprises	0	0.00%	0	0	0
490 Other Operating Revenue	0	0.00%	0	0	0
<b>TOTAL OPERATING REVENUE</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>EXPENSES</b>					
Operating Expenses					
510 Salaries and Wages	2,235,189	actual	44,704	(5,017)	2,274,876
Employee Benefits - Group Insurance	565,607	6.10%	34,502	4,537	604,646
Employee Benefits - GASB 45	199,046	actual	0	7,814	206,860
Payment to Trust Fund for GASB 45 Benefits	0	actual	0	0	0
520 Employee Benefits - All Other	251,258	3.00%	7,538	446	259,242
530 Scholarships and Fellowships	0	3.00%	0	0	0
540 Supplies and Other Services	3,198,177	2.00%	63,964	(27,089)	3,235,052
Travel	54,692	4.00%	2,188	(2,187)	54,693
Equipment	65,614	2.00%	1,312	(1,312)	65,614
Library Acquisitions	0	2.00%	0	0	0
550 Utilities	0	10.00%	0	0	0
Transfers	0	actual	0	0	0
910 Inter-Entity	(12,149,347)	actual	0	(189,892)	(12,339,239)
920 Intra-Entity	0	actual	0	0	0
560 Depreciation	0	actual	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>(5,579,764)</b>		<b>154,207</b>	<b>(212,700)</b>	<b>(5,638,257)</b>
Operating Income (Loss)	<u>5,579,764</u>		<u>(154,207)</u>	<u>212,700</u>	<u>5,638,257</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
710 State Appropriation	0	0.00%	0	0	0
720 Gifts	0	0.00%	0	0	0
730 Investment Income (Net of Expense)	0	0.00%	0	0	0
740 Interest Expenses on Capital Debt	(5,778,810)	0.00%	0	(66,307)	(5,845,117)
770 Other Non-Operating Revenues	0	0.00%	0	0	0
Use of Strategic Reserve	0	0.00%	0	0	0
Net Non-Operating Revenues	(5,778,810)		0	(66,307)	(5,845,117)
Income before Other Rev, Exp, Gains, Losses	<u>(199,046)</u>		<u>(154,207)</u>	<u>146,393</u>	<u>(206,860)</u>
760 Capital Appropriations	0	0.00%	0	0	0
760 Capital Grants and Gifts	0	0.00%	0	0	0
750 Additions to Non-Expendable Assests	0	0.00%	0	0	0
Increase/(Decrease)in Net Assets	<u>(199,046)</u>		<u>(154,207)</u>	<u>146,393</u>	<u>(206,860)</u>
Increase (Decrease) in GASB 45 Liability	199,046		0	7,814	206,860
<b>TOTAL</b>	<b>0</b>		<b>(154,207)</b>	<b>154,207</b>	<b>(0)</b>

**Office of the Chancellor**

## FY2015 Budget Narrative

**EXPENSES**Overall

The FY2015 OC budget increased 2% over FY2014.

Salaries and Wages

OC staff received a 2% increase.

Employee Benefits

Health insurance generally increased by 4.3%. A few staff members changed their plan status as well.

Supplies and Other Services

This line decreased year over year primarily due to reduced spending in the departments.

Travel

No significant change.

Equipment

No significant change.

Inter-Entity Transfer

This increase reflects the change of expense activity flowing through the OC books for the colleges.

Interest Expenses on Capital Debt

This is based upon the VSC debt amortization schedule.

**Statement of Revenues, Expenses and Changes in Net Assets**  
**Draft Unrestricted Budget - FY2015**  
**TOTAL (Before N&AHP, VIT, WD)**

5/22/14

	FY2014 Budget	FY2015 % Assumptions	FY2015 \$ Assumptions	College Adjustments	FY2015 Budget
<b>REVENUES</b>					
Operating Revenues					
Tuition and Fees (Gross)	111,339,445	3.00%	3,340,183	(1,865,153)	112,814,475
(Less Scholarship Allowance)	4,667,042	3.00%	140,011	118,141	4,925,194
410 Net Tuition and Fees:	106,672,403		3,200,172	(1,983,294)	107,889,281
420 Federal Grants and Contracts	12,649	0.00%	0	0	12,649
430 State and Local Grants and Contracts	0	0.00%	0	0	0
440 Non-Governmental Grants and Contracts	0	0.00%	0	0	0
450 Interest Income (from Accts Receivable)	0	0.00%	0	0	0
460 Interest on Student Loans Receivable	0	0.00%	0	0	0
470 Sales and Services	3,211,746	0.00%	94,252	505,185	3,811,183
480 Auxiliary Enterprises	25,672,518	4.00%	770,176	(1,076,131)	25,366,563
490 Other Operating Revenue	709,609	3.00%	21,288	(143,210)	587,687
TOTAL OPERATING REVENUE	136,278,925		4,085,888	(2,697,450)	137,667,363
<b>EXPENSES</b>					
Operating Expenses					
510 Salaries and Wages	71,072,128	actual	1,521,664	(2,561,202)	70,032,590
Employee Benefits - Group Insurance	18,728,485	6.10%	1,142,438	(360,382)	19,510,541
Employee Benefits - GASB 45	5,062,258	actual	0	(641,224)	4,421,034
Payment to Trust Fund for GASB 45 Benefits	2,069,900	actual	0	1,152,229	3,222,129
520 Employee Benefits - All Other	15,045,986	3.00%	451,380	(115,488)	15,381,878
530 Scholarships and Fellowships	5,764,592	3.00%	172,938	601,944	6,539,474
540 Supplies and Other Services	29,879,603	2.00%	597,592	688,623	31,165,818
Travel	1,811,006	4.00%	72,440	(22,689)	1,860,757
Equipment	1,624,528	2.00%	32,491	(22,114)	1,634,905
Library Acquisitions	1,043,188	2.00%	20,863	(35,060)	1,028,991
550 Utilities	7,073,097	10.00%	707,310	(535,437)	7,244,970
Transfers	0	actual	0	0	0
910 Inter-Entity	4,516,189	actual	0	13,453	4,529,642
920 Intra-Entity	(1,414,472)	actual	0	(65,660)	(1,480,132)
560 Depreciation	0	actual	0	0	0
TOTAL OPERATING EXPENSES	162,276,488		4,719,114	(1,903,007)	165,092,595
Operating Income (Loss)	(25,997,563)		(633,226)	(794,443)	(27,425,232)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
710 State Appropriation	23,872,565	0.00%	119,363	0	23,991,928
720 Gifts	678,530	0.00%	0	303,851	982,381
730 Investment Income (Net of Expense)	1,188,250	-50.00%	0	(563,254)	624,996
740 Interest Expenses on Capital Debt	(5,778,810)	0.00%	0	(66,307)	(5,845,117)
770 Other Non-Operating Revenues	0	0.00%	0	0	0
Use of Strategic Reserve/VSC Line of Credit	974,770	0.00%	0	(129,770)	845,000
Net Non-Operating Revenues	20,935,305		119,363	(455,480)	20,599,188
Income before Other Rev, Exp, Gains, Losses	(5,062,258)		(513,863)	(1,249,923)	(6,826,044)
760 Capital Appropriations	0	0.00%	0	0	0
760 Capital Grants and Gifts	0	0.00%	0	0	0
750 Additions to Non-Expendable Assets	0	0.00%	0	0	0
Increase/(Decrease)in Net Assets	(5,062,258)		(513,863)	(1,249,923)	(6,826,044)
Increase (Decrease) in GASB 45 Liability	5,062,258		0	(641,224)	4,421,034
TOTAL	0		(513,863)	(1,891,147)	(2,405,010)

VERMONT STATE COLLEGESBOARD OF TRUSTEESRESOLUTIONFY2015 VSC Budget

- WHEREAS, The Finance & Facilities Committee of the Board of Trustees has reviewed the FY2015 budget information presented for the Vermont State Colleges, has discussed individual aspects of the proposals with institutional representatives, and endorses approval by the full Board; therefore, be it
- RESOLVED, That the Board of Trustees of the Vermont State Colleges hereby approves the pre-GASB 45 FY2015 Operating Budget of \$165,092,595 and the post-GASB 45 and VTC deficit decrease in net assets of \$6,826,044. These budgets are consistent with the attached material and subject to final determination of fund balances available on June 30, 2014, and with the use of available carry-over funds to be approved at a later date.

May 22, 2014

b. Nursing & Allied Health Program

The Nursing & Allied Health Program comprises the nursing program, dental hygiene, pharmacy technology, and respiratory therapy. The Nursing & Allied Health Program shares the same assumptions as the VSC budget.

**REVENUES**

1. Net Tuition and Fees

The FY2015 budget is based upon relatively flat enrollment increased slightly by the tuition and lab fee increase.

2. Sales and Services

Clinical revenue is expected to increase slightly.

**EXPENSES**

1. Salaries and Wages

Decrease due to reduction in force somewhat offset by contractually mandated increases.

2. Employee Benefits – Group Insurance

Decrease due to reduction in force somewhat offset by a 4.3% insurance increase.

3. Payment to Trust Fund for GASB 45 Benefits

This adjustment reflects the required step up in contribution from 2% to 3% of net tuition to the GASB 45 trust fund as well as the college's additional contribution of 1.12% of VSEA wages.

4. Employee Benefits – All Other

Decrease due to reduction in force.

5. Scholarships and Fellowships

Increase in scholarships and fellowships as a strategic initiative.

6. Supplies and Other Services

For the most part the FY2015 expenses were either reduced or held flat with FY2014. There were increases in some of our nursing leases.

7. Travel

Travel has been curtailed except for recruitment, faculty and sport team transportation.

8. Equipment

Equipment purchases have been curtailed except for needed academic equipment.

9. Utilities

Utilities increased slightly year over year.

10. Transfers – Inter/Intra Entity

This line item stayed flat compared to FY2014.

**NON-OPERATING REVENUES (EXPENSES)**

1. State Appropriation

There is a .067% increase to the operating appropriation, or \$7,777.



**Statement of Revenues, Expenses and Changes in Net Assets**  
**Draft Unrestricted Budget - FY2015**  
**N&AHP**

5/22/14

	FY2014 Budget	FY2015 % Assumptions	FY2015 \$ Assumptions	College Adjustments	FY2015 Budget
<b>REVENUES</b>					
Operating Revenues					
Tuition and Fees (Gross)	4,743,864	3.00%	142,316	15,336	4,901,516
(Less Scholarship Allowance)	127,500	3.00%	3,825	29,575	160,900
410 Net Tuition and Fees:	4,616,364		138,491	(14,239)	4,740,616
420 Federal Grants and Contracts	0	0.00%	0	0	0
430 State and Local Grants and Contracts	0	0.00%	0	0	0
440 Non-Governmental Grants and Contracts	0	0.00%	0	0	0
450 Interest Income (from Accts Receivable)	0	0.00%	0	0	0
460 Interest on Student Loans Receivable	0	0.00%	0	0	0
470 Sales and Services	164,500	3.00%	4,935	3,065	172,500
480 Auxiliary Enterprises	0	3.00%	0	0	0
490 Other Operating Revenue	0	3.00%	0	0	0
TOTAL OPERATING REVENUE	4,780,864		143,426	(11,174)	4,913,116
<b>EXPENSES</b>					
Operating Expenses					
510 Salaries and Wages	2,796,500	actual	58,086	(108,986)	2,745,600
Employee Benefits - Group Insurance	592,449	6.10%	36,139	(74,888)	553,700
Employee Benefits - GASB 45	44,273	actual	0	(44,273)	0
Payment to Trust Fund for GASB 45 Benefits	89,586	actual	0	52,314	141,900
520 Employee Benefits - All Other	651,600	3.00%	19,548	(80,648)	590,500
530 Scholarships and Fellowships	68,000	3.00%	2,040	26,260	96,300
540 Supplies and Other Services	585,739	2.00%	11,715	211,983	809,437
Travel	48,600	4.00%	1,944	(4,044)	46,500
Equipment	24,700	2.00%	494	(7,228)	17,966
Library Acquisitions	0	2.00%	0	0	0
550 Utilities	17,500	10.00%	1,750	2,750	22,000
Transfers	0	actual	0	0	0
910 Inter-Entity	1,046,188	actual	0	800	1,046,988
920 Intra-Entity	10,000	actual	0	(10,000)	0
560 Depreciation	0	actual	0	0	0
TOTAL OPERATING EXPENSES	5,975,135		131,716	(35,960)	6,070,891
Operating Income (Loss)	(1,194,271)		11,710	24,786	(1,157,775)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
710 State Appropriation	1,149,998	0.67%	7,777	0	1,157,775
720 Gifts	0	0.00%	0	0	0
730 Investment Income (Net of Expense)	0	0.00%	0	0	0
740 Interest Expenses on Capital Debt	0	0.00%	0	0	0
770 Other Non-Operating Revenues	0	0.00%	0	0	0
Net Non-Operating Revenues	1,149,998		7,777	0	1,157,775
Income before Other Rev, Exp, Gains, Losses	(44,273)		19,487	24,786	0
760 Capital Appropriations	0	0.00%	0	0	0
760 Capital Grants and Gifts	0	0.00%	0	0	0
750 Additions to Non-Expendable Assests	0	0.00%	0	0	0
Increase/(Decrease)in Net Assets	(44,273)		19,487	24,786	0
Increase (Decrease) in GASB 45 Liability	44,273		0	(44,273)	0
TOTAL	0		19,487	(19,487)	0

**Nursing & Allied Health Program****FY2015 Budget Narrative****Explanation of College Adjustment column:****REVENUES**1. Net Tuition and Fees

The FY2015 budget is based upon relatively flat enrollment increased slightly by the tuition and lab fee increase.

2. Sales and Services

Clinical revenue is expected to increase slightly.

**EXPENSES**1. Salaries and Wages

Decrease due to reduction in force somewhat offset by contractually mandated increases.

2. Employee Benefits – Group Insurance

Decrease due to reduction in force somewhat offset by a 4.3% insurance increase.

3. Payment to Trust Fund for GASB 45 Benefits

This adjustment reflects the required step up in contribution from 2% to 3% of net tuition to the GASB 45 trust fund as well as the college's additional contribution of 1.12% of VSEA wages.

4. Employee Benefits – All Other

Decrease due to reduction in force.

5. Scholarships and Fellowships

Increase in Scholarships and Fellowships as a strategic initiative.

6. Supplies and other Services

For the most part the FY2015 expenses were either reduced or held flat with FY2014. There were increases in some of our nursing leases.

7. Travel

Travel has been curtailed except for recruitment, faculty and sport team transportation.

8. Equipment

Equipment purchases have been curtailed except for needed academic equipment.

9. Utilities

Utility increased slightly year over year.

10. Transfers – Inter/Intra Entity

This line item stayed flat compared to FY2014.

**NON-OPERATING REVENUES (EXPENSES)**

1. State Appropriation

There is a .067% increase to the operating appropriation, or \$7,777.

VERMONT STATE COLLEGESBOARD OF TRUSTEESRESOLUTIONFY2015 Nursing and Allied Health Program

WHEREAS, The Finance & Facilities Committee of the Board of Trustees has reviewed the FY2015 budget information presented for the VSC Nursing and Allied Health Program, has discussed individual aspects of the proposal with institutional representatives, and endorses approval by the full Board; therefore, be it

RESOLVED, That the Board of Trustees of the Vermont State Colleges hereby approves the FY2015 balanced Operating Budget of \$6,070,891 for the VSC Nursing and Allied Health Program. This budget is consistent with the attached material and subject to final determination of fund balances available on June 30, 2014, and with the use of available carry-over funds to be approved at a later date.

May 22, 2014

c. VIT Budget

Vermont Interactive Technologies' distance learning and videoconferencing services continue to be well utilized by education, business, government and nonprofits for a wide variety of purposes. Use of VIT's newer technologies, such as streaming video, digital recording, and mobile videoconferencing are also growing. In addition, the VIT team is currently supporting a number of in-house videoconferencing systems, including the Vermont Supreme Court. VIT has proven that it can respond to the pace of business by expanding capacity and capabilities as needed. VIT's goal is to anticipate and meet Vermont's emerging needs and provide technology-based solutions.

REVENUES:

Sales and Services

VIT's FY2015 budget assumes a 10% sales and service increase over the FY2014 projected total of \$300,000. This is a decrease from the FY2014 budget. This will be achieved by implementing a service rate increase and by increasing utilization of VIT's services.

State Appropriation

VIT's operating appropriation was increased by \$8,092 for FY2015.

EXPENSES:

This budget assumes a 2% cost of living increase for VIT full-time and part-time staff (yet to be approved by the VIT Coordinating Council). The operating budget will have a new expense in FY2015 because VIT has been asked to contribute \$25,000 to Vermont Tech's overhead. VIT has fully funded its current post retirement obligation. Unless new calculations reveal that VIT's obligation has increased, the organization will not need to pay into the fund in the FY2015 operating budget. This anticipated savings will help tremendously. VIT will continue to monitor expense line items.

**Statement of Revenues, Expenses and Changes in Net Assets**  
**Draft Unrestricted Budget - FY2015**  
**VIT**

5/22/14

	<b>FY2014 Budget</b>	<b>FY2015 % Assumptions</b>	<b>FY2015 \$ Assumptions</b>	<b>College Adjustments</b>	<b>FY2015 Budget</b>
<b>REVENUES</b>					
Operating Revenues					
Tuition and Fees (Gross)	0	0.00%	0	0	0
(Less Scholarship Allowance)	0	0.00%	0	0	0
410 Net Tuition and Fees:	0		0	0	0
420 Federal Grants and Contracts	0	0.00%	0	0	0
430 State and Local Grants and Contracts	0	0.00%	0	0	0
440 Non-Governmental Grants and Contracts	0	0.00%	0	0	0
450 Interest Income (from Accts Receivable)	0	0.00%	0	0	0
460 Interest on Student Loans Receivable	0	0.00%	0	0	0
470 Sales and Services	350,000	3.00%	10,500	(30,500)	330,000
480 Auxiliary Enterprises	0	4.00%	0	0	0
490 Other Operating Revenue	0	3.00%	0	0	0
<b>TOTAL OPERATING REVENUE</b>	<b>350,000</b>		<b>10,500</b>	<b>(30,500)</b>	<b>330,000</b>
<b>EXPENSES</b>					
Operating Expenses					
510 Salaries and Wages	578,970	actual	11,579	(9,349)	581,200
Employee Benefits - Group Insurance	200,959	6.10%	12,258	(4,217)	209,000
Employee Benefits - GASB 45	0	actual	0	7,600	7,600
Payment to Trust Fund for GASB 45 Benefits	28,300	actual	0	(28,300)	0
520 Employee Benefits - All Other	130,394	3.00%	3,912	(6,759)	127,547
530 Scholarships and Fellowships	0	3.00%	0	0	0
540 Supplies and Other Services	201,626	2.00%	4,033	(20,564)	185,095
Travel	19,000	4.00%	760	(261)	19,499
Equipment	0	2.00%	0	0	0
Library Acquisitions	0	2.00%	0	0	0
550 Utilities	0	10.00%	0	0	0
Transfers	0	actual	0	0	0
910 Inter-Entity	0	actual	0	25,000	25,000
920 Intra-Entity	0	actual	0	0	0
560 Depreciation	0	actual	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>1,159,249</b>		<b>32,542</b>	<b>(36,850)</b>	<b>1,154,941</b>
Operating Income (Loss)	(809,249)		(22,042)	6,350	(824,941)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
710 State Appropriation	809,249	1.00%	8,092	0	817,341
720 Gifts	0	0.00%	0	0	0
730 Investment Income (Net of Expense)	0	0.00%	0	0	0
740 Interest Expenses on Capital Debt	0	0.00%	0	0	0
770 Other Non-Operating Revenues	0	0.00%	0	0	0
Net Non-Operating Revenues	809,249		8,092	0	817,341
Income before Other Rev, Exp, Gains, Losses	0		(13,950)	6,350	(7,600)
760 Capital Appropriations	0	0.00%	0	0	0
760 Capital Grants and Gifts	0	0.00%	0	0	0
750 Additions to Non-Expendable Assets	0	0.00%	0	0	0
Increase/(Decrease) in Net Assets	0		(13,950)	6,350	(7,600)
Increase (Decrease) in GASB 45 Liability	0		0	7,600	7,600
<b>TOTAL</b>	<b>0</b>		<b>(13,950)</b>	<b>13,950</b>	<b>0</b>

VERMONT STATE COLLEGESBOARD OF TRUSTEESRESOLUTIONFY2015 VIT Budget

WHEREAS, The Finance & Facilities Committee of the Board of Trustees has reviewed the FY2015 budget information presented for the Vermont Interactive Technologies, has discussed individual aspects of the proposal with institutional representatives, and endorses approval by the full Board, therefore, be it

RESOLVED, That the Board of Trustees of the Vermont State Colleges hereby approves the pre-GASB 45 FY2015 balanced Operating Budget of \$1,154,941 and the post-GASB 45 decrease in net assets of \$7,600 for Vermont Interactive Technologies. This budget is consistent with the attached material and subject to final determination of fund balances available on June 30, 2014, and with the use of available carry-over funds to be approved at a later date.

May 22, 2014

d. Workforce Development Budget

Workforce Development includes activities of the Vermont Manufacturing Extension Center (VMEC), Technology Extension Division (TED), Small Business Development Center (SBDC), and Vermont Corporate College (VCC).

**OPERATING REVENUE:**

Sales & Services

Sales and Services FY15 budget has decreased from FY14. The decrease is the net of:

- CEWD is projecting higher sales and services in their non-credit bearing training activities for FY15. (CEWD also anticipates increased activity in their credit-bearing courses which are reflected in the inter-entity transfer line rather than in sales and services.)
- The SBDC is projecting higher contract revenue and program income.
- The VMEC income is reduced to reflect current manufacturing training funds.

**OPERATING EXPENSES:**

Salary/Wage Line thru Transfer Line

The net decrease in the operating expenditures reflects contract and program changes for CEWD, SBDC, and VMEC combined. VMEC intra-entity transfer expense is now reflected in supplies/services and travel.

WFD is budgeting \$133,000 towards payment to trust for GASB-45.

**NON-OPERATING REVENUES:**

VMEC state appropriation funding is the same as FY2014.



**Statement of Revenues, Expenses and Changes in Net Assets**  
**Draft Unrestricted Budget - FY2015**  
**Workforce Development**

5/22/14

	FY2014 Budget	FY2015 % Assumptions	FY2015 \$ Assumptions	College Adjustments	FY2015 Budget
<b>REVENUES</b>					
Operating Revenues					
Tuition and Fees (Gross)	0	0.00%	0	0	0
(Less Scholarship Allowance)	0	0.00%	0	0	0
410 Net Tuition and Fees:	0		0	0	0
420 Federal Grants and Contracts	0	0.00%	0	0	0
430 State and Local Grants and Contracts	0	0.00%	0	0	0
440 Non-Governmental Grants and Contracts	0	0.00%	0	0	0
450 Interest Income (from Accts Receivable)	0	0.00%	0	0	0
460 Interest on Student Loans Receivable	0	0.00%	0	0	0
470 Sales and Services	1,061,915	3.00%	31,857	(146,649)	947,123
480 Auxiliary Enterprises	0	4.00%	0	0	0
490 Other Operating Revenue	0	3.00%	0	0	0
TOTAL OPERATING REVENUE	1,061,915		31,857	(146,649)	947,123
<b>EXPENSES</b>					
Operating Expenses					
510 Salaries and Wages	822,353	actual	16,605	(55,029)	783,929
Employee Benefits - Group Insurance	149,885	6.10%	9,143	(18,632)	140,396
Employee Benefits - GASB 45	137,085	actual	0	(1,685)	135,400
Payment to Trust Fund for GASB 45 Benefits	133,000	actual	0	0	133,000
520 Employee Benefits - All Other	154,084	3.00%	4,623	20,903	179,610
530 Scholarships and Fellowships	0	3.00%	0	0	0
540 Supplies and Other Services	219,004	2.00%	4,380	249,972	473,356
Travel	34,850	4.00%	1,394	69,498	105,742
Equipment	6,000	2.00%	120	3,180	9,300
Library Acquisitions	0	2.00%	0	0	0
550 Utilities	0	10.00%	0	0	0
Transfers	0	actual	0	0	0
910 Inter-Entity	(457,261)	actual	0	6,950	(450,311)
920 Intra-Entity	427,898	actual	0	(427,898)	0
560 Depreciation	0	actual	0	0	0
TOTAL OPERATING EXPENSES	1,626,898		36,265	(152,741)	1,510,422
Operating Income (Loss)	(564,983)		(4,407)	6,092	(563,298)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
710 State Appropriation	427,898	0.00%	0	0	427,898
720 Gifts	0	0.00%	0	0	0
730 Investment Income (Net of Expense)	0	0.00%	0	0	0
740 Interest Expenses on Capital Debt	0	0.00%	0	0	0
770 Other Non-Operating Revenues	0	0.00%	0	0	0
Net Non-Operating Revenues	427,898		0	0	427,898
Income before Other Rev, Exp, Gains, Losses	(137,085)		(4,407)	6,092	(135,400)
760 Capital Appropriations	0	0.00%	0	0	0
760 Capital Grants and Gifts	0	0.00%	0	0	0
750 Additions to Non-Expendable Assets	0	0.00%	0	0	0
Increase/(Decrease)in Net Assets	(137,085)		(4,407)	6,092	(135,400)
Increase (Decrease) in GASB 45 Liability	137,085		0	(1,685)	135,400
TOTAL	0		(4,407)	4,407	(0)

VERMONT STATE COLLEGESBOARD OF TRUSTEESRESOLUTIONFY2015 Workforce Development Budget

- WHEREAS, The Finance & Facilities Committee of the Board of Trustees has reviewed the FY2015 budget information presented for VSC Workforce Development programs, has discussed individual aspects of the proposals with institutional representatives, and endorses approval by the full Board, therefore, be it
- RESOLVED, That the Board of Trustees of the Vermont State Colleges hereby approves the pre-GASB 45 FY2015 balanced Operating Budget of \$1,510,422 and the post-GASB 45 decrease in net assets of \$135,400 for Workforce Development. This budget is consistent with the attached material and subject to final determination of fund balances available on June 30, 2014, and with the use of available carry-over funds to be approved at a later date.

May 22, 2014

3. Review and Recommend Approval of Additional Vermont Tech Operating Loan Commitment

During the FY2013 business plan review meeting it was agreed that the VSC would extend VTC a \$2,500,000 line of credit at an annual interest rate of 4.5%. This loan is collateralized by the VTC quasi-endowment balance of \$1,621,000; the Board-required reserve of \$736,000; and other funds available. Due to the projected FY2014 loss of ~\$2,500,000 this loan will be fully utilized at the end of FY2014.

This loan amount of \$2,500,000 was considered entirely sufficient for VTC if things went according to the business plan as presented. FY2014 was projected as a \$974,770 deficit; FY2015 was projected as a \$1,077,991 deficit, and FY2016 was projected as the beginning of sustained profitability. However, as identified in the Q1, Q2 and Q3 VTC financial statements, the projected deficit has remained at approximately \$2,500,000. A couple of main factors contributed to this issue: whereas the business plan called for an in-state and out-of-state enrollment increase of 2% and 10% respectively, the college saw an enrollment decline during FY2014. In addition budget cuts that were included in the FY2014 budget were not realistic and/or not achievable. These two factors of decreased enrollment and increasing costs drove up the deficit beyond what was presented in the business plan.

For FY2015 VTC is projecting a budgeted loss of \$2,405,010. This budget is felt to be accurate and achievable and reflects current trend lines in the FY2015 assumptions. VTC will spend FY2015 strengthening enrollment and its core business. FY2015 will be spent increasing revenues, minimizing expenses and maximizing efficiencies throughout the college, at all locations. We have spent the last half of FY2014 setting up standard monthly financial reporting processes and procedures with feedback loops to/from every budget manager. We have also begun the review of every academic program to determine its profitability on both a direct- and a direct-plus-overhead-cost basis. These initiatives, and others, will continue throughout FY2015.

It is the intention of VTC to do a thorough review at every FY2015 Finance and Facilities Committee meeting to keep members fully abreast of progress.

Since, as stated above VTC has fully employed the previously authorized loan of \$2,500,000, VTC is seeking a supplemental commitment of \$2,500,000 to cover the projected FY2015 deficit. This loan will carry the same terms of an annual interest rate of 4.5% and take priority for repayment after the college reaches profitability. These funds are made available from VSC system cash flows that are linked to long term assets and reserves.

While it is the objective of management to reach financial balance as soon as possible, it is likely that VTC will need another loan for FY2016, albeit smaller than this one, while it executes its financial turnaround.

VERMONT STATE COLLEGESBOARD OF TRUSTEESRESOLUTIONVermont Tech Internal Loan Commitment

- WHEREAS, Vermont Tech is projecting an FY2015 deficit of \$2,405,010; and
- WHEREAS, Due to a drop in enrollment, Vermont Tech has utilized the \$2,500,000 VSC loan granted for FY2014 and beyond; and
- WHEREAS, The Vermont Tech community is entirely focused on the work it needs to do to stabilize itself financially and achieve a position of fiscal balance; and
- WHEREAS, The Finance and Facilities Committee of the Board of Trustees has had the FY2015 VTC budget information presented, considered the required loan, and endorses approval of the \$2,500,000 loan by the full Board; therefore, be it
- RESOLVED, That the Board of Trustees of the Vermont State Colleges hereby authorizes the VTC Internal Loan of \$2,500,000.

May 22, 2014

#### 4. Review and Recommend Approval of Annual Banking and Investment Resolution

The VSC's Banking and Investment Resolution prescribes what financial activities are empowered to the Chancellor and/or Chief Financial Officer on behalf of the system, and what are empowered to the Presidents and/or Deans of Administration on behalf of the individual colleges. Financial institutions with which we deal desire to see such a document endorsed periodically by the Trustees, to assure the Board is currently comfortable with its implications. To accommodate this desire, now presented for review and approval is the following resolution which is unchanged from the one passed by the Board last year.

While resolution wording is in necessary legal language, essentially it: (a) empowers the Chancellor and/or Vice President, Chief Financial Officer to establish bank or other accounts for VSC operations as well as system cash management and investment activities; to secure financing consistent with applicable Board or legislative authority; to pledge collateral as may be necessary for certain financing; and to handle virtually all other aspects relevant to financial matters of the VSC; and (b) empowers college Presidents and/or Deans of Administration to establish bank or other accounts for respective college operations as well as college cash management activities.

VERMONT STATE COLLEGESBOARD OF TRUSTEESRESOLUTIONBanking and Investment

WHEREAS, The conduct of the business affairs of the Vermont State Colleges and each of its constituent members requires the establishment of banking relations and investment of funds; and

WHEREAS, The selected officials of the Vermont State Colleges should be empowered to conduct banking and investment affairs in keeping with the organization of Vermont State Colleges; therefore, be it

RESOLVED, That the Chancellor and/or Chief Financial Officer are authorized to do the following:

1. Establish accounts with banks and authorized brokers/dealers (safekeeping, trust, checking, savings, money market, time or demand deposit) through which to transact the cash management and investment business of the Vermont State Colleges, and delegate authority for initiation of related wire transfers;
2. Borrow money and obtain credit from banks, authorized brokers/dealers, or other lending agencies in conformity with Board of Trustees approved budgets: and execute and deliver notes, draft acceptances, instruments of guaranty, and any other legal obligations of Vermont State Colleges, therefore, in form satisfactory to the lending agency;
3. Pledge or assign and deliver, as security for money borrowed or credit obtained, stocks, bonds, bills receivable, accounts, mortgages, merchandise, bills of lading or other shipping documents, warehouse receipts, insurance policies, certificates and any other property held by, or belonging to, this corporation, with full authority to endorse, assign, transfer or guarantee the same in the name of this corporation, except as restricted by Vermont Statute;

4. Discount any bills receivable or any paper held by this corporation, with full authority to endorse the same in the name of this corporation;
5. Withdraw from the bank or authorized brokers/dealers and give receipt for, or authorize the bank or authorized brokers/dealers to deliver to bearer or to one or more designated persons, all or any documents and securities or other property held by it, whether held as collateral security or for safekeeping or for any other purpose;
6. Invest funds of Vermont State Colleges in legal investments as established by Board of Trustees policy;
7. Sell or authorize and request the bank or authorized brokers/dealers to purchase or sell, for the account of this corporation, foreign exchange, stocks, bonds, and other securities;
8. Apply for and receive letters of credit, and execute and deliver all necessary or proper documents for that purpose;
9. Execute and deliver all instruments and documents required in connection with any of the foregoing matters, and to affix the seal of this corporation; and, be it further

RESOLVED, That the President and/or Dean of Administration of each college of the Vermont State Colleges (Community College of Vermont, Castleton State College, Johnson State College, Lyndon State College, and Vermont Technical College) are authorized to do the following:

1. Establish bank accounts (safekeeping, trust, checking, savings, money market, time or demand deposit) through which to transact the banking business of the college in which they are officers.

May 22, 2014



## 5. Establishment of Endowments: Consent Agenda

The following endowment proposals are being submitted for review by the Finance and Facilities Committee. Documentation for these endowments and a suggested consent agenda resolution for endorsement are attached.

### Castleton State College

The Christopher C. White Memorial Scholarship in the amount of \$10,850 in memory of former Castleton mathematics professor Christopher White, for the purpose of using income generated from the endowment to provide a scholarship for a junior or senior with a minimum 3.4 GPA pursuing a mathematics secondary education or mathematics elementary education degree and planning to teach.

### Johnson State College

The Helen Braley Stearns Endowment Fund in the amount of \$20,256.63 for the purpose of funding the Helen Braley Stearns Scholarship for an undergraduate student majoring in education, is in good academic standing, demonstrates financial need, and resides in Lamoille, Caledonia, Essex or Orleans counties.

### Lyndon State College

The Class of 1959 Scholarship Endowment in the amount of \$100,100 for the purpose of providing scholarships to full-time students who demonstrate financial need and are pursuing a career in nursing or education.

## Vermont State Colleges, Form C

**-NEW FUNDING SOURCE DOCUMENT-****CASTLETON STATE COLLEGE**

(College Name)

Submit to Chancellor's Office for all activities based upon a new funding source. Place copy in front of any applicable master file.

1. Name of grant, endowment, or other activity, (type in all caps):

**THE CHRISTOPHER C. WHITE MEMORIAL SCHOLARSHIP**

2. Granting agency/donor/other funding source, (attach support information)

**Dr. Mark F. Waltz, alumni and friends**

3. Purpose of activity:

**Scholarship support as outlined in endowment agreement**

<p>4a <u>Proper accounting fund:</u></p> <p><input type="checkbox"/> General</p> <p><input type="checkbox"/> Designated</p> <p><input type="checkbox"/> Auxiliary</p> <p><input type="checkbox"/> Restricted</p> <p><input type="checkbox"/> Agency</p> <p><input type="checkbox"/> Loan</p> <p><input checked="" type="checkbox"/> Regular Endowment</p> <p><input type="checkbox"/> Term Endowment</p> <p><input type="checkbox"/> Unrestricted Quasi-Endowment</p> <p><input type="checkbox"/> Restricted Quasi-Endowment</p>	<p>4b <u>Why this fund selected:</u></p>     <p><u>Per donor request</u></p>
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5. General Ledger Account Number, as proposed or assigned: \_\_\_\_\_

<p>6a <u>Beginning Date:</u></p> <p>April 2014</p>	<p>6b <u>Ending Date:</u></p> <p>NA</p>	<p>6c <u>Duration:</u></p> <p>In perpetuity</p>
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7. Reporting Requirements; format/to whom/frequency/other: Annual, as outlined in endowment agreement.

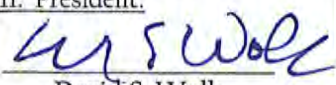
<p>8a <u>Funding Amount:</u></p> <p>\$10,850.00</p>	<p>8b <input type="checkbox"/> One- time or <input checked="" type="checkbox"/> Ongoing funding (indicate timeframe)</p> <p>No specific timeframe, restricted funds will be added when received</p>
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9a If endowment, is principal use allowed? ☐ yes ☐ no With Board OK? ☐ yes ☐ no

9b If yes, is replenishment of principal allowed or required? ☐ yes ☐ no

10. If investment proceeds generated, indicate intended disposition:

- ☐ Fully expend for program as prescribed
- ☐ Increase principal for inflation and expend remainder
- ☐ Fully apply to increasing principal
- ☒ Other (describe): Up to 5% of the annual balance to be used annually for scholarship. Apply proceeds above this amount to principal.

<p>11. <u>President:</u></p> <p></p> <p>David S. Wolk</p>	<p>12. <u>Date to Chancellor's Office:</u></p>	<p>13. <u>Date Board Approved:</u></p>
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# Castleton

A V E R M O N T S T A T E C O L L E G E

## **The Christopher C. White Memorial Scholarship**

This agreement made by and between Castleton State College, a member of the Vermont State Colleges, hereinafter called "Donee" and Dr. Mark F. Waltz, alumni and friends hereinafter called Donor, for the purpose of establishing an endowment, to be known as the Christopher C. White Memorial Scholarship.

### Witnesseth:

WHEREAS: Dr. Mark F. Waltz, alumni and friends desire to establish an endowment fund at Castleton State College. This endowment is created to perpetuate the memory and qualities of the life of Christopher C. White, who was a faculty member at Castleton from 1970 to 2007. He was a professor of mathematics and was a distinguished member of the department.

WHEREAS: Castleton State College is willing to accept this donation on the terms hereinafter set forth;

NOW THEREFORE: In consideration of the mutual covenants and conditions herein contained, the parties agree as follows:

### 1.0 Creation of Fund

- 1.1 Donors have transferred cash in the amount of \$10,850.00 to Castleton State College for the purpose of using income generated from the donation to provide a scholarship to a qualified and eligible student who is enrolled on a full-time basis at Castleton State College.
- 1.2 This cash will be held in perpetuity to accumulate annually accrued interest and additional gifts from Donors.
- 1.3 Donor and anyone else may make additional contributions to The Fund. There is no limit on the amount of corpus which may be added to the fund.

### 2.0 Purpose

- 2.1 Income equal to up to five percent (5%) of the annual balance of the endowment's principal will be used during the following fiscal year to provide a scholarship to an academically qualified student with junior or senior status. If the earnings of the endowment are not equal to, or greater than, 5% of the annual balance, the award will be reduced to the amount of the interest earned, rounded to the nearest \$100.
- 2.2 Applicant should have a grade point average of 3.4 or higher.
- 2.3 Applicant must be a junior or senior pursuing either a Mathematics secondary education degree or Mathematics elementary education degree and planning to teach.
- 2.4 No disbursement from the corpus shall be authorized. The fund will exist in perpetuity.

2.5 The student must demonstrate strong academic qualities in math; indicate a desire to have a career in education and high motivation to become a teacher. The candidate should display qualities like compassion, honesty, integrity, persistence, consideration and citizenship.

2.6 Recipient will be selected by the faculty of the mathematics department.

2.7 If the College cannot implement the award as outlined above, then the college will award the scholarship to a student in math, who meets the requirements outlined above, except for teaching, if the College no longer trains teachers.

### 3.0 Determination of Recipients

The Castleton State College Mathematics Faculty shall determine who shall receive the annual award. The faculty shall have the right to withhold the award if (i) no student is thought sufficiently eligible to receive the award, or (ii) the income from The Fund is insufficient to fund the award. Under such circumstances, income from The Fund shall become part of the principal.

### 4.0 Consolidation

4.1 The Fund shall be consolidated with the other endowment funds of the Donee for the purposes of investment only. The Fund's income shall be deemed to be the same portion of the total income of the consolidated investments that the principal value of The Fund bears to the principal value of the consolidated investments from year to year.

4.2 Any income generated and used for the purpose herein stated shall be identified as the The Christopher C. White Memorial Scholarship.

### 5.0 Accounting

After the close of each fiscal year and audit thereof, upon request, Donor shall be provided with an accounting of The Fund showing:

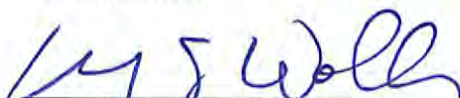
- a) Market value of principal as of the close of the fiscal year;
- b) Income for that fiscal year;
- c) Expenditures for that fiscal year.

For the Donors:

  
Dr. Mark F. Waltz

3/31/14  
Date

For the Donee:

  
David Wolk, President  
Castleton State College

3/31/14  
Date



*Office of the President*

337 COLLEGE HILL • JOHNSON, VT 05656

April 11, 2014

Timothy Donovan, Chancellor  
Vermont State Colleges  
P.O. Box 7  
Montpelier, VT, 05602

Dear Chancellor Donovan,

I am pleased to send you the New Funding Source Document for establishing a new endowment at Johnson State College.

A gift of \$20,256.63, the remaining balance (as of 3/31/2014) of a charitable gift annuity from the late Prescott Stearns, a friend of the College, will be used to establish:

**The Helen Braley Stearns Endowment Fund**

Interest from this fund will be used to continue awarding The Helen Braley Stearns Scholarship, which was previously funded with annual gifts made by Mr. Stearns in honor of his mother, Helen Braley Stearns, Class of 1913. Originally from Hartford, Vermont and for many years a resident of St. Johnsbury, she was a dedicated educator who taught until she was over 70, first in the Vermont and later the New Jersey school systems. This scholarship will continue to be awarded to an undergraduate student who meets the following eligibility requirements:

- a. is majoring in education;
- b. has been a Vermont resident for the past six years from Lamoille, Caledonia, Essex, or Orleans counties;
- c. is in good academic standing; and
- d. has demonstrated financial need.

We look forward to the Vermont State College Board of Trustees' approval for the establishment of this new endowment.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbara E. Murphy".

Barbara E. Murphy, President

Attachments: TIAA-CREF Charitable account statement for charitable gift annuity


## APPENDIX C

## - NEW FUNDING SOURCE DOCUMENT - ENDOWMENTS ONLY

Johnson State College

(College Name)

Submit to Chancellor's Office for all activities based upon a new funding source.  
Place copy in front of any applicable master file.

1) <u>Name of endowment:</u> (type in all CAP'S) <b>THE HELEN BRALEY STEARNS ENDOWMENT FUND</b>		
2) <u>Granting agency/donor/other funding source:</u> (attach support info) Remainder of a charitable gift annuity from Prescott W. Stearns		
3) <u>Purpose of endowment:</u> (attach support information) To fund the Helen Braley Stearns Scholarship to be awarded annually to student majoring in education from Lamoille, Orleans, Caledonia, or Essex counties.		
4) <u>Proper accounting fund:</u> <input checked="" type="checkbox"/> Regular Endowment <input type="checkbox"/> Term Endowment		
5) <u>General Ledger Activity Code(s):</u> (as proposed or assigned) 033-37053		
6a) <u>Date Endowment Reach Endowment Status:</u> 4/10/2014		
7) <u>Reporting requirements:</u> (format/to whom/frequency/other) None.		
8a) <u>Funding amount:</u> \$20,257	8b) <input checked="" type="checkbox"/> One-time - OR <input type="checkbox"/> Ongoing funding (indicate timeframe:)	
9a) <u>Is principal use allowed:</u> NO (w/Board OK?)	9b) <u>If yes, is replenishment of principal allowed or required:</u>	
10) <u>If investment proceeds generated, indicate intended disposition:</u> <input checked="" type="checkbox"/> Per Board Approved Spending Procedure <input type="checkbox"/> Fully expend for program as prescribed <input type="checkbox"/> Increase principal for inflation and expend remainder <input type="checkbox"/> Fully apply to increasing principal <input type="checkbox"/> Other (describe:)		
11) <u>President:</u> Barbara E. Murphy 	12) <u>Date to Ch's Ofc:</u> 10-Apr-14	13) <u>Date Board Approved:</u>





Financial Services

TIAA-CREF FUNDS**Account Statement**

P. O. Box 8009  
 Boston, MA 02266-8009  
 1 800 223-1200

01/01/2014 to 03/31/2014



JOHNSON STATE COLLEGE  
 BUSINESS OFFICE  
 337 COLLEGE HL  
 JOHNSON VT 05656-9898

003307

There is still time to contribute to a TIAA-CREF Funds IRA for 2013! Prior year contributions may be made on or before April 15th. To learn more, please call us at 800 223-1200, Monday-Friday from 8 am-10pm Eastern Time.

Sign up for electronic delivery for daily and quarterly statements as well as your tax forms. Simply access your delivery preferences through our web site [www.tiaa-cref.org](http://www.tiaa-cref.org) and click on Manage My Profile and then select Update eDelivery Preferences.

NET ASSET VALUE AS OF 03/31/2014

**PORTFOLIO SUMMARY**

Fund Name	Fund-Account Number	Previous Market Value On 01/01/2014	Current Market Value On 03/31/2014
TIAA-CREF MANAGED ALLOCATION FUND - RTL	99-1707639	\$20,010.77	\$20,256.63
		\$20,010.77	\$20,256.63

**ACCOUNT SUMMARY**

Fund Name and Registration	Fund-Account Number	Total Shares Owned	Share Price	Total Dollars	Percentage of Holdings
TIAA-CREF MANAGED ALLOCATION FUND - RTL JOHNSON STATE COLLEGE	99-1707639	1,668.586	\$12.14	\$20,256.63	100.00%
				<b>TOTAL DOLLARS</b>	<b>\$20,256.63</b>

**ACCOUNT EARNINGS YEAR-TO-DATE**

Fund Name/Fund-Account Number	Dividends	Short-Term Capital Gains	Long-Term Capital Gains	Total Earnings
TIAA-CREF MANAGED ALLOCATION FUND - RTL 99-1707639	\$62.58	\$0.00	\$0.00	\$62.58

00094117





May 5, 2014

Mr. Tim Donovan, Chancellor  
Vermont State Colleges  
P. O Box 7  
Montpelier, VT 05601-0007

Dear Chancellor Donovan:

I am pleased to send you the New Funding Source Document required for establishing an endowment in the amount of \$100,100, to be titled THE CLASS OF 1959 SCHOLARSHIP ENDOWMENT.

The endowment is funded with a \$50,000 contribution from Sidney Patridge '59. This gift has been matched by \$50,000 from Lyndon State College's Endowment Development Fund. In addition, a \$100 gift that was made in 2006 by a classmate of Mr. Patridge's will be added to this endowment. The total amount available to establish this endowment is \$100,100.

I request that the Vermont State Colleges' Board of Trustees accept these gifts and approve the establishment of The Class of 1959 Scholarship Endowment.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Bertolino", with a long horizontal line extending to the right.

Joe Bertolino  
President

Attachment



## Appendix C

### New Funding Source Document

College Name: **LYNDON STATE COLLEGE**

Submit to Chancellor's Office for all activities based upon a new funding source.

Place copy in front of any applicable master file.

1. Name of grant, endowment, or other activity: (type in all CAPS)

**Class of 1959 Scholarship Endowment**

2. Granting agency/donor/other/funding source: (attach support information)

**GIFT FROM SIDNEY PATRIDGE**

3. Purpose of activity:

**To provide scholarships for Lyndon State College students based on the following criteria:**

- **Financial need**
- **New or Returning full-time student pursuing a career in Education or Nursing**
- **Minimum GPA 2.5**
- **Renewable for no more than 4 years**
- **Students will be selected by the financial aid staff with input from the Education and Nursing faculty.**

4. a. Proper accounting fund:

☐ General  
☐ Designated  
☐ Auxiliary  
☐ Restricted  
☐ Agency  
☐ Loan  
☒ Regular Endowment  
☐ Term Endowment  
☐ Unrestr'd Quasi-Endwmt  
☐ Restricted Quasi-Endwmt

b. Why was this fund selected?

**To provide scholarship opportunities based on above defined criteria.**

5. General Ledger account number: (as proposed or assigned) **TBA**

6. a. Beginning date: **May**    b. Ending date: **None**    c. Duration: **In Perpetuity**

7. Reporting requirements: (format/to whom/frequency/other): **None**

8. a. Funding amount: **\$100,100**    b. One-time    OR    **Ongoing funding** (indicate timeframe:) Jan 2015 additional \$50,000

9. a. If endowment, is principal use allowed? (w/Board OK? ) ☐ Yes    ☒ No

b. If yes, is replenishment of principal allowed or required: ☐ Yes    ☐ No

10. If investment proceeds generated, indicate intended disposition:

☒ Fully expend for program as prescribed  
☐ Increase principal for inflation and expend remainder  
☐ Fully apply to increasing principal  
☐ Other (describe)

11) President:

12) Date to Ch's Ofc:

13) Date Board Approved:

VERMONT STATE COLLEGES  
BOARD OF TRUSTEES  
RESOLUTION

Establishment of Endowments: Consent Agenda

- WHEREAS, Policy 412 requires Board of Trustees approval for all new endowment and quasi-endowment funds before being established and receiving investments; and
- WHEREAS, Castleton State College, Johnson State College, and Lyndon State College have submitted the following proposals to establish new endowments and recommend them to the full Board; and
- WHEREAS, The VSC Finance & Facilities Committee has appropriately reviewed the current endowment proposals and recommends them to the full Board; therefore, be it
- RESOLVED, That the Vermont State Colleges Board of Trustees hereby establishes the following new endowments titled, in the amount, and for the specific purpose as indicated:
- CSC: The Christopher C. White Memorial Scholarship in the amount of \$10,850 for a junior or senior pursuing a mathematics education degree.
- JSC: The Helen Braley Stearns Endowment Fund in the amount of \$20,256.63 for an education major from Lamoille, Caledonia, Essex or Orlean counties, Vermont.
- LSC: The Class of 1959 Endowment in the amount of \$100,100 for a new or returning education or nursing student.

May 22, 2014

## 6. Establishment of Grants: Consent Agenda

The following grant proposals are being submitted for review by the Finance and Facilities Committee. Documentation for these grants and a suggested consent agenda resolution for endorsement are attached.

### Lyndon State College

- a. Center for Rural Entrepreneurship Youth Grant in the amount of \$195,000 from Jane's Trust to sustain and enhance the work of the Center for Rural Entrepreneurship program.
- b. RBEG/iWOW V Grant from the U.S. Department of Agriculture in the amount of \$128,575 to enhance the Incubator Without Walls program.

### Vermont Technical College

- a. Electrical and Plumbing Apprenticeship Programs grant in the amount of \$468,615 from the Vermont Department of Labor for the management of related instruction components of the DOL's Electrical and Plumbing Apprenticeship Programs, including oversight of six traditional sites throughout Vermont, eight levels of distance learning, 35 classes, and approximately 450 students.
- b. VMEC Vermont Training Program in the amount of \$200,000 from the Vermont Department of Economic Development to provide and upgrade classroom training for employees in the manufacturing, information technology, telecommunications, healthcare and environmental sectors.
- c. A revision to the previously approved 2014 SBA Core Funding grant to reflect an increase in funds from the U.S. Small Business Administration from \$574,667 to \$631,250.

External Funding: Proposals For  
Sponsored Projects: Grants and Contracts

Appendix A

**Vermont State Colleges  
Grant Proposal Submission**

**College:** Lyndon State College  
**Grant Title:** Center for Rural Entrepreneurship Youth Grant  
**Granting Agency:** Jane's Trust  
**Grant Period:** 7/1/14 – 6/30/16  
**Review Period:**  
**Project Director:** Ann Nygard

---

**Statement of Purpose:** (include audience served & impact upon college)

In 2009, the Patrick and Marcelle Leahy Center for Rural Students at Lyndon was established, via congressionally directed funds, to understand and ameliorate the barriers that rural students, particularly first-generation college students, face when transitioning to postsecondary experiences after high school. The mission of the Leahy Center is two-fold: (1) to conduct rigorous, policy-relevant research on the community, family, school, and student-level factors that influence postsecondary aspirations and behavior in rural students, with an eye toward intervention development, and (2) to design and implement data-driven programming that enhances postsecondary certification and degree attainment for rural students, particularly for first-generation students. To accomplish this mission, the Leahy Center has created a regional PK-16 network with educational and community partners to collectively achieve the goal of 60% post-secondary degree attainment among adults by 2020.

Building on the work of the Leahy Center, the Center for Rural Entrepreneurship (CRE) was established in 2011. Leahy Center data findings have identified a significant gap between the post-secondary aspirations and attainment levels of NEK students. Leahy Center data further informs an assumption that this disconnect is in part due to the lack of awareness of career opportunities awaiting students in and around their community. Findings include:

- Over 70% of NEK youth expect to earn at least a two-year college degree, and 62% of NEK high school students plan to go to college right after high school. However, only 51% of regional students enroll in college after graduation.
- 27% of NEK high school students have never talked with their guidance counselor about their plans after high school.

The CRE sees employers and work-based learning experiences as key ingredients to addressing these problems. The CRE's mission is to empower economic growth by fostering leadership, workforce development, and entrepreneurship in the NEK. A primary objective of this project is to increase the college-going rates and career readiness of NEK students, particularly those who would be the first in their family to graduate from college and who come from low- to modest income backgrounds (FFMI students). Towards this end, this project has the broad goal of heightening NEK student awareness of existing and emerging careers in the region. The CRE is focused on creating and helping to coordinate work-based learning experiences for Northeast Kingdom students while simultaneously helping to create jobs in the industry sectors with the greatest potential for keeping and creating living wage jobs.

One of CRE's most effective and long-standing initiatives is the Incubator without Walls (iWOW). iWOW provides technical assistance to local businesses in industry clusters with the greatest capacity for creating jobs by engaging students to assess business needs, define optimal business performance steps, and implement solutions to fully develop the business' potential. As a result, a well-educated workforce benefiting local business creates a resource that enables the business to grow and employ more workers. Since 2007, iWOW has engaged over 200 college students to support 115 businesses and help create over 100 jobs in the NEK.

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Full required documentation is being submitted, including all appropriate assurances regarding Civil Rights, Persons with Disabilities, Sex Discrimination, Human Subjects, Laboratory Animals, etc.

Business Officer Review included with *Budget Analysis* sheet attached.

Programmatic Review by:  Date: 4/16/14

Presidential Review by:  Date: 4/21/14

External Funding: Proposals For  
Sponsored Projects: Grants and Contracts

Appendix B

### Vermont State Colleges Grant Proposal Budget Analysis

**College:** Lyndon State College  
**Grant Title:** Center for Rural Entrepreneurship Youth Grant  
**Granting Agency:** Jane's Trust  
**Grant Period:** 7/1/14 - 6/30/16  
**Review Period:** Multi-Year\* 2 Cumulative Grant Amount: \$ 195,000  
 \*(if renewals not required, number of years covered is )  
 1<sup>st</sup> Year: \$ 2<sup>nd</sup> Year: \$ 3<sup>rd</sup> Year: \$

Proposed Funding	1 <sup>st</sup> Year		2 <sup>nd</sup> Year		3 <sup>rd</sup> Year	
	Grant	College **	Grant	College **	Grant	College **
Direct Costs:						
Salaries & Wages	50,750	18,750	45,066	61,444		
Employee Benefits	26,390	9,750	23,434	31,951		
Operations	4,500		3,500			
Travel	10,000			10,000		
Equipment	9,157					
Library Acquisitions						
Other	19,203	49,237	3,000	65,440		
<b>Total Direct</b>	<b>120,000</b>	<b>77,737</b>	<b>75,000</b>	<b>168,835</b>		
Indirect Costs	0.00	22,650	0	22,650		
<b>Total Budget</b>	<b>120,000</b>	<b>100,387</b>	<b>75,000</b>	<b>191,485</b>		

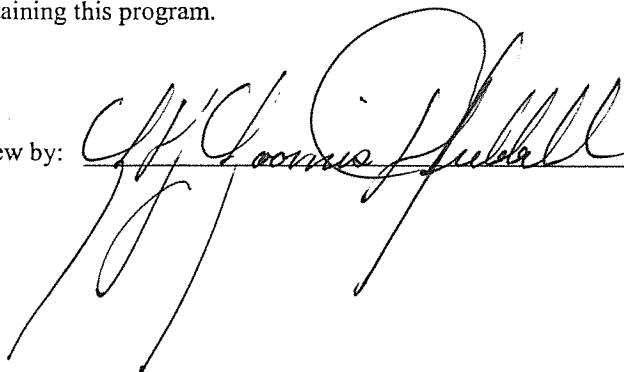
\*\*(In-kind & other costs for space, utilities, maintenance, administrative support etc.)

What is (are) the source(s) for college funding? McClure Trust, VSSI, LSC/CRE, Gear Up

What continuing cost obligations does Granting Agency *require / expect*? The granting agency expects the College to sustain the Center for Rural Entrepreneurship beyond the grant period.

What continuing cost obligations does the college *intend / see likely*? The College sees the ongoing expense of operating the Center for Rural Entrepreneurship as likely. This program has been successfully sustained through a combination of public and private grant funding, private donations, employer fees for service, and College in-kind support. This will remain the strategy for maintaining this program.

Business Officer Review by:



Date: 4/16/14

## Appendix C

### New Funding Source Document

College Name: Lyndon State College

Submit to Chancellor's Office for all activities based upon a new funding source.

Place copy in front of any applicable master file.

1. Name of grant, endowment, or other activity: (type in all **CAPS**)

JANE'S TRUST

2. Granting agency/donor/other/funding source: (attach support information)

Jane's Trust

3. Purpose of activity:

To sustain and enhance the work of the Center for Rural Entrepreneurship (CRE) program.

4a) Proper accounting fund:

☐ General  
☐ Designated  
☐ Auxiliary  
☒ Restricted  
☐ Agency  
☐ Loan  
☐ Regular Endowment  
☐ Term Endowment  
☐ Unrestr'd Quasi-Endwmt  
☐ Restricted Quasi-Endwmt

4b) Why was this fund selected?

It is funds from a restricted agent.

5) **General Ledger account number: (as proposed or assigned) TBA**

6a) Beginning date: 7/1/14 6b) Ending date: 6/30/16

6c) Duration: 2 years

7) Reporting requirements: (format/to whom/frequency/other): Quarterly reporting to the funding agency.

8a) Funding amount: \$195,000 8b) One-time OR Ongoing funding (indicate timeframe:) 2 yrs

9a) If endowment, is principal use allowed? (w/Board OK?) ☐ Yes ☐ No

9b) If yes, is replenishment of principal allowed or required: ☐ Yes ☐ No

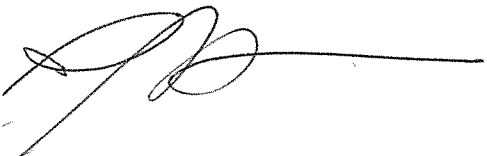
10) If investment proceeds generated, indicate intended disposition:

☐ Fully expend for program as prescribed  
☐ Increase principal for inflation and expend remainder  
☐ Fully apply to increasing principal  
☐ Other (describe)

11) President:

12) Date to Ch's Ofc: 4/22/14

13) Date Board Approved:



External Funding: Proposals For  
Sponsored Projects: Grants and Contracts

Appendix A

**Vermont State Colleges  
Grant Proposal Submission**

**College:** Lyndon State College  
**Grant Title:** RBEG/iWOW V  
**Granting Agency:** USDA  
**Grant Period:** 07/01/14 – 6/30/15  
**Review Period:**  
**Project Director:** Ann Nygard

---

**Statement of Purpose:** (include audience served & impact upon college)

The Incubator without Walls program at Lyndon State College supports business growth and expansion that has lasting impacts on the region. To this end, Lyndon will continue to partner with other area technical assistance providers to continue employing two full-time positions, a CRE director and an assistant CRE director, who will:

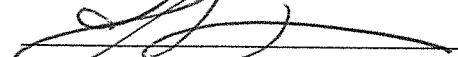
- Provide 57 area businesses and start-ups with consultant-type project support by engaging the resources of Lyndon State College, such as faculty, students, databases, software, etc., to help each business grow to the next level.
- Involve Lyndon students in an “incubator” experience in a way that allows them to directly apply newly obtained knowledge, skills, and abilities gained through their college education.
- Provide a mechanism to help better coordinate the region’s workforce development and technical assistance efforts while also promoting a culture of entrepreneurship and innovation in response to the needs of business growth.
- Perform outreach sessions to area educators endorsing entrepreneurship as a lucrative and respected career choice.
- Expand iWOW’s capacity to meet the region’s business development and technical assistance needs by deepening the involvement of businesses in upgrading the skills of the existing workforce through experiential learning

---

Full required documentation is being submitted, including all appropriate assurances regarding Civil Rights, Persons with Disabilities, Sex Discrimination, Human Subjects, Laboratory Animals, etc.

Business Officer Review included with *Budget Analysis* sheet attached.

Programmatic Review by:  Date: 4/16/14

Presidential Review by:  Date: 4/21/14



External Funding: Proposals For  
Sponsored Projects: Grants and Contracts

Appendix B

### Vermont State Colleges Grant Proposal Budget Analysis

College: Lyndon State College

Grant Title: RBEG/iWOW V

Granting Agency: USDA

Grant Period: 7/1/14 - 6/30/15

Review Period: Multi-Year\* Cumulative Grant Amount: \$  
 \*(if renewals not required, number of years covered is )  
 1<sup>st</sup> Year: \$ 2<sup>nd</sup> Year: \$ 3<sup>rd</sup> Year: \$

Proposed Funding	1 <sup>st</sup> Year		2 <sup>nd</sup> Year		3 <sup>rd</sup> Year	
	Grant	College **	Grant	College **	Grant	College **
Direct Costs:						
Salaries & Wages	35,000	37,500				
Employee Benefits	18,200	19,500				
Operations	717	2,500				
Travel	6,000					
Equipment		9,157				
Library Acquisitions						
Other	55,624	55,440				
<b>Total Direct</b>	<b>115,541</b>	<b>124,097</b>				
Indirect Costs	13,034	4,808				
<b>Total Budget</b>	<b>128,575</b>	<b>128,905</b>				

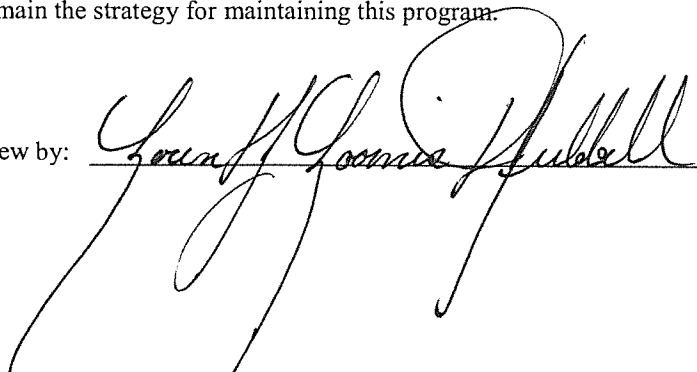
\*\* (In-kind & other costs for space, utilities, maintenance, administrative support etc.)

What is (are) the source(s) for college funding? Jane's Trust Grant, VSSI Funds, CRE Funds,

What continuing cost obligations does Granting Agency *require / expect*? The granting agency expects the College to continue the Center for Rural Entrepreneurship and its iWOW program beyond the grant period.

What continuing cost obligations does the college *intend / see likely*? The College sees the ongoing expense of operating the Center for Rural Entrepreneurship and its iWOW program as likely. This program has been successfully sustained through a combination of public and private grant funding, private donations, employer fees for service, and College in-kind support. This will remain the strategy for maintaining this program.

Business Officer Review by:



Date: 4/16/14

## Appendix C

### New Funding Source Document

College Name: Lyndon State College

Submit to Chancellor's Office for all activities based upon a new funding source.

Place copy in front of any applicable master file.

1. Name of grant, endowment, or other activity: (type in all CAPS) **RBEG V**

2. Granting agency/donor/other/funding source: (attach support information)  
USDA

3. Purpose of activity:  
To enhance the Incubator Without Walls (IWOW) Program

4a) Proper accounting fund:

☐ General  
☐ Designated  
☐ Auxiliary  
☒ Restricted  
☐ Agency  
☐ Loan  
☐ Regular Endowment  
☐ Term Endowment  
☐ Unrestr'd Quasi-Endwmt  
☐ Restricted Quasi-Endwmt

4b) Why was this fund selected?

The funds will be restricted to requirements of the funding agency.

5) **General Ledger account number: (as proposed or assigned) TBA**

6a) Beginning date: 7/1/14

6b) Ending date: 6/30/15

6c) Duration: 1 year

7) Reporting requirements: (format/to whom/frequency/other): Quarterly financial and narrative reports to USDA

8a) Funding amount: 128,575      8b) One-time OR Ongoing funding (indicate timeframe:)

9a) If endowment, is principal use allowed? (w/Board OK? ) ☐ Yes ☐ No

9b) If yes, is replenishment of principal allowed or required: ☐ Yes ☐ No

10) If investment proceeds generated, indicate intended disposition:

☐ Fully expend for program as prescribed  
☐ Increase principal for inflation and expend remainder  
☐ Fully apply to increasing principal  
☐ Other (describe)

11) President:

12) Date to Ch's Ofc: 4/22/14

13) Date Board Approved:



# Vermont State Colleges

## Grant Proposal Budget Analysis

Form A &amp; B

College: Vermont Technical College

Grant Title: Electrical and Plumbing Apprenticeship Programs

Grant Agency: Vermont Department of Labor

Project Director: Bonnie Chamberlin, Manager, VTC Apprenticeship Programs, Continuing Ed & Workforce Development, VTC

Purpose of Grant: Management of related instruction component of VDoL Electrical & Plumbing Apprenticeship programs. This includes oversight of six (6) traditional sites throughout VT, eight (8) levels of Distance Learning, 35 classes & appx 450 students.

Grant Period: 1-Jul-13 to 30-Jun-14

Review Period: One year Multi-Yr\*\* / Cumulative Grant Amt: \_\_\_\_\_  
 \*\*(please enter number of years covered)

Proposed Funding	Grant	1st Yr College	Grant	2nd Yr College	Grant	3rd Yr College
<u>Direct Costs</u>						
Salaries & Wages	\$ 302,677					
Employee Benefits	\$ 37,728					
Operations						
Travel/Hospitality	\$ 14,345					
Equipment						
Library Acquisitions						
Other--Supplies	\$ 12,000					
Other--Contractual	\$ 78,550					
Other	\$ 1,000					
Total Direct	\$ 446,300	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Indirect Costs*</u>	\$ 22,315					
<u>Total Budget</u>	\$ 468,615	\$ -	\$ -	\$ -	\$ -	\$ -

\*(In-Kind & Other costs for space, utilities, maintenance, administrative support, etc.)

What is(are) the sources of College Funding? None

What continuing cost obligations does Granting Agency require/expect? None

What Continuing cost obligations does the College intend/see likely? None

Business Officer Review by: [Signature] Date: 3/28/14

Programmatic Review by: Bonnie Chamberlin Date: 3/26/14

Presidential Review by: [Signature] Date: 3/28/14

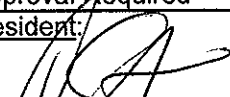
Full required documentation is being submitted, including all appropriate assurances regarding Civil Rights, People with Disabilities, Sex Discrimination, Human Subjects, Laboratory Animals, etc.

## FORM C

## - NEW FUNDING SOURCE DOCUMENT - GRANTS ONLY

Vermont Technical College  
(College Name)

Submit to Chancellor's Office for all activities based upon a new funding source.  
Place copy in front of any applicable master file.

1) <u>Name of grant:</u> (type in all CAP'S) ELECTRICAL & PLUMBING APPRENTICESHIP PROGRAMS		
2) <u>Granting agency/donor/other funding source:</u> (attach support info)		
VT. Dept of Labor	2b) State Revenue Code: _____	
2a) CFDA # _____	2c) Award # 1499APP18	
3) <u>Purpose of activity:</u> Management of related instruction component of VTDoL Electrical & Plumbing Apprentice programs. This includes oversight of six (6) traditional sites throughout Vermont, eight (8) levels of Distance Learning, 35 classes and appx. 450 students.		
4a) <u>Proper accounting fund:</u>		4b) <u>Funding Source</u>
Entity Gasb Code	092	Federal _____
Activity Code	90723	State <u>X</u> _____
		Other: (Name) _____
5) <u>Related Grants and their funding sources:</u>		
6a) <u>Beginning date:</u> 7/1/2013	6b) <u>Ending date:</u> 6/30/2014	6c) <u>Duration:</u> 1 Yr
7) <u>Reporting requirement:</u> (format/to whom/frequency/other) <u>Quarterly Financial Statements &amp; Program Progress Reports</u>		
8a) <u>Funding amount:</u> \$ 468,615.00		8b) One-time Yes <u>Ongoing funding</u> (indicate timeframe:) <u>Yearly</u>
Board Approval Required Y or N		
11) <u>President:</u> 	12) <u>Date to Ch's Ofc:</u> 3/28/14	13) <u>Date Board Approved:</u>

# Vermont State Colleges Grant Proposal Budget Analysis

Form A &amp; B

College: Vermont Technical College

Grant Title: VMEC - Vermont Training Program

Grant Agency: State of Vermont, Department of Economic Development, Vermont Training Program

Project Director: Bob Zider, VMEC Director & CEO

Purpose of Grant: Provide upgrade classroom training for employees in the following sectors:  
Manufacturing, Information Technology, Telecommunication, Healthcare, and  
Environmental.

Grant Period: 1-Jul-2014 to 30-Jun-2015

Review Period: One Multi-Yr\*\* / Cumulative Grant Amt: \$ 200,000.00  
 \*\*(please enter number of years covered)

Proposed Funding	Grant	1st Yr College	Grant	2nd Yr College	Grant	3rd Yr College
<u>Direct Costs</u>						
Salaries & Wages	\$ 110,000.00					
Employee Benefits	\$ 52,000.00					
Operations						
Travel						
Equipment						
Library Acquisitions						
Other: Consultants	\$ 38,000.00					
Total Direct	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Indirect Costs*</u>						
Total Budget	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ -

\*(In-Kind & Other costs for space, utilities, maintenance, administrative support, etc.)

What is(are) the sources of College Funding? NONE

What continuing cost obligations does Granting Agency require/expect? NONE

What Continuing cost obligations does the College intend/see likely? NONE

Business Officer Review by: [Signature] Date: 5/9/14

Programmatic Review by: Bob Zider, VMEC Director/CEO Date: 5/7/14

Presidential Review by: [Signature] Date: 5/13/14

Full required documentation is being submitted, including all appropriate assurances regarding Civil Rights, People with Disabilities, Sex Discrimination, Human Subjects, Laboratory Animals, etc.

# Vermont State Colleges Grant Proposal Budget Analysis

Form A &amp; B

REVISED - INCREASED FUNDS by 56,583.00

Original - 574,667.00 Approved 11/26/13

Amendment 631,250.00 Approved

College: Vermont Technical College

Grant Title: 2014 SBA Core Funding Grant

Grant Agency: U.S. Small Business Administration

Project Director: Linda Rossi, State Director

Purpose of Grant: Business Advising and Training

Grant Period: 10/01/13 to 09/30/14

Review Period: 1 Multi-Yr\*\* / Cumulative Grant Amt:

\*\* (please enter number of years covered)

Proposed Funding	1st Yr		2nd Yr		3rd Yr	
	Grant	College	Grant	College	Grant	College
Direct Costs						
Salaries & Wages	\$ 334,145.00					
Employee Benefits	\$ 166,334.00					
Operations	\$ -					
Travel	\$ 35,876.00					
Equipment	\$ -					
Library Acquisitions	\$ -					
Other	\$ 44,895.00					
Total Direct	\$ 581,250.00	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Costs*	\$ 50,000.00					
Total Budget	\$ 631,250.00	\$ -	\$ -	\$ -		\$ -

\*(In-Kind & Other costs for space, utilities, maintenance, administrative support, etc.)

What is(are) the sources of College Funding? N/A

What continuing cost obligations does Granting Agency require/expect? N/A

What Continuing cost obligations does the College intend/see likely? N/A

Business Officer Review by: Thomas Tolan Date: 3/21/14

Programmatic Review by: Linda J. Rossi Date: 3/14/14

Presidential Review by: BA Date: 4/23/14

Full required documentation is being submitted, including all appropriate assurances regarding Civil Rights, People with Disabilities, Sex Discrimination, Human Subjects, Laboratory Animals, etc.



**U.S. SMALL BUSINESS ADMINISTRATION**  
WASHINGTON, DC 20416

MAR 24 2014

Dr. Philip Conroy  
President  
Vermont Technical College  
P.O. Box 188  
One Main Street  
Randolph Center, VT 05061

Reference: SBDC Cooperative Agreement Number: SBAHQ-14-B-0009/0001  
Administrative Number: 4-603001-EZ-0020A

Dear Dr. Conroy:

Enclosed is Modification No. 0001 under the above referenced Cooperative Agreement. This is notification that the actual amount of your Calendar Year 2014 award has been determined for the Vermont Small Business Development Center. Federal funding in the amount of **\$631,250** is available in accordance with the Small Business Act (15 U.S.C. § 648), and the Consolidated Appropriations Act, 2014 (Public Law 113-76, H.R.3547), which is a \$56,583 increase of your initial award notification.

Additionally, this modification makes administrative corrections to the Notice of Award terms and conditions Part I (A) (2), "Any problems or questions relating to payment should now be directed promptly to Mrs. Monika Nixon at [SBDCPayments@sba.gov](mailto:SBDCPayments@sba.gov) or (202) 205-7310;" and Part III (B) (2), "Transactions with Suspended or Debarred Entities."

Two copies of the revised award documents are enclosed for your review. If you agree with the provisions, please complete blocks 15A, 15B and 15C (Standard Form 30) with signature and date on both copies. Retain one copy for your files and return the other copy to the Small Business Administration (SBA). Our mailing address is:

U.S. Small Business Administration  
Office of the Small Business Development Centers (OSBDC)  
409 Third Street, SW, 6th Floor  
Washington, DC 20416  
Attn: Edna Greene, Grants Management Specialist

If you have any questions about the administrative aspects of this award, please call the OSBDC at (202) 205-6766.

Sincerely,

Carroll A. Thomas  
Associate Administrator  
Office of the Small Business Development Centers

Enclosures

cc: OSBDC Grants File  
Sent by email to:  
Linda Rossi, SBDC State Director  
Joan Hudson, SBA Project Officer  
Seth Goodall, SBA Regional Administrator  
Darcy Carter, SBA District Director  
Rachel Karton, Grants Officer's Representative  
Monika Nixon, Program Specialist

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE		PAGE OF PAGES 1 3	
2. AMENDMENT/MODIFICATION NO. 0001		3. EFFECTIVE DATE 03/14/2014		4. REQUISITION/PURCHASE REQ. NO. 4603001EZ0020A	
6. ISSUED BY Small Business Administration Ofc. of Small Bus. Development Ctrs 6th Floor 409 3rd St., S.W. Washington DC 20416		7. ADMINISTERED BY (If other than Item 6) CODE		5. PROJECT NO. (If applicable)	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)  VERMONT STATE COLLEGES Attn: Dr. Philip Conroy Vermont Technical College PO Box 188 One Main Street RANDOLPH CENTER VT 05061		(x) 9A. AMENDMENT OF SOLICITATION NO.  9B. DATED (SEE ITEM 11)  10A. MODIFICATION OF CONTRACT/ORDER NO. SBAHQ-14-B-0009  10B. DATED (SEE ITEM 13) 11/08/2013			
CODE 807840608		FACILITY CODE			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <span style="float: right;"><input type="checkbox"/> is extended, <input type="checkbox"/> is not extended.</span> Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
12. ACCOUNTING AND APPROPRIATION DATA (If required) 1414.450400DB.603001.20251.4110		Net Increase:		\$458,850.00	
13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.					
CHECK ONE					
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.					
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).					
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:					
D. OTHER (Specify type of modification and authority) X 15 USC 648; 31 USC 6305; 13 CFR Part 130					
E. IMPORTANT: Contractor <input type="checkbox"/> is not <input checked="" type="checkbox"/> is required to sign this document and return <u>1</u> copies to the issuing office.					
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) DUNS Number: 807840608 This modification is issued to authorize Federal funding in the amount of \$631,250.00 which is available in accordance with the Small Business Act (15 U.S.C. § 648), the Consolidated Appropriations Act, 2014 (Public Law 113-76, H.R.3547), and your revised Application (Standard Form 424) dated 03/13/2014, which are incorporated by reference. See Approved Budget on page 3.					
Additionally, this modification makes administrative corrections to the following Notice of Award terms and conditions:					
Part I (A) (2) GOTR is replaced by the term Grants Officer's Representative (GOR); Continued ...					
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.					
15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Doris Young			
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)		15C. DATE SIGNED		16C. DATE SIGNED 03/24/2014	
NSN 7540-01-162-8070 Previous edition unusable		STANDARD FORM 30 (REV. 10-83) Prescribed by GSA FAR (48 CFR) 53.243			



CONTINUATION SHEET		REFERENCE NO. OF DOCUMENT BEING CONTINUED		PAGE	OF
		SBAHQ-14-B-0009/0001		2	3
NAME OF OFFEROR OR CONTRACTOR					
VERMONT STATE COLLEGES					
ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	<p>Part III (B) (10) (b) Problems or questions relating to payment under this Cooperative Agreement should be directed promptly to Monika Nixon at SBDCPayments@sba.gov , or telephone number: (202) 205-7310; and Facsimile: (202) 481-5624; and</p> <p>Part III (B) (2) Transactions with Suspended or Debarred Entities, which states: "You cannot use Project Funds or Project Resources to pay salaries of employees or costs of consultants, contractors, or other service providers (e.g., accountants, lawyers, etc.) where such entities are currently suspended or debarred. In addition, You cannot use Project Funds to provide counseling services related to Federal contract, grant, or loan opportunities to individuals or firms that are currently under suspension or debarment by a Federal agency. Training may be provided on these three topics without regard to an individual's suspension or debarment status.</p> <p>You are responsible for verifying that entities paid or (where applicable) assisted with Project Funds or Project Resources are not suspended or debarred in order to avoid subsequent disallowance of costs under this Award. To determine if an individual or firm is suspended or debarred, You may consult the System for Award Management (<a href="https://www.sam.gov/">https://www.sam.gov/</a>). Additionally, in cases involving the counseling of clients, You may require clients to certify they are not currently suspended or debarred prior to receiving assistance relating to Federal contract, grant, or loan opportunities. For further guidance regarding suspension and debarment, see 2 C.F.R. Parts 180 and 2700."</p> <p>All other terms and conditions remain the same.</p> <p>Period of Performance: 10/17/2013 to 09/30/2014</p>				

RECIPIENT: Vermont Technical College  
 MODIFICATION NO: 0001  
 NOTICE OF AWARD: SBAHQ-14-B-0009  
 ADMINISTRATIVE CODE: 4-803001-EZ-0020A

EFFECTIVE DATE: 03/14/2014  
 BUDGET PERIOD: 10/17/2013 – 09/30/2014  
 PAGE 3 OF 3

#### A. APPROVED BUDGET

COST CATEGORY & SUB-ITEMS	FEDERAL SHARE SBA	NON-FEDERAL SHARE			TOTAL AMOUNT
		CASH	IN-KIND	INDIRECT	
a. Personnel	\$ 334,145.00	\$ 157,987.00	\$ 20,059.00		\$ 512,191.00
b. Fringe Benefits	\$ 169,394.00	\$ 77,413.00	\$ 9,829.00		\$ 253,576.00
c. Travel	\$ 35,876.00	\$ -	\$ -	\$ -	\$ 35,876.00
d. Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
e. Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
f. Contractual	\$ -	\$ 120,000.00	\$ 32,780.00		\$ 152,780.00
g. Consultants	\$ 23,200.00	\$ -	\$ 40,000.00	\$ -	\$ 63,200.00
h. Other	\$ 21,695.00	\$ -	\$ -	\$ -	\$ 21,695.00
i. Total Direct Charges	\$ 581,250.00	\$ 355,400.00	\$ 102,668.00		\$ 1,039,318.00
j. Indirect Charges	\$ 50,000.00	\$ -	\$ -	\$ 205,100.00	\$ 255,100.00
TOTALS	\$ 631,250.00	\$ 355,400.00	\$ 102,668.00	\$ 205,100.00	\$ 1,294,418.00

Note: All costs approved on this budget must meet the tests of necessity, reasonableness, allowability, and allocability in accordance with applicable cost principles. All costs charged to this agreement are subject to audit. Recipients are responsible to insure proper management and financial accountability of Federal funds to preclude future cost disallowances.

## FORM C

## - NEW FUNDING SOURCE DOCUMENT - GRANTS ONLY

Vermont Technical College  
(College Name)

ADDITIONAL FUNDS

Submit to Chancellor's Office for all activities based upon a new funding source.  
Place copy in front of any applicable master file.

1) Name of grant: (type in all CAP'S)

2014 SBA CORE FUNDING GRANT

2) Granting agency/donor/other funding source: (attach support info)  
U.S. Small Business Administration

2a) CFDA # 59.037 2b) State Revenue Code:             
2c) Award # SBAHQ-14-B-0009

3) Purpose of activity:

Business Advising & Training


4a) <u>Proper accounting fund:</u>	4b) <u>Funding Source</u>
Entity Gasb Code <u>092</u>	Federal <u>xx</u>
Activity Code <u>90158</u>	State <u>          </u>
	Other: (Name) <u>          </u>

5) Related Grants and their funding sources:

6a) <u>Beginning date:</u> <u>10/17/2013</u>	6b) <u>Ending date:</u> <u>9/30/2014</u>	6c) <u>Duration:</u> <u>One Year</u>
-------------------------------------------------	---------------------------------------------	-----------------------------------------

7) Reporting requirement: (format/to whom/frequency/other)

Semi-Annual Reporting

8a) <u>Funding amount:</u>  \$631,250.00	8b) One-time <u>Y</u> or N Ongoing funding (indicate timeframe:) <u>          </u>
Board Approval Required <u>Y</u> or N	
11) <u>President:</u> 	12) <u>Date to Ch's Ofc:</u> <u>4/24/14</u>
	13) <u>Date Board Approved:</u>

VERMONT STATE COLLEGESBOARD OF TRUSTEESRESOLUTIONEndorsement of Grant Proposals: Consent Agenda

WHEREAS, VSC Policy 408 requires Board of Trustees approval of grant proposals involving \$150,000 or more, funds matching, or cost sharing of \$50,000 or more; and

WHEREAS, The VSC Finance & Facilities Committee has appropriately reviewed the current grant proposals and recommends them to the full Board; therefore, be it

RESOLVED, That the Vermont State Colleges Board of Trustees hereby endorses the following grant proposals titled, in the amount, and from the specific granting entities as indicated:

LSC: “Center for Rural Entrepreneurship Youth Grant” in the amount of \$195,000 from Jane’s Trust;

LSC: “RBEG/iWOW V” in the amount of \$128,575 from the U.S. Department of Agriculture;

VTC: “Electrical and Plumbing Apprenticeship Programs” in the amount of \$468,615 from the State of Vermont Department of Labor;

VTC: “VMEC Vermont Training Program” in the amount of \$200,000 from the Vermont Department of Economic Development;

VTC: “2014 SBA Core Funding Grant” in the amount of \$631,250 from the U.S. Small Business Administration.

May 22, 2014

## B. ITEMS FOR INFORMATION AND DISCUSSION

### 1. Review Q3 Financials

The Q3 financials, tuition and fees monitoring reports, and narratives are attached for Committee review. At this point in the year, due primarily to decreased FPE, JSC and VTC are projecting FY2014 deficits. While JSC is actively trying to enhance revenues and decrease expenses it is likely that for FY2014 expenses will exceed revenues. VTC is projecting the need to fully utilize the VSC \$2.5M loan at year end to cover its deficit. All colleges continue to aggressively review their revenue and expense structures with regard to FY2014 and beyond.

# **Vermont State Colleges**

## **Consolidated Financial Reports**

**Period ended  
March 31, 2014**

## Executive Summary

March 31, 2014

### Total Operating Revenue:

Projected tuition & fees revenue is \$1,390K (-1.2%) under budget. CCV is projecting to exceed their T&F budget by \$500K, and LSC is projecting to exceed theirs by \$400K. All others are flat or under budget. For total operating revenue, CCV, CSC and LSC expect to exceed their budgets, but all others are short of budget. For the system, Total Operating Revenue is \$1,567K under budget.

### Total Operating Expenses:

The FY2014 projected Total Operating Expense is \$1,129K below the board approved budget. JSC is \$915K under budget, as are NAH, VIT and WFD, but all others are projecting to overspend budgets.: LSC by 300K, CCV by 13K, CSC by 185K. The CO is overbudget by \$2.031K, due to \$2.341K in internal loans to the colleges.

### Summary:

Overall, we are projecting a \$2,278K unfavorable budget variance, with approved carry forwards. Of particular note:

CCV is projecting a \$191K favorable budget variance.

JSC is projecting a \$443K unfavorable budget variance.

LSC is projecting a \$1,025K favorable budget variance. This is due to a \$1M gift they received.

VTC is projecting a \$1,859K unfavorable budget variance.

NAH is projecting a \$122K unfavorable budget variance due to lower enrollment.

CO's overall unfavorable budget variance of \$698K is due to trust funds received from schools, but not yet sent to Trust ( +2,160K), Internal Loans to colleges (-2,341K) and regular transfers to colleges (-1,088K).

### Projected Changes in Unrestricted Net Assets excluding Unfunded OPEB by College

	Projected Total Year	Total Board Approved Budget	Projection vs Budget Variance
CCV	41,419	(150,000)	191,419
CSC	79,963	-	79,963
JSC	(896,654)	(454,136)	(442,518)
LSC	1,024,587	-	1,024,587
VTC	(2,598,173)	(738,843)	(1,859,330)
CO	(1,672,451)	(974,770)	(697,681)
NAH	(121,791)	-	(121,791)
VIT	17,603	-	17,603
WFD	(120,310)	-	(120,310)
Total VSC- Unrestricted	(4,245,807)	(2,317,749)	(1,928,058)
WFD Restricted	-	-	-

Vermont State Colleges  
Consolidated  
For the Nine Months Ending March 31, 2014  
Budget vs Actual Report

	Actual 2014	Actual 2013	Variance Prior Yr Fav/(Unfav)	Projected Balance of 2014	Projected Total Year 2014	Board Approved Budget 2014	Approved Carry Forward	Total Board Approved Budget 2014	Projection vs Budget Variance Fav/(Unfav)	Total Year 2013 Actual
<b>OPERATING REVENUES</b>										
Tuition and Fees (Gross)	112,182,992	110,256,041	1,926,951	3,060,135	115,243,127	115,899,096	-	115,899,096	(655,969)	113,633,543
(Less Scholarship Allowances)	4,958,846	4,769,830	189,016	385,753	5,344,599	4,610,329	-	4,610,329	(734,270)	4,742,220
Net Tuition and Fees:	107,224,147	105,486,212	1,737,935	2,674,382	109,898,529	111,288,767	-	111,288,767	(1,390,238)	108,891,323
Federal Grants and Contracts	23,795	25,090	(1,295)	17,610	41,405	12,649	-	12,649	28,756	25,090
State and Local Grants and Contracts	-	4,572	(4,572)	-	-	-	-	-	-	4,572
Non-Governmental Grants and Contracts	7,424	57,202	(49,779)	1,000	8,424	-	-	-	8,424	58,162
Interest Income	-	-	-	-	-	-	-	-	-	(200)
Sales and Services	3,652,811	3,411,347	241,464	1,079,753	4,732,564	4,788,161	-	4,788,161	(55,597)	4,660,934
Auxiliary Enterprises	25,438,086	24,825,934	612,152	114,423	25,552,509	25,672,518	-	25,672,518	(120,009)	24,950,239
Other Operating Revenue	477,454	1,191,507	(714,054)	193,567	671,021	709,609	-	709,609	(38,588)	1,497,104
<b>TOTAL OPERATING REVENUE</b>	<b>136,823,716</b>	<b>135,001,864</b>	<b>1,821,851</b>	<b>4,080,735</b>	<b>140,904,451</b>	<b>142,471,704</b>	<b>-</b>	<b>142,471,704</b>	<b>(1,567,253)</b>	<b>140,087,223</b>
<b>OPERATING EXPENSES</b>										
Salaries and Wages	58,238,261	57,252,384	(985,877)	17,571,311	75,809,572	75,269,952	-	75,269,952	(539,620)	75,696,860
Employee Benefits - Group Insurance	15,104,777	14,508,237	(596,539)	4,612,635	19,717,412	19,675,778	100,000	19,775,778	58,366	17,050,993
Employee Benefits - GASB 45	2,622,900	5,073,584	2,450,684	867,038	3,489,938	5,243,616	-	5,243,616	1,753,678	7,063,266
Payment to Trust for GASB45 benefits	-	-	-	77,732	77,732	2,320,786	-	2,320,786	2,243,054	-
Employee Benefits - Other	12,520,077	12,223,052	(297,025)	3,620,598	16,140,675	15,978,064	-	15,978,064	(162,611)	15,898,797
Scholarships and Fellowships	6,508,183	4,856,803	(1,651,380)	(117,385)	6,390,798	5,832,593	100,000	5,932,593	(458,205)	4,902,891
Supplies and Other Services	26,705,822	24,717,381	(1,988,441)	7,404,068	34,109,890	30,885,973	843,677	31,729,650	(2,380,240)	33,794,606
Travel	2,298,043	2,245,881	(52,162)	605,878	2,903,921	1,913,455	-	1,913,455	(990,466)	2,919,771
Equipment	1,097,219	1,675,366	578,147	444,632	1,541,851	1,655,229	25,000	1,680,229	138,378	1,000,828
Library Acquisitions	641,990	710,060	68,070	364,045	1,006,035	1,043,188	-	1,043,188	37,153	850,882
Utilities	5,511,512	5,153,795	(357,718)	1,653,257	7,164,769	7,090,597	-	7,090,597	(74,172)	6,924,912
Transfers										
Inter-entity	4,256,852	3,435,870	(820,981)	572,812	4,829,664	5,105,114	150,000	5,255,114	425,450	4,852,233
Intra-entity	481,496	56,311	(425,185)	(154,466)	327,030	(976,575)	124,302	(852,273)	(1,179,303)	3,308,142
<b>TOTAL OPERATING EXPENSES</b>	<b>135,987,131</b>	<b>131,908,724</b>	<b>(4,078,406)</b>	<b>37,522,155</b>	<b>173,509,286</b>	<b>171,037,770</b>	<b>1,342,979</b>	<b>172,380,749</b>	<b>(1,128,537)</b>	<b>174,264,179</b>
Operating Income (Loss)	836,585	3,093,140	(2,256,555)	(33,441,420)	(32,604,835)	(28,566,066)	(1,342,979)	(29,909,045)	(2,695,790)	(34,176,956)
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
State Appropriations	19,465,976	18,522,508	943,469	6,564,920	26,030,896	26,259,710	-	26,259,710	(228,814)	24,780,662
Gifts	2,606,127	1,286,874	1,319,254	64,316	2,670,443	678,530	-	678,530	1,991,913	1,462,138
Investment Income (Net of Expenses)	532,450	478,798	53,652	389,473	921,923	1,188,250	-	1,188,250	(266,328)	72,152
Interest Expense on Capital Debt	(3,688,642)	(3,858,327)	169,685	(2,044,000)	(5,732,642)	(5,778,810)	-	(5,778,810)	46,168	(5,992,125)
Other Non-Operating Revenues	3,699	15,846	(12,147)	-	3,699	-	-	-	3,699	20,151
VSC Line of Credit	818,000	-	818,000	156,770	974,770	-	-	-	974,770	-
Net Non-Operating Revenues	19,737,611	16,445,698	3,291,912	5,131,479	24,869,090	22,347,680	-	22,347,680	2,521,410	20,342,978
Income before Other Rev, Exp, Gains, Losses	20,574,196	19,538,838	1,035,357	(28,309,941)	(7,735,745)	(6,218,386)	(1,342,979)	(7,561,365)	(174,380)	(13,833,978)
Capital Appropriations	-	-	-	-	-	-	-	-	-	-
Capital Grants and Gifts	-	-	-	-	-	-	-	-	-	-
Additions to Non Expendable Assets	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	20,574,196	19,538,838	1,035,357	(28,309,941)	(7,735,745)	(6,218,386)	(1,342,979)	(7,561,365)	(174,380)	(13,833,978)
Increase (Decrease) in GASB45 liability	2,622,900	5,073,584	(2,450,684)	867,038	3,489,938	5,243,616	-	5,243,616	1,753,678	7,063,266
<b>TOTAL</b>	<b>23,197,096</b>	<b>24,612,423</b>	<b>(1,415,327)</b>	<b>(27,442,903)</b>	<b>(4,245,807)</b>	<b>(974,770)</b>	<b>(1,342,979)</b>	<b>(2,317,749)</b>	<b>(1,928,058)</b>	<b>(6,770,712)</b>



**VERMONT STATE COLLEGES  
- FY'14 TUITION & FEES REVENUE MONITORING REPORT -**

All Schools  
March 31, 2014

	<u>BUDGETED</u>		<u>ACTUAL/ESTIMATED</u>		<u>VARIANCE</u>	
	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<b>Fall 2013</b>						
Vermont	7,487	30,872,597	7,502	30,456,649	15	(415,948)
Non-Vrmtr (o/s)	1,229	12,525,170	1,170	12,016,392	(59)	(508,778)
NEBHE	654	6,584,339	667	6,647,490	13	63,151
Grad Vermont	157	1,227,412	176	1,110,962	19	(116,450)
Grad Non- Vermont	25	265,793	18	181,122	(7)	(84,671)
Total	9,552	\$51,475,311	9,533	\$50,412,615	(19)	(\$1,062,696)
<b>Spring 2014</b>						
Vermont	7,193	29,425,609	7,103	28,669,062	(91)	(756,547)
Non-Vrmtr (o/s)	1,114	11,272,054	1,117	11,303,198	3	31,144
NEBHE	604	6,079,512	605	6,062,628	1	(16,884)
Grad Vermont	144	953,772	151	890,545	7	(63,227)
Grad Non- Vermont	23	240,428	15	148,819	(8)	(91,609)
Total	9,079	\$47,971,375	8,991	\$47,074,252	(88)	(\$897,123)
<b>SUMMER SESSIONS I. (J/Aug)</b>						
Vermont	446	2,267,752	573	2,938,607	127	670,855
Non-Vrmtr (o/s)	18	180,233	35	360,687	18	180,454
NEBHE	15	152,172	24	239,969	9	87,797
Grad Vermont	30	168,623	55	311,178	26	142,555
Grad Non- Vermont	2	30,000	3	26,004	0	(3,996)
Total	511	2,798,780	690	3,876,445	179	1,077,665
<b>SUMMER SESSIONS II&gt; (May/J)</b>						
Vermont	533	2,747,479	526	2,713,902	(7)	(33,577)
Non-Vrmtr (o/s)	14	146,066	14	142,636	0	(3,430)
NEBHE	24	232,733	23	222,629	(1)	(10,104)
Grad Vermont	21	124,884	24	140,827	3	15,943
Grad Non- Vermont	2	20,000	1	13,931	(0)	(6,069)
Total	593	\$3,271,162	588	\$3,233,925	(5)	(\$37,237)
<b>FY 2014 TOTAL</b>	(Avg)					
Fall & Spring						
Vermont	7,340	\$60,298,206	7,302	\$59,125,711	(38)	(\$1,172,495)
Non-Vrmtr (o/s)	1,172	23,797,224	1,144	23,319,590	(28)	(477,634)
NEBHE	629	12,663,851	636	12,710,118	7	46,267
Grad Vermont	151	2,181,184	164	2,001,507	13	(179,677)
Grad Non- Vermont	24	506,221	17	329,941	(7)	(176,280)
S/T	9,316	\$99,446,686	9,262	\$97,486,867	(54)	(\$1,959,819)
Summer Sessions (annualized)	552	6,069,942	639	7,110,370	87	1,040,428
Total Student Tuition	9,868	105,516,628	9,901	\$104,597,237	33	(\$919,391)
Student Fees		10,566,682		11,055,780		489,098
Total Tution and Fees		<u>\$116,083,310</u>		<u>\$115,653,017</u>		<u>(\$430,293)</u>
Less: Waivers		(4,794,542)		(5,344,599)		(550,057)
Total Net Tuition & Fees		<u>\$111,288,768</u>		<u>\$110,308,418</u>		<u>(\$980,350)</u>
Auxiliary:						
Room & Board Fall		12,895,204		12,810,719		(84,485)
Room & Board Spring		11,577,314		11,641,789		64,475
Bookstore		1,200,000		1,100,000		(100,000)
Total Auxiliary		<u>25,672,518</u>		<u>25,552,508</u>		<u>(120,010)</u>

\* FPE: Full Paying Equivalent, i.e. # students at full tuition value

\*\* Summer Sessions charge rates utilized in preceeding Academic Year

# **Vermont State Colleges**

## **Detailed College Financial Reports**

**Period ended March 31, 2014**

Vermont State Colleges  
Community College of Vermont  
For the Nine Months Ending March 31, 2014  
Budget vs Actual Report

	Actual 2014	Actual 2013	Variance Prior Yr Fav/(Unfav)	Projected Balance of 2014	Projected Total Year 2014	Board Approved Budget 2014	Approved Carry Forward	Total Board Approved Budget 2014	Projection vs Budget Variance Fav/(Unfav)	Total Year 2013 Actual
<b>OPERATING REVENUES</b>										
Tuition and Fees (Gross)	22,828,017	22,936,584	(108,567)	2,210,448	25,038,465	24,500,229	-	24,500,229	538,236	25,329,866
(Less Scholarship Allowances)	405,545	331,390	74,155	22,935	428,480	428,480	-	428,480	0	384,341
Net Tuition and Fees:	22,422,472	22,605,194	(182,722)	2,187,513	24,609,985	24,071,749	-	24,071,749	538,236	24,945,525
Federal Grants and Contracts	17,510	18,475	(965)	17,510	35,020	12,649	-	12,649	22,371	18,475
State and Local Grants and Contracts	0	4,572	(4,572)	-	-	-	-	-	-	4,572
Non-Governmental Grants and Contracts	309	44,700	(44,391)	-	309	-	-	-	309	44,700
Interest Income	0	0	-	-	-	-	-	-	-	-
Sales and Services	15,320	44,907	(29,588)	54,680	70,000	70,000	-	70,000	(1)	52,925
Auxiliary Enterprises	0	0	-	-	-	-	-	-	-	-
Other Operating Revenue	15,720	34,054	(18,333)	9,280	25,000	25,000	-	25,000	0	103,762
<b>TOTAL OPERATING REVENUE</b>	<b>22,471,331</b>	<b>22,751,902</b>	<b>(280,571)</b>	<b>2,268,983</b>	<b>24,740,314</b>	<b>24,179,398</b>	<b>-</b>	<b>24,179,398</b>	<b>560,916</b>	<b>25,169,958</b>
<b>OPERATING EXPENSES</b>										
Salaries and Wages	12,494,094	13,046,842	552,748	3,791,414	16,285,508	15,985,509	-	15,985,509	(299,999)	17,216,671
Employee Benefits - Group Insurance	1,929,557	1,926,049	(3,508)	557,881	2,487,438	2,487,438	-	2,487,438	(0)	2,496,408
Employee Benefits - GASB 45	161,700	624,196	462,496	54,238	215,938	518,938	-	518,938	303,000	962,028
Payment to Trust for GASB45 benefits	362,270	172,599	(189,671)	120,757	483,027	483,027	-	483,027	(0)	230,132
Employee Benefits - Other	1,849,692	1,958,805	109,113	766,051	2,615,743	2,615,743	-	2,615,743	(0)	2,591,525
Scholarships and Fellowships	177,072	78,553	(98,518)	138,805	315,877	315,877	-	315,877	0	87,702
Supplies and Other Services	3,100,080	3,252,860	152,780	1,135,897	4,235,977	3,935,977	150,000	4,085,977	(150,000)	4,658,158
Travel	150,321	154,382	4,062	79,679	230,000	230,000	-	230,000	0	215,314
Equipment	29,116	72,490	43,374	165,936	195,052	195,052	-	195,052	0	125,913
Library Acquisitions	0	0	-	-	-	-	-	-	-	-
Utilities	237,179	244,369	7,190	62,821	300,000	300,000	-	300,000	(0)	345,398
Transfers	-	-	-	-	-	-	-	-	-	-
Inter-entity	1,652,522	1,105,273	(547,249)	1,004,906	2,657,428	2,817,428	-	2,817,428	160,000	1,966,175
Intra-entity	(204,507)	(327,192)	(122,684)	(12,168)	(216,675)	(216,676)	-	(216,676)	(1)	(133,445)
<b>TOTAL OPERATING EXPENSES</b>	<b>21,939,097</b>	<b>22,309,228</b>	<b>370,131</b>	<b>7,866,217</b>	<b>29,805,314</b>	<b>29,668,313</b>	<b>150,000</b>	<b>29,818,313</b>	<b>12,999</b>	<b>30,761,977</b>
Operating Income (Loss)	532,234	442,674	89,560	(5,597,234)	(5,065,000)	(5,488,915)	(150,000)	(5,638,915)	573,915	(5,592,019)
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
State Appropriations	3,580,886	3,401,903	178,982	1,193,627	4,774,513	4,774,513	-	4,774,513	(0)	4,535,871
Gifts	43,370	14,483	28,887	-	43,370	30,000	-	30,000	13,370	31,122
Investment Income (Net of Expenses)	63,599	147,766	(84,167)	9,000	72,599	165,464	-	165,464	(92,865)	175,770
Interest Expense on Capital Debt	-	0	-	-	-	-	-	-	-	-
Other Non-Operating Revenues	-	300	(300)	-	-	-	-	-	-	300
Net Non-Operating Revenues	3,687,854	3,564,452	123,402	1,202,627	4,890,481	4,969,977	-	4,969,977	(79,496)	4,743,063
Income before Other Rev, Exp, Gains, Losses	4,220,088	4,007,126	212,962	(4,394,607)	(174,519)	(518,938)	(150,000)	(668,938)	494,419	(848,956)
Capital Appropriations	-	-	-	-	-	-	-	-	-	-
Capital Grants and Gifts	-	-	-	-	-	-	-	-	-	-
Additions to Non Expendable Assets	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	4,220,088	4,007,126	212,962	(4,394,607)	(174,519)	(518,938)	(150,000)	(668,938)	494,419	(848,956)
Increase (Decrease) in GASB45 liability	161,700	624,196	(462,496)	54,238	215,938	518,938	-	518,938	303,000	962,028
<b>TOTAL</b>	<b>4,381,788</b>	<b>4,631,323</b>	<b>(249,534)</b>	<b>(4,340,369)</b>	<b>41,419</b>	<b>-</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>191,419</b>	<b>113,072</b>

**VERMONT STATE COLLEGES**  
**- FY'14 TUITION & FEES REVENUE MONITORING REPORT -**  
**Community College of Vermont**  
**3/31/2014**

	<u>BUDGETED</u>			<u>ACTUAL/ESTIMATED</u>		<u>VARIANCE</u>	
	<u>Rate</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<b>Fall 2013</b>	(Semester)						
Vermonters	2,784	3,036	\$8,457,214	3,103	\$8,637,393	67	\$180,179
Non-Vrmtr (o/s)	5,568	186	1,035,600	160	891,854	(26)	(143,746)
NEBHE	5,568	35	194,900	46	257,984	11	63,084
Grad Vermonters	-	-	-	-	-	-	-
Grad Non- Vermonters	-	-	-	-	-	-	-
Total		<u>3,257</u>	<u>\$9,687,714</u>	<u>3,309</u>	<u>\$9,787,231</u>	<u>52</u>	<u>\$99,517</u>
<b>Spring 2014</b>	(Semester)						
Vermonters	2,784	3,036	\$8,457,215	3,036	\$8,452,200	(0)	(\$5,015)
Non-Vrmtr (o/s)	5,568	186	1,035,600	186	1,035,600	(0)	0
NEBHE	5,568	35	194,900	35	194,900	0	0
Grad Vermonters	-	-	-	-	-	-	-
Grad Non- Vermonters	-	-	-	-	-	-	-
Total		<u>3,257</u>	<u>\$9,687,715</u>	<u>3,257</u>	<u>\$9,682,700</u>	<u>(0)</u>	<u>(\$5,015)</u>
<b>SUMMER SESSIONS I. (J/Aug)</b>	**						
Vermonters	5,352	295	\$1,578,800	410	\$2,193,161	115	\$614,361
Non-Vrmtr (o/s)	10,704	8	85,600	26	281,773	18	196,173
NEBHE	10,704	2	21,400	6	65,165	4	43,765
Grad Vermonters	-	-	-	-	-	-	-
Grad Non- Vermonters	-	-	-	-	-	-	-
Total		<u>305</u>	<u>1,685,800</u>	<u>442</u>	<u>2,540,099</u>	<u>137</u>	<u>854,299</u>
<b>SUMMER SESSIONS II&gt; (May/J)</b>	**						
Vermonters	5,568	295	\$1,642,600	295	\$1,642,600	0	\$0
Non-Vrmtr (o/s)	11,136	8	89,100	8	89,100	0	0
NEBHE	11,136	2	22,300	2	22,300	0	0
Grad Vermonters	-	-	-	-	-	-	-
Grad Non- Vermonters	-	-	-	-	-	-	-
Total		<u>305</u>	<u>\$1,754,000</u>	<u>305</u>	<u>\$1,754,000</u>	<u>0</u>	<u>\$0</u>
<b>FY 2014 TOTAL</b>	(Acad Yr)	(Avg)					
Fall & Spring							
Vermonters	\$5,568	3,036	\$16,914,429	3,069	\$17,089,593	33	\$175,164
Non-Vrmtr (o/s)	11,136	186	2,071,200	173	1,927,454	(13)	(143,746)
NEBHE	11,136	35	389,800	41	452,884	6	63,084
Grad Vermonters	-	-	-	-	-	-	-
Grad Non- Vermonters	-	-	-	-	-	-	-
S/T		<u>3,257</u>	<u>\$19,375,429</u>	<u>3,283</u>	<u>\$19,469,931</u>	<u>26</u>	<u>\$94,502</u>
Summer Sessions (annualized)		610	3,439,800	747	4,294,099	69	854,299
Total Student Tuition		<u>3,867</u>	<u>\$22,815,229</u>	<u>4,030</u>	<u>\$23,764,030</u>	<u>163</u>	<u>\$948,801</u>
Student Fees			1,685,000		1,685,000		0
Total Tuition and Fees			<u>\$24,500,229</u>		<u>\$25,449,030</u>		<u>\$948,801</u>
Less: Waivers			(428,480)		(428,480)		0
Total Net Tuition & Fees			<u>\$24,071,749</u>		<u>\$25,020,550</u>		<u>\$948,801</u>
Auxiliary:							
Room & Board Fall			0		0		0
Room & Board Spring			0		0		0
Bookstore			0		0		0
Total Auxiliary			<u>0</u>		<u>0</u>		<u>0</u>

\* FPE: Full Paying Equivalent, i.e. # students at full tuition value

\*\* Summer Sessions charge rates utilized in preceeding Academic Year

**Community College of Vermont**March 31, 2014**Narrative Highlights for Budget vs. Actual****Projection  
vs.  
Budget**

Based on the YTD results, the FY14 change in net assets is projected to be a decrease in net assets of \$174,519 versus the Board approved decrease in net assets of \$518,938. Excluding GASB 45, the FY14 change in net assets is projected to be a increase of \$41,421.

Net Tuition and Fees is projected to exceed the budget by \$538,236 or 2.0% due in part to a strong 2013 summer enrollment. An increase in Salaries and Wages of \$300,000 over budget reflects the additional instructor costs related to the increased summer enrollment.

GASB 45 liability (at this time) is projected at this time to be \$303,000 less than budgeted as variables effecting this year have not been quantified as of the end of Q3.

Supplies and Other Services are projected at this time to exceed the budget by \$300,000 or 7.1%. This projected expense increase is due in part to anticipated expenses associated to support new innovations, expenses associated with the move to the new Brattleboro center and an increase in reserve for bad debts due to the recent predicted changes in collection practices.

**YTD Variance**

Inter-Entity transfers are estimated to be \$160,000 (5.6%) less than expected based on past data.

The YTD FY14 projected increase in net assets is \$4,220,090 versus an increase of \$4,631,324 for YTD FY13. Total operating revenue is slightly lower for this period than last year. Total operating expenses are less than this time last year by \$370,000, primarily driven by the projected lower GASB 45 liability.

Vermont State Colleges  
Castleton State College  
For the Nine Months Ending March 31, 2014  
Budget vs Actual Report

	Actual 2014	Actual 2013	Variance Prior Yr Fav/(Unfav)	Projected Balance of 2014	Projected Total Year 2014	Board Approved Budget 2014	Approved Carry Forward	Total Board Approved Budget 2014	Projection vs Budget Variance Fav/(Unfav)	Total Year 2013 Actual
<b>OPERATING REVENUES</b>										
Tuition and Fees (Gross)	29,982,750	28,420,070	1,562,680	28,538	30,011,288	29,884,788	-	29,884,788	126,500	28,533,731
(Less Scholarship Allowances)	326,798	245,868	80,930		326,798	220,000	-	220,000	(106,798)	247,356
Net Tuition and Fees:	29,655,952	28,174,201	1,481,751	28,538	29,684,490	29,664,788	-	29,664,788	19,702	28,286,375
Federal Grants and Contracts	-	-	-		-	-	-	-	-	
State and Local Grants and Contracts	-	-	-		-	-	-	-	-	
Non-Governmental Grants and Contracts	4,915	12,502	(7,587)	1,000	5,915	-	-	-	5,915	13,462
Interest Income	-	-	-		-	-	-	-	-	
Sales and Services	905,434	780,496	124,938	55,000	960,434	830,000	-	830,000	130,434	994,813
Auxiliary Enterprises	10,854,038	10,155,763	698,275	102,677	10,956,715	10,408,224	-	10,408,224	548,491	10,238,485
Other Operating Revenue	95,476	136,664	(41,189)	82,024	177,500	177,500	-	177,500	(0)	257,803
<b>TOTAL OPERATING REVENUE</b>	<b>41,515,815</b>	<b>39,259,627</b>	<b>2,256,188</b>	<b>269,239</b>	<b>41,785,054</b>	<b>41,080,512</b>	<b>-</b>	<b>41,080,512</b>	<b>704,542</b>	<b>39,790,938</b>
<b>OPERATING EXPENSES</b>										
Salaries and Wages	13,803,149	13,371,091	(432,059)	4,601,690	18,404,839	18,404,839	-	18,404,839	(0)	17,858,259
Employee Benefits - Group Insurance	3,966,042	3,741,606	(224,436)	1,180,203	5,146,245	5,046,245	-	5,046,245	(100,000)	4,935,379
Employee Benefits - GASB 45	795,900	1,487,029	691,129	265,300	1,061,200	1,468,517	-	1,468,517	407,317	2,020,522
Payment to Trust for GASB45 benefits	423,435	180,870	(242,565)	169,670	593,105	564,580	-	564,580	(28,525)	241,160
Employee Benefits - Other	3,372,237	3,253,868	(118,369)	843,867	4,216,104	4,216,104	-	4,216,104	(0)	4,290,493
Scholarships and Fellowships	2,017,396	1,528,597	(488,799)	3,171	2,020,567	1,620,567	-	1,620,567	(400,000)	1,539,730
Supplies and Other Services	7,475,611	6,927,952	(547,660)	1,193,643	8,669,254	8,169,253	-	8,169,253	(500,001)	8,736,575
Travel	907,422	857,669	(49,754)	39,394	946,816	446,816	-	446,816	(500,000)	1,027,540
Equipment	285,135	445,458	160,322	124,766	409,901	459,901	-	459,901	50,000	(30,769)
Library Acquisitions	196,440	220,220	23,779	218,610	415,050	415,050	-	415,050	(0)	269,891
Utilities	1,619,824	1,530,752	(89,072)	504,494	2,124,318	2,174,318	-	2,174,318	50,000	2,092,056
Transfers										
Inter-entity	2,347,919	3,638,182	1,290,262	961,979	3,309,898	5,399,359	-	5,399,359	2,089,461	4,899,146
Intra-entity	1,029,669	(145,207)	(1,174,876)	(80,000)	949,669	(303,914)	-	(303,914)	(1,253,583)	2,195,879
<b>TOTAL OPERATING EXPENSES</b>	<b>38,240,181</b>	<b>37,038,084</b>	<b>(1,202,097)</b>	<b>10,026,787</b>	<b>48,266,968</b>	<b>48,081,635</b>	<b>-</b>	<b>48,081,635</b>	<b>(185,333)</b>	<b>50,075,861</b>
Operating Income (Loss)	3,275,634	2,221,543	1,054,091	(9,757,548)	(6,481,914)	(7,001,123)	-	(7,001,123)	519,209	(10,284,923)
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
State Appropriations	3,580,886	3,401,903	178,982	1,193,627	4,774,513	4,774,513	-	4,774,513	(0)	4,535,871
Gifts	502,214	571,862	(69,647)	32,786	535,000	435,000	-	435,000	100,000	714,659
Investment Income (Net of Expenses)	154,673	253,918	(99,246)	39,182	193,855	323,093	-	323,093	(129,238)	307,365
Interest Expense on Capital Debt	(2,691)	(3,817)	1,125		(2,691)	-	-	-	(2,691)	(4,499)
Other Non-Operating Revenues		5,779	(5,779)		-	-	-	-	-	5,779
Net Non-Operating Revenues	4,235,082	4,229,646	5,436	1,265,595	5,500,677	5,532,606	-	5,532,606	(31,929)	5,559,175
Income before Other Rev, Exp, Gains, Losses	7,510,716	6,451,189	1,059,527	(8,491,953)	(981,237)	(1,468,517)	-	(1,468,517)	487,280	(4,725,748)
Capital Appropriations	-	-	-	-	-	-	-	-	-	-
Capital Grants and Gifts	-	-	-	-	-	-	-	-	-	-
Additions to Non Expendable Assets	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	7,510,716	6,451,189	1,059,527	(8,491,953)	(981,237)	(1,468,517)	-	(1,468,517)	487,280	(4,725,748)
Increase (Decrease) in GASB45 liability	795,900	1,487,029	(691,129)	265,300	1,061,200	1,468,517	-	1,468,517	407,317	2,020,522
<b>TOTAL</b>	<b>8,306,616</b>	<b>7,938,217</b>	<b>368,398</b>	<b>(8,226,653)</b>	<b>79,963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,963</b>	<b>(2,705,226)</b>

**VERMONT STATE COLLEGES**  
**- FY'14 TUITION & FEES REVENUE MONITORING REPORT -**

**Castleton State College**

3/31/2014

	<u>BUDGETED</u>			<u>ACTUAL/ESTIMATED</u>		<u>VARIANCE</u>	
	<u>Rate</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<b>Fall 2013</b>	(Semester)						
Vermont	4,656	1,435	6,975,274	1,469	6,838,281	34	(\$136,993)
Non-Vrmtr (o/s)	11,517	600	6,904,634	579	6,668,312	(21)	(236,322)
NEBHE	11,517	2	23,034	9	103,680	7	80,646
Grad Vermont	5,803	38	380,512	62	361,757	24	(18,755)
Grad Non- Vermont	8,937	14	125,117	13	111,804	(1)	(13,313)
<b>Total</b>		<u>2,089</u>	<u>\$14,408,571</u>	<u>2,132</u>	<u>\$14,083,834</u>	<u>43</u>	<u>(\$324,737)</u>
<b>Spring 2014</b>	(Semester)						
Vermont	4,656	1,320	6,442,308	1,348	6,277,447	28	(\$164,861)
Non-Vrmtr (o/s)	11,517	540	6,213,601	541	6,226,512	1	12,911
NEBHE	11,517	2	23,034	9	103,680	7	80,646
Grad Vermont	5,803	34	298,461	30	171,888	(4)	(126,573)
Grad Non- Vermont	8,937	13	112,604	12	105,270	(1)	(7,334)
<b>Total</b>		<u>1,909</u>	<u>\$13,090,008</u>	<u>1,939</u>	<u>\$12,884,797</u>	<u>30</u>	<u>(\$205,211)</u>
<b>SUMMER SESSIONS I. (J/Aug)</b>	**						
Vermont	4,464			12	55,035	12	\$55,035
Non-Vrmtr (o/s)	6,696			2	10,867	2	10,867
NEBHE	-				-	0	0
Grad Vermont	5,580			21	116,558	21	116,558
Grad Non- Vermont	8,352			1	6,655	1	6,655
<b>Total</b>		<u>0</u>	<u>0</u>	<u>36</u>	<u>189,115</u>	<u>36</u>	<u>189,115</u>
<b>SUMMER SESSIONS II&gt; (May/J)</b>	**						
Vermont	4,656	-	-	0	\$0	0	\$0
Non-Vrmtr (o/s)	6,984	-	-	0	0	0	0
NEBHE	-				0	0	0
Grad Vermont	5,803		-	0	0	0	0
Grad Non- Vermont	8,937			0	0	0	0
<b>Total</b>		<u>0</u>	<u>\$0</u>	<u>0</u>	<u>\$0</u>	<u>0</u>	<u>\$0</u>
<b>FY 2014 TOTAL</b>	(Acad Yr)	(Avg)					
Fall & Spring							
Vermont	\$9,312	1,378	\$13,417,582	1,408	\$13,115,728	31	(\$301,854)
Non-Vrmtr (o/s)	23,034	570	13,118,235	560	12,894,824	(10)	(223,411)
NEBHE	23,034	2	46,068	9	207,360	7	161,292
Grad Vermont	11,606	36	678,973	46	533,645	10	(145,328)
Grad Non- Vermont	17,874	14	237,721	12	217,074	(1)	(20,647)
S/T		<u>1,999</u>	<u>\$27,498,579</u>	<u>2,035</u>	<u>\$26,968,631</u>	<u>36</u>	<u>(\$529,948)</u>
Summer Sessions (annualized)		<u>0</u>	<u>0</u>	<u>18</u>	<u>189,115</u>	<u>18</u>	<u>189,115</u>
<b>Total Student Tuition</b>		<u>1,999</u>	<u>27,498,579</u>	<u>2,053</u>	<u>\$27,157,746</u>	<u>54</u>	<u>(\$340,833)</u>
<b>Student Fees</b>			<u>2,386,209</u>		<u>2,852,867</u>		<u>466,658</u>
<b>Total Tuition and Fees</b>			<u>\$29,884,788</u>		<u>\$30,010,613</u>		<u>\$125,825</u>
Less: Waivers			(220,000)		(326,798)		(106,798)
<b>Total Net Tuition &amp; Fees</b>			<u>\$29,664,788</u>		<u>\$29,683,815</u>		<u>\$19,027</u>
<b>Auxiliary:</b>							
Room & Board Fall			4,762,184		5,183,652		421,468
Room & Board Spring			4,446,040		4,673,063		227,023
Bookstore			1,200,000		1,100,000		(100,000)
<b>Total Auxiliary</b>			<u>10,408,224</u>		<u>10,956,715</u>		<u>548,491</u>

\* FPE: Full Paying Equivalent, i.e. # students at full tuition value

\*\* Summer Sessions charge rates utilized in preceeding Academic Year

**Castleton State College  
March 31, 2014**

**Narrative Highlights**

**SRECNA-Budget v. Actual**

Tuition and Fees- As of March Castleton has met its budgeted revenue generated from student Tuition and Fees

Auxiliary- Student Housing and Meals have exceeded budget for this fiscal year by 5%. The college continues to have extremely positive housing figures. Bookstore sales are similar to last year for the same period.

Sales and Services- Castleton has currently exceeded its budget for this category by 16%, in part to a large polling institute contract. We are optimistic that we will end the year with a 22% increase over budget.

Operating Expenses- Salary and benefits activity are all reasonable compared to prior year given the contract increases and expectations. Our institutional scholarships are projected to exceed budget. We will try to mitigate this through other operational adjustments. All other operating expenses are following traditional patterns. There have not been any significant events to change general operational activities.

Transfers- Castleton continues to transfer funds for institutional capital projects, which will be reflected in the intra-entity line item. We also received a large transfer from the Central Office to off-set the costs on one of the projects. This appears in the Inter-Entity category.

Non-Operating Revenues- Investment income continues to remain lower than prior year. All other lines are following similar patterns as prior year.



Vermont State Colleges  
Johnson State College  
For the Nine Months Ending March 31, 2014  
Budget vs Actual Report

	Actual 2014	Actual 2013	Variance Prior Yr Fav/(Unfav)	Projected Balance of 2014	Projected Total Year 2014	Board Approved Budget 2014	Approved Carry Forward	Total Board Approved Budget 2014	Projection vs Budget Variance Fav/(Unfav)	Total Year 2013 Actual
<b>OPERATING REVENUES</b>										
Tuition and Fees (Gross)	17,686,263	17,951,647	(265,384)	507,311	18,193,574	18,811,788	-	18,811,788	(618,214)	18,417,434
(Less Scholarship Allowances)	807,479	827,865	(20,385)	12,542	820,021	734,004	-	734,004	(86,017)	840,724
Net Tuition and Fees:	16,878,784	17,123,783	(244,999)	494,769	17,373,553	18,077,784	-	18,077,784	(704,231)	17,576,710
Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-
State and Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	2,200	-	2,200	-	2,200	-	-	-	2,200	-
Interest Income	-	-	-	-	-	-	-	-	-	(200)
Sales and Services	280,144	256,535	23,609	175,322	455,466	384,480	-	384,480	70,986	417,082
Auxiliary Enterprises	4,628,498	4,749,949	(121,452)	37,110	4,665,608	4,987,244	-	4,987,244	(321,636)	4,788,033
Other Operating Revenue	115,839	98,884	16,955	45,673	161,512	167,741	-	167,741	(6,229)	137,872
<b>TOTAL OPERATING REVENUE</b>	<b>21,905,464</b>	<b>22,229,150</b>	<b>(323,686)</b>	<b>752,874</b>	<b>22,658,338</b>	<b>23,617,249</b>	<b>-</b>	<b>23,617,249</b>	<b>(958,911)</b>	<b>22,919,497</b>
<b>OPERATING EXPENSES</b>										
Salaries and Wages	9,275,687	9,162,359	(113,328)	2,621,166	11,896,853	11,888,545	-	11,888,545	(8,308)	11,742,513
Employee Benefits - Group Insurance	2,550,112	2,493,454	(56,657)	784,868	3,334,980	3,209,515	100,000	3,309,515	(25,465)	3,262,888
Employee Benefits - GASB 45	270,300	931,006	660,706	90,100	360,400	924,048	-	924,048	563,648	1,097,006
Payment to Trust for GASB45 benefits	264,170	122,094	(142,076)	99,663	363,833	352,226	-	352,226	(11,607)	162,792
Employee Benefits - Other	2,009,128	2,058,205	49,077	543,899	2,553,027	2,598,898	-	2,598,898	45,871	2,533,272
Scholarships and Fellowships	1,677,432	1,130,303	(547,128)	6,238	1,683,670	1,563,589	100,000	1,663,589	(20,081)	1,133,755
Supplies and Other Services	3,122,142	3,290,137	167,996	742,378	3,864,520	3,891,482	104,136	3,995,618	131,098	4,161,458
Travel	386,539	255,508	(131,031)	163,943	550,482	271,338	-	271,338	(279,144)	367,610
Equipment	145,822	100,900	(44,923)	20,699	166,521	221,031	-	221,031	54,510	70,962
Library Acquisitions	115,599	112,146	(3,453)	44,086	159,685	170,839	-	170,839	11,154	156,670
Utilities	1,188,886	1,173,593	(15,293)	327,908	1,516,794	1,507,325	-	1,507,325	(9,469)	1,484,834
Transfers	-	-	-	-	-	-	-	-	-	-
Inter-entity	2,654,002	2,260,870	(393,132)	577,380	3,231,382	3,544,084	150,000	3,694,084	462,702	3,012,180
Intra-entity	(487,095)	(432,759)	54,335	(55,347)	(542,442)	(542,443)	-	(542,443)	(1)	(404,166)
<b>TOTAL OPERATING EXPENSES</b>	<b>23,172,723</b>	<b>22,657,817</b>	<b>(514,906)</b>	<b>5,966,981</b>	<b>29,139,704</b>	<b>29,600,477</b>	<b>454,136</b>	<b>30,054,613</b>	<b>914,909</b>	<b>28,781,774</b>
Operating Income (Loss)	(1,267,259)	(428,667)	(838,592)	(5,214,107)	(6,481,366)	(5,983,228)	(454,136)	(6,437,364)	(44,002)	(5,862,277)
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
State Appropriations	3,580,886	3,401,903	178,982	1,193,627	4,774,513	4,774,513	-	4,774,513	(0)	4,535,871
Gifts	277,825	126,827	150,997	-	277,825	-	-	-	277,825	166,026
Investment Income (Net of Expenses)	113,006	208,604	(95,598)	57,794	170,800	284,667	-	284,667	(113,867)	249,941
Interest Expense on Capital Debt	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Revenues	1,174	9,617	(8,443)	-	1,174	-	-	-	1,174	11,342
Net Non-Operating Revenues	3,972,890	3,746,952	225,939	1,251,421	5,224,311	5,059,180	-	5,059,180	165,131	4,963,180
Income before Other Rev. Exp. Gains, Losses	2,705,632	3,318,285	(612,653)	(3,962,686)	(1,257,054)	(924,048)	(454,136)	(1,378,184)	121,130	(899,097)
Capital Appropriations	-	-	-	-	-	-	-	-	-	-
Capital Grants and Gifts	-	-	-	-	-	-	-	-	-	-
Additions to Non Expendable Assets	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	2,705,632	3,318,285	(612,653)	(3,962,686)	(1,257,054)	(924,048)	(454,136)	(1,378,184)	121,130	(899,097)
Increase (Decrease) in GASB45 liability	270,300	931,006	(660,706)	90,100	360,400	924,048	-	924,048	563,648	1,097,006
<b>TOTAL</b>	<b>2,975,932</b>	<b>4,249,291</b>	<b>(1,273,359)</b>	<b>(3,872,586)</b>	<b>(896,654)</b>	<b>-</b>	<b>(454,136)</b>	<b>(454,136)</b>	<b>(442,518)</b>	<b>197,909</b>

**VERMONT STATE COLLEGES**  
**- FY'14 TUITION & FEES REVENUE MONITORING REPORT -**

**Johnson State College**  
3/31/2014

	<u>BUDGETED</u>			<u>ACTUAL/ESTIMATED</u>		<u>VARIANCE</u>	
	<u>Rate</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<b>Fall 2013</b>	(Semester)						
Vermont	4,656	1,083	5,040,369	1,049	4,885,646	(33)	(154,723)
Non-Vrmt (o/s)	10,488	151	1,583,688	129	1,357,654	(22)	(226,034)
NEBHE	10,488	101	1,062,789	114	1,190,495	12	127,706
Grad Vermont	5,952	104	619,960	89	531,159	(15)	(88,801)
Grad Non- Vermont	12,852	9	115,668	5	67,866	(4)	(47,802)
Total		<u>1,448</u>	<u>8,422,474</u>	<u>1,387</u>	<u>8,032,820</u>	<u>(61)</u>	<u>(389,654)</u>
<b>Spring 2014</b>	(Semester)						
Vermont	4,656	1,018	4,741,910	944	4,396,735	(74)	(345,175)
Non-Vrmt (o/s)	10,488	124	1,300,512	120	1,262,538	(4)	(37,974)
NEBHE	10,488	99	1,041,857	94	982,887	(6)	(58,970)
Grad Vermont	5,952	97	579,963	94	561,028	(3)	(18,935)
Grad Non- Vermont	12,852	8	102,816	3	40,423	(5)	(62,393)
Total		<u>1,347</u>	<u>7,767,058</u>	<u>1,258</u>	<u>7,243,611</u>	<u>(91)</u>	<u>(523,447)</u>
<b>SUMMER SESSIONS I. (J/Aug)</b>	**						
Vermont	4,464	95	425,000	94	420,628	(1)	(\$4,372)
Non-Vrmt (o/s)	9,984	5	46,633	1	11,578	(4)	(35,055)
NEBHE	9,984	3	34,772	3	30,234	(0)	(4,538)
Grad Vermont	5,724	27	151,883	31	175,119	4	23,236
Grad Non- Vermont	12,360	2	30,000	2	19,349	(1)	(10,651)
Total		<u>132</u>	<u>688,288</u>	<u>131</u>	<u>656,908</u>	<u>(2)</u>	<u>(31,380)</u>
<b>SUMMER SESSIONS II&gt; (May/J)</b>	**						
Vermont	4,656	70	328,000	65	302,852	(5)	(25,148)
Non-Vrmt (o/s)	10,488	3	35,000	1	8,336	(3)	(26,664)
NEBHE	10,488	3	35,000	2	21,768	(1)	(13,232)
Grad Vermont	5,952	20	118,508	21	126,086	1	7,578
Grad Non- Vermont	12,852	2	20,000	1	13,931	(0)	(6,069)
Total		<u>99</u>	<u>536,508</u>	<u>90</u>	<u>472,973</u>	<u>(8)</u>	<u>(63,535)</u>
<b>FY 2014 TOTAL</b>	(Acad Yr)	(Avg)					
Fall & Spring							
Vermont	9,312	1,051	9,782,279	997	9,282,381	(54)	(499,898)
Non-Vrmt (o/s)	20,976	138	2,884,200	125	2,620,192	(13)	(264,008)
NEBHE	20,976	100	2,104,646	104	2,173,382	3	68,736
Grad Vermont	11,904	101	1,199,923	92	1,092,187	(9)	(107,736)
Grad Non- Vermont	25,704	9	218,484	4	108,289	(4)	(110,195)
S/T		<u>1,398</u>	<u>16,189,532</u>	<u>1,321</u>	<u>15,276,431</u>	<u>(76)</u>	<u>(913,101)</u>
Summer Sessions (annualized)		115	1,224,796	110	1,129,881	(5)	(94,915)
Total Student Tuition		<u>1,513</u>	<u>17,414,328</u>	<u>1,432</u>	<u>\$16,406,312</u>	<u>(81)</u>	<u>(\$1,008,016)</u>
Student Fees			1,581,673		1,787,261		205,588
<b>Total Tuition and Fees</b>			<u>18,996,001</u>		<u>18,193,573</u>		<u>(802,428)</u>
Less: Waivers			(918,217)		(820,021)		98,196
<b>Total Net Tuition &amp; Fees</b>			<u>18,077,784</u>		<u>17,373,552</u>		<u>(704,232)</u>
<b>Auxiliary:</b>							
Room & Board Fall			2,661,543		2,401,614		(259,929)
Room & Board Spring			2,325,701		2,263,994		(61,707)
Bookstore							0
<b>Total Auxiliary</b>			<u>4,987,244</u>		<u>4,665,608</u>		<u>(321,636)</u>

\* FPE: Full Paying Equivalent, i.e. # students at full tuition value

\*\* Summer Sessions charge rates utilized in preceeding Academic Year

**Johnson State College**Period Ending Date - 3/31/14**Narrative Highlights for Budget vs. Actual****Projection vs.  
Budget**

Revenue for the total year is anticipated to be off 4% or approximately (959K) due largely to enrollment shortfalls. Decreased revenue is partially off-set by higher than budgeted sales and services revenue in conference and facility rental. Areas of short-term pressure exist in expenditures including this winter's energy costs, a short-term increase in debt service that resulted from the FY13 bond restructuring, and the cost of additional financial aid resources targeted to Vermont students. While travel appears to be unusually high, it is attributed to student travel which is off-set by course fee revenue. Our 2014 is being managed by carry forward savings as well as reduced spending throughout the year. This work will have set the stage for rigorous FY2015 budget preparation.

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Toby C. Stewart, Controller

Date

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Sharron R. Scott, Dean of Administration

Date

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Barbara E. Murphy, President

Date

Vermont State Colleges  
Lyndon State College  
For the Nine Months Ending March 31, 2014  
Budget vs Actual Report

	Actual 2014	Actual 2013	Variance Prior Yr Fav/(Unfav)	Projected Balance of 2014	Projected Total Year 2014	Board Approved Budget 2014	Approved Carry Forward	Total Board Approved Budget 2014	Projection vs Budget Variance Fav/(Unfav)	Total Year 2013 Actual
<b>OPERATING REVENUES</b>										
Tuition and Fees (Gross)	21,139,347	20,196,932	942,415	261,653	21,401,000	20,575,727	-	20,575,727	825,273	20,433,233
(Less Scholarship Allowances)	2,319,626	2,138,729	180,896	316,374	2,636,000	2,217,845	-	2,217,845	(418,155)	2,167,875
Net Tuition and Fees:	18,819,722	18,058,203	761,519	(54,721)	18,765,001	18,357,882	-	18,357,882	407,119	18,265,358
Federal Grants and Contracts	3,380	3,355	25		3,380	-	-	-	3,380	3,355
State and Local Grants and Contracts	-	-	-		-	-	-	-	-	-
Non-Governmental Grants and Contracts	-	-	-		-	-	-	-	-	-
Interest Income	-	-	-		-	-	-	-	-	-
Sales and Services	679,084	631,687	47,397	123,631	802,715	703,279	-	703,279	99,436	859,990
Auxiliary Enterprises	5,974,441	5,682,548	291,894	(24,256)	5,950,185	5,893,250	-	5,893,250	56,935	5,675,533
Other Operating Revenue	63,529	69,567	(6,038)	8,991	72,520	113,318	-	113,318	(40,798)	87,565
<b>TOTAL OPERATING REVENUE</b>	<b>25,540,156</b>	<b>24,445,359</b>	<b>1,094,797</b>	<b>53,645</b>	<b>25,593,801</b>	<b>25,067,729</b>	<b>-</b>	<b>25,067,729</b>	<b>526,072</b>	<b>24,891,801</b>
<b>OPERATING EXPENSES</b>										
Salaries and Wages	8,831,446	7,965,544	(865,902)	2,482,154	11,313,600	11,111,146	-	11,111,146	(202,454)	11,073,027
Employee Benefits - Group Insurance	2,771,389	2,625,610	(145,779)	874,832	3,646,221	3,698,489	-	3,698,489	52,268	3,483,877
Employee Benefits - GASB 45	482,700	829,130	346,430	160,900	643,600	807,426	-	807,426	163,826	1,237,260
Payment to Trust for GASB45 benefits	271,336	113,028	(158,308)	121,784	393,120	361,781	-	361,781	(31,339)	150,704
Employee Benefits - Other	2,096,305	1,843,747	(252,558)	507,061	2,603,366	2,636,263	-	2,636,263	32,897	2,430,760
Scholarships and Fellowships	2,100,849	1,566,552	(534,297)	(284,773)	1,816,076	1,718,480	-	1,718,480	(97,596)	1,565,127
Supplies and Other Services	4,170,855	3,758,610	(412,244)	1,171,927	5,342,782	5,032,189	-	5,032,189	(310,593)	5,345,939
Travel	437,856	439,195	1,339	119,572	557,428	557,428	-	557,428	0	595,920
Equipment	379,345	714,062	334,717	128,286	507,631	507,631	-	507,631	(0)	424,291
Library Acquisitions	113,109	126,493	13,384	68,190	181,299	181,299	-	181,299	0	154,341
Utilities	1,136,018	970,858	(165,160)	427,978	1,563,996	1,614,154	-	1,614,154	50,158	1,450,044
Transfers										
Inter-entity	2,185,045	2,037,848	(147,197)	833,164	3,018,209	3,145,708	-	3,145,708	127,499	2,883,780
Intra-entity	(186,524)	(333,039)	(146,515)	(30,951)	(217,475)	(307,440)	-	(307,440)	(89,965)	185,587
<b>TOTAL OPERATING EXPENSES</b>	<b>24,789,727</b>	<b>22,657,639</b>	<b>(2,132,088)</b>	<b>6,580,124</b>	<b>31,369,851</b>	<b>31,064,554</b>	<b>-</b>	<b>31,064,554</b>	<b>(305,297)</b>	<b>30,980,657</b>
Operating Income (Loss)	750,429	1,787,720	(1,037,291)	(6,526,479)	(5,776,050)	(5,996,825)	-	(5,996,825)	220,775	(6,088,856)
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
State Appropriations	3,580,886	3,401,903	178,982	1,193,627	4,774,513	4,774,513	-	4,774,513	(0)	4,535,871
Gifts	1,198,482	136,010	1,062,472	16,518	1,215,000	161,530	-	161,530	1,053,470	172,876
Investment Income (Net of Expenses)	156,503	241,366	(84,863)	8,497	165,000	253,356	-	253,356	(88,356)	276,983
Interest Expense on Capital Debt	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Revenues	2,525	150	2,375		2,525	-	-	-	2,525	2,730
Net Non-Operating Revenues	4,938,395	3,779,429	1,158,966	1,218,642	6,157,037	5,189,399	-	5,189,399	967,638	4,988,460
Income before Other Rev, Exp, Gains, Losses	5,688,824	5,567,149	121,675	(5,307,837)	380,987	(807,426)	-	(807,426)	1,188,413	(1,100,396)
Capital Appropriations	-	-	-	-	-	-	-	-	-	-
Capital Grants and Gifts	-	-	-	-	-	-	-	-	-	-
Additions to Non Expendable Assets	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	5,688,824	5,567,149	121,675	(5,307,837)	380,987	(807,426)	-	(807,426)	1,188,413	(1,100,396)
Increase (Decrease) in GASB45 liability	482,700	829,130	(346,430)	160,900	643,600	807,426	-	807,426	163,826	1,237,260
<b>TOTAL</b>	<b>6,171,524</b>	<b>6,396,280</b>	<b>(224,756)</b>	<b>(5,146,937)</b>	<b>1,024,587</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,024,587</b>	<b>136,864</b>

**VERMONT STATE COLLEGES**  
**- FY'14 TUITION & FEES REVENUE MONITORING REPORT -**

**Lyndon State College**  
**3/31/2014**

	BUDGETED			ACTUAL/ESTIMATED		VARIANCE	
	Rate	FPE*	Revenue	FPE*	Revenue	FPE*	Revenue
<b>Fall 2013</b>	(Semester)						
Vermont	4,656	740	3,445,440	743	3,459,629	3	14,189
Non-Vrmtr (o/s)	9,984	209	2,086,656	220	2,195,672	11	109,016
NEBHE	9,984	375	3,744,000	383	3,826,231	8	82,231
Grad Vermont	5,796	15	86,940	25	143,046	10	56,106
Grad Non- Vermont	12,504	2	25,008	0	1,452	(2)	(23,556)
<b>Total</b>		<u>1,341</u>	<u>9,388,044</u>	<u>1,371</u>	<u>9,626,030</u>	<u>30</u>	<u>237,986</u>
<b>Spring 2014</b>	(Semester)						
Vermont	4,656	696	3,240,576	681	3,171,780	(15)	(68,796)
Non-Vrmtr (o/s)	9,984	182	1,817,088	190	1,894,548	8	77,460
NEBHE	9,984	332	3,314,688	361	3,606,261	29	291,573
Grad Vermont	5,796	13	75,348	27	157,629	14	82,281
Grad Non- Vermont	12,504	2	25,008	0	3,126	(2)	(21,882)
<b>Total</b>		<u>1,225</u>	<u>8,472,708</u>	<u>1,260</u>	<u>8,833,344</u>	<u>35</u>	<u>360,636</u>
<b>SUMMER SESSIONS I. (J/Aug)</b>	**						
Vermont	4,464	43	191,952	42	187,383	(1)	(4,569)
Non-Vrmtr (o/s)	9,600	5	48,000	5	49,069	0	1,069
NEBHE	9,600	10	96,000	14	133,370	4	37,370
Grad Vermont	5,580	3	16,740	3	19,501	0	2,761
Grad Non- Vermont	12,024	-	0	0	0	0	0
<b>Total</b>		<u>61</u>	<u>352,692</u>	<u>64</u>	<u>389,323</u>	<u>3</u>	<u>36,631</u>
<b>SUMMER SESSIONS II&gt; (May/J)</b>	**						
Vermont	4,656	33	155,079	35	161,050	1	5,971
Non-Vrmtr (o/s)	9,984	2	21,966	4	37,800	2	15,834
NEBHE	9,984	9	87,863	10	101,661	1	13,798
Grad Vermont	5,796	1	6,376	3	14,741	1	8,365
Grad Non- Vermont	12,504	-	0	0	0	0	0
<b>Total</b>		<u>45</u>	<u>271,284</u>	<u>51</u>	<u>315,252</u>	<u>6</u>	<u>43,968</u>
<b>FY 2014 TOTAL</b>	(Acad Yr)	(Avg)					
Fall & Spring							
Vermont	\$9,312	718	6,686,016	712	6,631,409	(6)	(54,607)
Non-Vrmtr (o/s)	19,968	196	3,903,744	205	4,090,220	9	186,476
NEBHE	19,968	354	7,058,688	372	7,432,492	19	373,804
Grad Vermont	11,592	14	162,288	26	300,675	12	138,387
Grad Non- Vermont	25,008	2	50,016	0	4,578	(2)	(45,438)
S/T		<u>1,283</u>	<u>17,860,752</u>	<u>1,315</u>	<u>18,459,374</u>	<u>32</u>	<u>598,622</u>
Summer Sessions (annualized)		53	623,976	58	704,575	5	80,599
<b>Total Student Tuition</b>		<u>1,336</u>	<u>18,484,728</u>	<u>1,373</u>	<u>19,163,949</u>	<u>37</u>	<u>679,221</u>
NEKSDC Tuition & Misc			140,000		75,000		(65,000)
Student Fees			1,951,000		2,162,052		211,052
<b>Total Tuition and Fees</b>			<u>20,575,728</u>		<u>21,401,001</u>		<u>825,273</u>
Less: Waivers			(2,217,845)		(2,636,000)		(418,155)
<b>Total Net Tuition &amp; Fees</b>			<u>18,357,883</u>		<u>18,765,001</u>		<u>407,118</u>
<b>Auxiliary:</b>							
Room & Board Fall			3,148,077		3,134,253		(13,824)
Room & Board Spring			2,745,173		2,815,932		70,759
Bookstore							
<b>Total Auxiliary</b>			<u>5,893,250</u>		<u>5,950,185</u>		<u>56,935</u>

\* FPE: Full Paying Equivalent, i.e. # students at full tuition value

\*\* Summer Sessions charge rates utilized in preceeding Academic Year

Lyndon State College  
3/31/2014

Narrative - Budget vs. Actual

Lyndon's overall enrollment for academic year 13-14 is greater than budget estimates. Total enrollment in terms of FPE is 1,315 as compared to 1,283 budgeted, a variance of 2.5%. Tuition revenue exceeded budget by approximately \$600k or 3.4% due to greater than budgeted non-vermonter and grad enrollments. Lyndon is projecting net tuition and fee income for the fiscal year to be within 4.0% of the budget estimate (before additional waiver expense of \$285k that represents a reclassification of the Frontier). Other operating revenues are projected to be slightly above the board approved budget- the largest difference being that of sales and services with a projected \$100k positive variance due to greater volume of conference and event activities than budgeted.

Operating expenses and transfers are projected to total nearly \$31.4m for the fiscal year, 1.0% above the total approved budget. A positive variance in benefits partially offsets the negative variance in salaries and wages being projected. Scholarships are projected to exceed budget by \$100k simply due to an overall increase in awards. Emerging overages in the supplies and services line are projected to exceed budget by approximately \$300k. This is partly negated by a budget savings in utilities and a positive variance in the transfer line as a result of a net gain from the medical reimbursement and CCV cross enrollment transfer.

A \$1m unrestricted gift is the main component of the bottom line variance from budget. In total, our current projection for the fiscal year (excluding the gift) is a surplus of approximately \$25,000 when all categories of operating revenues, operating expenses and transfers, and non-operating revenues are considered. This amount represents less than .1% of the total approved budget for FY2014.

Assoc. Dean of Administration  
Sheilah M Evans

04/30/14

Dean of Administration  
Loren W. Loomis-Hubbell

President  
Joseph A. Bertolino

Vermont State Colleges  
Vermont Technical College  
For the Nine Months Ending March 31, 2014  
Budget vs Actual Report

	Actual 2014	Actual 2013	Variance Prior Yr Fav/(Unfav)	Projected Balance of 2014	Projected Total Year 2014	Board Approved Budget 2014	Approved Carry Forward	Total Board Approved Budget 2014	Projection vs Budget Variance Fav/(Unfav)	Total Year 2013 Actual
<b>OPERATING REVENUES</b>										
Tuition and Fees (Gross)	15,992,378	16,174,567	(182,189)	59,022	16,051,400	17,382,700	-	17,382,700	(1,331,300)	16,337,900
(Less Scholarship Allowances)	935,664	1,151,181	(215,517)	32,136	967,800	882,500	-	882,500	(85,300)	1,025,427
Net Tuition and Fees:	15,056,714	15,023,385	33,329	26,886	15,083,600	16,500,200	-	16,500,200	(1,416,600)	15,312,473
Federal Grants and Contracts	2,905	3,260	(355)	100	3,005	-	-	-	3,005	3,260
State and Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-
Sales and Services	895,466	879,111	16,355	331,674	1,227,140	1,223,987	-	1,223,987	3,153	1,258,229
Auxiliary Enterprises	3,981,108	4,237,674	(256,565)	(1,108)	3,980,000	4,383,800	-	4,383,800	(403,800)	4,248,188
Other Operating Revenue	182,781	179,884	2,898	47,599	230,380	226,050	-	226,050	4,330	226,351
<b>TOTAL OPERATING REVENUE</b>	<b>20,118,975</b>	<b>20,323,314</b>	<b>(204,339)</b>	<b>405,151</b>	<b>20,524,126</b>	<b>22,334,037</b>	<b>-</b>	<b>22,334,037</b>	<b>(1,809,911)</b>	<b>21,048,501</b>
<b>OPERATING EXPENSES</b>										
Salaries and Wages	9,078,765	9,014,134	(64,630)	2,413,342	11,492,107	11,446,900	-	11,446,900	(45,207)	11,463,958
Employee Benefits - Group Insurance	2,722,866	2,629,029	(93,837)	859,852	3,582,718	3,721,191	-	3,721,191	138,473	3,473,426
Employee Benefits - GASB 45	635,700	1,118,394	482,694	211,900	847,600	1,144,283	-	1,144,283	296,683	1,422,370
Payment to Trust for GASB45 benefits	231,215	95,136	(136,079)	84,596	315,811	308,286	-	308,286	(7,525)	126,848
Employee Benefits - Other	2,120,245	2,073,703	(46,541)	563,609	2,683,854	2,727,720	-	2,727,720	43,866	2,633,166
Scholarships and Fellowships	484,109	485,062	953	9,800	493,909	546,080	-	546,080	52,171	496,445
Supplies and Other Services	4,442,827	4,220,381	(222,446)	1,797,173	6,240,000	5,652,527	589,541	6,242,068	2,068	5,847,279
Travel	243,107	382,998	139,891	156,893	400,000	250,730	-	250,730	(149,270)	475,552
Equipment	247,491	163,298	(84,193)	-	247,491	175,300	25,000	200,300	(47,191)	219,550
Library Acquisitions	216,841	251,201	34,360	33,159	250,000	276,000	-	276,000	26,000	269,980
Utilities	1,265,921	1,191,653	(74,268)	316,480	1,582,401	1,477,300	-	1,477,300	(105,101)	1,491,528
Transfers	-	-	-	-	-	-	-	-	-	-
Inter-entire	1,395,990	814,301	(581,689)	262,966	1,658,956	1,758,956	-	1,758,956	100,000	1,141,527
Intra-entire	396,156	269,846	(126,310)	-	396,156	(44,000)	124,302	80,302	(315,854)	299,288
<b>TOTAL OPERATING EXPENSES</b>	<b>23,481,233</b>	<b>22,709,137</b>	<b>(772,096)</b>	<b>6,709,770</b>	<b>30,191,003</b>	<b>29,441,273</b>	<b>738,843</b>	<b>30,180,116</b>	<b>(10,887)</b>	<b>29,360,917</b>
Operating Income (Loss)	(3,362,258)	(2,385,823)	(976,435)	(6,304,619)	(9,666,877)	(7,107,236)	(738,843)	(7,846,079)	(1,820,798)	(8,312,416)
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
State Appropriations	3,580,886	3,401,903	178,982	1,193,627	4,774,513	4,774,513	-	4,774,513	(0)	4,535,871
Gifts	142,881	60,248	82,633	15,000	157,881	52,000	-	52,000	105,881	-
Investment Income (Net of Expenses)	238,940	402,373	(163,433)	75,000	313,940	161,670	-	161,670	152,270	311,780
Interest Expense on Capital Debt	-	-	-	-	-	-	-	-	-	442,517
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-
VSC Line of Credit	818,000	-	818,000	156,770	974,770	974,770	-	974,770	-	-
Net Non-Operating Revenues	4,780,707	3,864,524	916,182	1,440,397	6,221,104	5,962,953	-	5,962,953	258,151	5,290,168
Income before Other Rev, Exp, Gains, Losses	1,418,449	1,478,701	(60,253)	(4,864,222)	(3,445,773)	(1,144,283)	(738,843)	(1,883,126)	(1,562,647)	(3,022,248)
Capital Appropriations	-	-	-	-	-	-	-	-	-	-
Capital Grants and Gifts	-	-	-	-	-	-	-	-	-	-
Additions to Non Expendable Assets	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	1,418,449	1,478,701	(60,253)	(4,864,222)	(3,445,773)	(1,144,283)	(738,843)	(1,883,126)	(1,562,647)	(3,022,248)
Increase (Decrease) in GASB45 liability	635,700	1,118,394	(482,694)	211,900	847,600	1,144,283	-	1,144,283	296,683	1,422,370
<b>TOTAL</b>	<b>2,054,149</b>	<b>2,597,095</b>	<b>(542,947)</b>	<b>(4,652,322)</b>	<b>(2,598,173)</b>	<b>-</b>	<b>(738,843)</b>	<b>(738,843)</b>	<b>(1,859,330)</b>	<b>(1,599,878)</b>

**VERMONT STATE COLLEGES  
- FY'14 TUITION & FEES REVENUE MONITORING REPORT -**

**Vermont Technical College**

3/31/2014

	<u>BUDGETED</u>			<u>ACTUAL/ESTIMATED</u>		<u>VARIANCE</u>	
	<u>Rate</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<b>Fall 2013</b>	(Semester)						
Vermont	5,760	902	5,197,200	862	\$4,965,500	(40)	(\$231,700)
Non-Vrmtr (o/s)	11,016	82	903,300	77	848,400	(5)	(\$54,900)
NEBHE	11,016	118	1,299,900	99	1,086,800	(19)	(213,100)
Grad Vermont							
Grad Non- Vermont							
Total		<u>1,102</u>	<u>\$7,400,400</u>	<u>1,038</u>	<u>\$6,900,700</u>	<u>(64)</u>	<u>(\$499,700)</u>
<b>Spring 2014</b>	(Semester)						
Vermont	5,760	850	\$4,893,500	827	\$4,761,500	(23)	(\$132,000)
Non-Vrmtr (o/s)	11,016	81	894,300	76	842,600	(5)	(51,700)
NEBHE	11,016	114	1,260,900	87	963,000	(27)	(297,900)
Grad Vermont							
Grad Non- Vermont							
Total		<u>1,045</u>	<u>\$7,048,700</u>	<u>991</u>	<u>\$6,567,100</u>	<u>(54)</u>	<u>(\$481,600)</u>
<b>SUMMER SESSIONS I. (J/Aug)</b>	**						
Vermont	5,544	13	72,000	15	\$82,400	2	\$10,400
Non-Vrmtr (o/s)	10,596	-	-	1	7,400	1	7,400
NEBHE	10,596	-	-	1	11,200	1	11,200
Grad Vermont							
Grad Non- Vermont							
Total		<u>13</u>	<u>72,000</u>	<u>17</u>	<u>101,000</u>	<u>4</u>	<u>29,000</u>
<b>SUMMER SESSIONS II&gt; (May/J)</b>	**						
Vermont	5,760	11	63,300	8	\$47,700	(3)	(\$15,600)
Non-Vrmtr (o/s)	11,016	-	-	1	7,400	1	7,400
NEBHE	11,016	-	-	1	9,100	1	9,100
Grad Vermont							
Grad Non- Vermont							
Total		<u>11</u>	<u>\$63,300</u>	<u>10</u>	<u>\$64,200</u>	<u>(1)</u>	<u>\$900</u>
<b>FY 2014 TOTAL</b>	(Acad Yr)	(Avg)					
Fall & Spring							
Vermont	\$11,520	876	\$10,090,700	844	\$9,727,000	(32)	(\$363,700)
Non-Vrmtr (o/s)	22,032	82	1,797,600	77	1,691,000	(5)	(106,600)
NEBHE	22,032	116	2,560,800	93	2,049,800	(23)	(511,000)
Grad Vermont	0	0	0	0	0	0	0
Grad Non- Vermont	0	0	0	0	0	0	0
S/T		<u>1,074</u>	<u>\$14,449,100</u>	<u>1,014</u>	<u>\$13,467,800</u>	<u>(59)</u>	<u>(\$981,300)</u>
Summer Sessions (annualized)		12	135,300	15	165,200	3	\$29,900
Total Student Tuition		<u>1,086</u>	<u>14,584,400</u>	<u>1,029</u>	<u>\$13,633,000</u>	<u>(56)</u>	<u>(\$951,400)</u>
Student Fees			2,798,300		2,418,400		(379,900)
Total Tuition and Fees			<u>\$17,382,700</u>		<u>\$16,051,400</u>		<u>(\$1,331,300)</u>
Less: Waivers			(882,500)		(967,800)		(85,300)
Total Net Tuition & Fees			<u>\$16,500,200</u>		<u>\$15,083,600</u>		<u>(\$1,416,600)</u>
Auxiliary:							
Room & Board Fall			2,323,400		2,091,200		(232,200)
Room & Board Spring			2,060,400		1,888,800		(171,600)
Bookstore							0
Total Auxiliary			<u>4,383,800</u>		<u>3,980,000</u>		<u>(403,800)</u>

\* FPE: Full Paying Equivalent, i.e. # students at full tuition value

\*\* Summer Sessions charge rates utilized in preceeding Academic Year



## VERMONT TECHNICAL COLLEGE

Period Ending March 31, 2014

**NARRATIVE HIGHLIGHTS FOR BUDGET VS ACTUAL – 3rd quarter FYE 2014 3/31/2014****REVENUE:**

Net tuition and fee revenue is below budget by 6.5% due to fewer FPE (58 - \$951k). Auxiliary Enterprises (room and board) is under budget \$404k due primarily to fewer than budgeted FPE. Student Fees are also below budget due to decreased FPE. There has been considerable effort by marketing and admissions to increase enrollments. VTC has reviewed its need and merit based scholarship program and is implementing strategies to attract and retain students. Although no help to FY2014, FY2015 deposits are up compared to FY2014 in every measure.

**EXPENSES:**

Overall operating costs are essentially on budget. Given that revenue is below budget this is not good news. Processes have been put in place to reduce and control costs for the rest of this fiscal year. As we look towards FY2015 we are actively reducing costs.

Included in the YTD operating loss is \$101k from the farm, \$45k from the Enterprise Center, and \$200k from the bio digester. Efforts are being made to maximize revenue or minimize costs.

Vermont State Colleges  
System Office  
For the Nine Months Ending March 31, 2014  
Budget vs Actual Report

	Actual 2014	Actual 2013	Variance Prior Yr Fav/(Unfav)	Projected Balance of 2014	Projected Total Year 2014	Board Approved Budget 2014	Approved Carry Forward	Total Board Approved Budget 2014	Projection vs Budget Variance Fav/(Unfav)	Total Year 2013 Actual
<b>OPERATING REVENUES</b>										
Tuition and Fees (Gross)	-	-	-	-	-	-	-	-	-	-
(Less Scholarship Allowances)	-	-	-	-	-	-	-	-	-	-
Net Tuition and Fees:	-	-	-	-	-	-	-	-	-	-
Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-
State and Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-
Sales and Services	-	-	-	-	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-	-	-	-	-
Other Operating Revenue	3,089	667,146	(664,057)	-	3,089	-	-	-	3,089	677,562
<b>TOTAL OPERATING REVENUE</b>	<b>3,089</b>	<b>667,146</b>	<b>(664,057)</b>	<b>-</b>	<b>3,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,089</b>	<b>677,562</b>
<b>OPERATING EXPENSES</b>										
Salaries and Wages	1,725,844	1,625,869	(99,975)	572,000	2,297,844	2,235,189	-	2,235,189	(62,655)	2,183,976
Employee Benefits - Group Insurance	447,511	419,918	(27,593)	147,000	594,511	565,607	-	565,607	(28,904)	(1,464,610)
Employee Benefits - GASB 45	84,600	(109,278)	(193,878)	28,200	112,800	199,046	-	199,046	86,246	(56,053)
Payment to Trust for GASB45 benefits	(1,619,615)	(828,826)	790,789	(540,000)	(2,159,615)	-	-	-	2,159,615	(1,103,996)
Employee Benefits - Other	396,200	349,455	(46,744)	112,000	508,200	251,258	-	251,258	(256,942)	450,738
Scholarships and Fellowships	-	-	-	-	-	-	-	-	-	-
Supplies and Other Services	3,554,803	2,481,507	(1,073,295)	1,000,000	4,554,803	3,198,177	-	3,198,177	(1,356,626)	3,843,147
Travel	64,894	66,783	1,888	-	64,894	54,693	-	54,693	(10,201)	98,866
Equipment	554	160,497	159,943	-	554	65,614	-	65,614	65,060	161,538
Library Acquisitions	-	-	-	-	-	-	-	-	-	-
Utilities	48,560	28,799	(19,762)	10,000	58,560	-	-	-	(58,560)	44,022
Transfers	-	-	-	-	-	-	-	-	-	-
Inter-entity	(6,236,819)	(6,813,189)	(576,370)	(3,340,000)	(9,576,819)	(12,149,348)	-	(12,149,348)	(2,572,529)	(9,606,556)
Intra-entity	(4,244)	993,881	998,125	-	(4,244)	-	-	-	4,244	1,190,045
<b>TOTAL OPERATING EXPENSES</b>	<b>(1,537,711)</b>	<b>(1,624,584)</b>	<b>(86,873)</b>	<b>(2,010,800)</b>	<b>(3,548,511)</b>	<b>(5,579,764)</b>	<b>-</b>	<b>(5,579,764)</b>	<b>(2,031,253)</b>	<b>(4,258,883)</b>
Operating Income (Loss)	1,540,800	2,291,731	(750,930)	2,010,800	3,551,600	5,579,764	-	5,579,764	(2,028,164)	4,936,445
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
State Appropriations	-	-	-	-	-	-	-	-	-	-
Gifts	441,322	377,409	63,912	-	441,322	-	-	-	441,322	377,409
Investment Income (Net of Expenses)	(238,222)	(814,208)	575,986	190,000	(48,222)	-	-	-	(48,222)	(1,289,830)
Interest Expense on Capital Debt	(3,685,951)	(3,854,510)	168,559	(2,044,000)	(5,729,951)	(5,778,810)	-	(5,778,810)	48,859	(6,430,143)
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-
VSC Line of Credit	-	-	-	-	-	(974,770)	-	(974,770)	974,770	-
Net Non-Operating Revenues	(3,482,851)	(4,291,309)	808,458	(1,854,000)	(5,336,851)	(6,753,580)	-	(6,753,580)	1,416,729	(7,342,564)
Income before Other Rev, Exp, Gains, Losses	(1,942,051)	(1,999,578)	57,527	156,800	(1,785,251)	(1,173,816)	-	(1,173,816)	(611,435)	(2,406,119)
Capital Appropriations	-	-	-	-	-	-	-	-	-	-
Capital Grants and Gifts	-	-	-	-	-	-	-	-	-	-
Additions to Non Expendable Assets	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	(1,942,051)	(1,999,578)	57,527	156,800	(1,785,251)	(1,173,816)	-	(1,173,816)	(611,435)	(2,406,119)
Increase (Decrease) in GASB45 liability	84,600	(109,278)	193,878	28,200	112,800	199,046	-	199,046	86,246	(56,053)
<b>TOTAL</b>	<b>(1,857,451)</b>	<b>(2,108,856)</b>	<b>251,405</b>	<b>185,000</b>	<b>(1,672,451)</b>	<b>(974,770)</b>	<b>-</b>	<b>(974,770)</b>	<b>(697,681)</b>	<b>(2,462,172)</b>

## Chancellor's Office

March 31, 2014

### Narrative Highlights

#### Budget vs Actual

During FY2014 the OC is projecting an overall negative variance with the budget of \$698K. Included in the projected expenses are:

- \$2,200K received from the colleges in FY13 and expected to be sent to the GASB45 Trust when it is set up
- \$85K for Board consulting
- \$190K for planned IT project costs.
- \$2,341K Internal Loans to colleges
- \$1,088K standard transfers to colleges
- \$577K net received from colleges for capital projects

Vermont State Colleges  
Allied Health  
For the Nine Months Ending March 31, 2014  
Budget vs Actual Report

	Actual 2014	Actual 2013	Variance Prior Yr Fav/(Unfav)	Projected Balance of 2014	Projected Total Year 2014	Board Approved Budget 2014	Approved Carry Forward	Total Board Approved Budget 2014	Projection vs Budget Variance Fav/(Unfav)	Total Year 2013 Actual
<b>OPERATING REVENUES</b>										
Tuition and Fees (Gross)	4,554,237	4,576,242	(22,005)	(6,837)	4,547,400	4,743,864	-	4,743,864	(196,464)	4,581,379
(Less Scholarship Allowances)	163,734	74,796	88,938	1,766	165,500	127,500	-	127,500	(38,000)	76,497
Net Tuition and Fees:	4,390,503	4,501,446	(110,943)	(8,603)	4,381,900	4,616,364	-	4,616,364	(234,464)	4,504,882
Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-
State and Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-
Sales and Services	165,054	148,645	16,409	18,246	183,300	164,500	-	164,500	18,800	165,116
Auxiliary Enterprises	-	-	-	-	-	-	-	-	-	-
Other Operating Revenue	61	4,650	(4,590)	-	61	-	-	-	61	4,650
<b>TOTAL OPERATING REVENUE</b>	<b>4,555,618</b>	<b>4,654,741</b>	<b>(99,123)</b>	<b>9,643</b>	<b>4,565,261</b>	<b>4,780,864</b>	<b>-</b>	<b>4,780,864</b>	<b>(215,603)</b>	<b>4,674,648</b>
<b>OPERATING EXPENSES</b>										
Salaries and Wages	2,014,574	2,066,568	51,994	752,826	2,767,400	2,796,501	-	2,796,501	29,101	2,838,831
Employee Benefits - Group Insurance	439,134	410,008	(29,126)	120,466	559,600	592,449	-	592,449	32,849	522,483
Employee Benefits - GASB 45	-	70,519	70,519	-	-	44,273	-	44,273	44,273	111,797
Payment to Trust for GASB45 benefits	67,190	33,183	(34,007)	21,262	88,452	89,586	-	89,586	1,135	44,244
Employee Benefits - Other	468,864	480,045	11,180	209,636	678,500	651,600	-	651,600	(26,900)	694,689
Scholarships and Fellowships	51,326	67,736	16,410	9,374	60,700	68,000	-	68,000	7,300	80,132
Supplies and Other Services	386,540	401,152	14,612	189,560	576,100	585,738	-	585,738	9,638	597,831
Travel	32,482	28,855	(3,627)	22,518	55,000	48,600	-	48,600	(6,400)	48,820
Equipment	4,968	14,909	9,940	4,432	9,400	24,700	-	24,700	15,300	25,181
Library Acquisitions	-	-	-	-	-	-	-	-	-	-
Utilities	15,124	13,771	(1,353)	3,576	18,700	17,500	-	17,500	(1,200)	17,030
Transfers	-	-	-	-	-	-	-	-	-	-
Inter-entity	747,720	760,476	12,756	295,980	1,043,700	1,046,188	-	1,046,188	2,488	1,061,547
Intra-entity	(195,317)	(223,080)	(27,764)	-	(195,317)	10,000	-	10,000	205,317	(217,283)
<b>TOTAL OPERATING EXPENSES</b>	<b>4,032,605</b>	<b>4,124,140</b>	<b>91,535</b>	<b>1,629,630</b>	<b>5,662,235</b>	<b>5,975,135</b>	<b>-</b>	<b>5,975,135</b>	<b>312,900</b>	<b>5,825,302</b>
Operating Income (Loss)	523,013	530,601	(7,589)	(1,619,987)	(1,096,974)	(1,194,271)	-	(1,194,271)	97,297	(1,150,654)
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
State Appropriations	633,687	602,809	30,879	287,499	921,186	1,149,998	-	1,149,998	(228,812)	887,732
Gifts	34	34	-	12	46	-	-	-	46	46
Investment Income (Net of Expenses)	43,951	38,979	4,972	10,000	53,951	-	-	-	53,951	40,143
Interest Expense on Capital Debt	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-
Net Non-Operating Revenues	677,673	641,822	35,851	297,511	975,184	1,149,998	-	1,149,998	(174,814)	927,921
Income before Other Rev, Exp, Gains, Losses	1,200,685	1,172,423	28,262	(1,322,476)	(121,791)	(44,273)	-	(44,273)	(77,518)	(222,733)
Capital Appropriations	-	-	-	-	-	-	-	-	-	-
Capital Grants and Gifts	-	-	-	-	-	-	-	-	-	-
Additions to Non Expendable Assets	-	-	-	-	-	-	-	-	-	-
<b>Increase (Decrease) in Net Assets</b>	<b>1,200,685</b>	<b>1,172,423</b>	<b>28,262</b>	<b>(1,322,476)</b>	<b>(121,791)</b>	<b>(44,273)</b>	<b>-</b>	<b>(44,273)</b>	<b>(77,518)</b>	<b>(222,733)</b>
Increase (Decrease) in GASB45 liability	-	70,519	(70,519)	-	-	44,273	-	44,273	44,273	111,797
<b>TOTAL</b>	<b>1,200,685</b>	<b>1,242,942</b>	<b>(42,257)</b>	<b>(1,322,476)</b>	<b>(121,791)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(121,791)</b>	<b>(110,936)</b>

**VERMONT STATE COLLEGES**  
**- FY'14 TUITION & FEES REVENUE MONITORING REPORT -**  
**Nursing and Allied Health**  
**3/31/2014**

	<u>BUDGETED</u>			<u>ACTUAL/ESTIMATED</u>		<u>VARIANCE</u>	
	<u>Rate</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<b><u>Fall 2013</u></b>	(Semester)						
Vermont	6,048	291	\$1,757,100	276	\$1,670,200	(15)	(\$86,900)
Non-Vmtr (o/s)	11,292	1	11,292	5	54,500	4	43,208
NEBHE	11,292	23	259,716	16	182,300	(7)	(77,416)
Grad Vermont							
Grad Non- Vermont							
Total		315	\$2,028,108	297	\$1,907,000	(18)	(\$121,108)
<b><u>Spring 2014</u></b>	(Semester)						
Vermont	6,048	273	\$1,650,100	266	\$1,609,400	(7)	(\$40,700)
Non-Vmtr (o/s)	11,292	1	10,953	4	41,400	3	30,447
NEBHE	11,292	22	244,133	19	211,900	(3)	(32,233)
Grad Vermont							
Grad Non- Vermont							
Total		296	\$1,905,186	289	\$1,862,700	(7)	(\$42,486)
<b><u>SUMMER SESSIONS I. (J/Aug)</u></b>	**						
Vermont	-	-	-		\$0	0	\$0
Non-Vmtr (o/s)	-	-	-		0	0	0
NEBHE	-	-	-		0	0	0
Grad Vermont	-	-	-		0		
Grad Non- Vermont	-	-	\$0		\$0		
Total		0	0	0	0	0	0
<b><u>SUMMER SESSIONS II&gt; (May/J)</u></b>	**						
Vermont	4,536	123	558,500	123	\$559,700	0	\$1,200
Non-Vmtr (o/s)	8,469	-	-	0	0	0	0
NEBHE	8,469	10	87,570	8	67,800	(2)	(19,770)
Grad Vermont							
Grad Non- Vermont							
Total		133	\$646,070	131	\$627,500	(2)	(\$18,570)
<b><u>FY 2014 TOTAL</u></b>	(Acad Yr)	(Avg)					
Fall & Spring							
Vermont	\$12,096	282	\$3,407,200	271	\$3,279,600	(11)	(\$127,600)
Non-Vmtr (o/s)	22,584	1	22,245	4	95,900	3	73,655
NEBHE	22,584	23	503,849	17	394,200	(5)	(109,649)
Grad Vermont	0	0	0	0	0	0	0
Grad Non- Vermont	0	0	0	0	0	0	0
S/T		306	\$3,933,294	293	\$3,769,700	(13)	(\$163,594)
Summer Sessions (annualized)		67	646,070	66	627,500	(1)	(\$18,570)
Total Student Tuition		372	4,579,364	359	\$4,397,200	(13)	(\$182,164)
Student Fees			164,500		150,200		(14,300)
<b>Total Tuition and Fees</b>			<b>\$4,743,864</b>		<b>\$4,547,400</b>		<b>(\$196,464)</b>
Less: Waivers			(127,500)		(165,500)		(38,000)
<b>Total Net Tuition &amp; Fees</b>			<b>\$4,616,364</b>		<b>\$4,381,900</b>		<b>(\$234,464)</b>
<b>Auxiliary:</b>							
Room & Board Fall			0		0		0
Room & Board Spring			0		0		0
Bookstore			0		0		0
<b>Total Auxiliary</b>			<b>0</b>		<b>0</b>		<b>0</b>

\* FPE: Full Paying Equivalent, i.e. # students at full tuition value

\*\* Summer Sessions charge rates utilized in preceeding Academic Year

**VERMONT TECHNICAL COLLEGE (Nursing & Allied Health)**

Period Ending March 31, 2014

**NARRATIVE HIGHLIGHTS FOR BUDGET VS ACTUAL – 3rd Qtr Fiscal 2014 Review****REVENUE:**

Net tuition revenue is below budget due to lower enrollment by 13 (3.5%) FPE – in-state and NEBHE. However, this is 7 more FPE than Q2 so there is improvement from last quarter. Efforts are still ongoing to bring the FPE back to budget.

**EXPENSES:**

Operating expenses are under control and projected to come in below budget.

**NON-OPERATING REVENUES**

As in FY13, the Global Commitment portion of the state appropriation has been recorded as a federal grant passing through the state. The decrease in appropriation is offset by an intra-entity transfer in.

Vermont State Colleges  
Workforce Development  
For the Nine Months Ending March 31, 2014  
Budget vs Actual Report

	Actual 2014	Actual 2013	Variance Prior Yr Fav/(Unfav)	Projected Balance of 2014	Projected Total Year 2014	Board Approved Budget 2014	Approved Carry Forward	Total Board Approved Budget 2014	Projection vs Budget Variance Fav/(Unfav)	Total Year 2013 Actual
<b>OPERATING REVENUES</b>										
Tuition and Fees (Gross)	-	-	-	-	-	-	-	-	-	-
(Less Scholarship Allowances)	-	-	-	-	-	-	-	-	-	-
Net Tuition and Fees:	-	-	-	-	-	-	-	-	-	-
Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-
State and Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-
Sales and Services	546,765	542,582	4,184	231,535	778,300	1,061,915	-	1,061,915	(283,615)	772,387
Auxiliary Enterprises	-	-	-	-	-	-	-	-	-	-
Other Operating Revenue	450	-	450	-	450	-	-	-	450	-
<b>TOTAL OPERATING REVENUE</b>	<b>547,215</b>	<b>542,582</b>	<b>4,634</b>	<b>231,535</b>	<b>778,750</b>	<b>1,061,915</b>	<b>-</b>	<b>1,061,915</b>	<b>(283,165)</b>	<b>772,387</b>
<b>OPERATING EXPENSES</b>										
Salaries and Wages	588,114	582,243	(5,872)	187,286	775,400	822,353	-	822,353	46,953	767,655
Employee Benefits - Group Insurance	125,349	113,522	(11,826)	37,351	162,700	149,885	-	149,885	(12,815)	147,386
Employee Benefits - GASB 45	186,300	102,621	(83,679)	62,100	248,400	137,085	-	137,085	(111,315)	258,618
Payment to Trust for GASB45 benefits	-	111,916	111,916	-	-	133,000	-	133,000	133,000	148,116
Employee Benefits - Other	120,501	118,904	(1,597)	41,899	162,400	154,084	-	154,084	(8,316)	160,264
Scholarships and Fellowships	-	-	-	-	-	-	-	-	-	-
Supplies and Other Services	330,892	272,970	(57,921)	117,908	448,800	219,004	-	219,004	(229,796)	446,617
Travel	63,121	48,679	(14,442)	18,179	81,300	34,850	-	34,850	(46,450)	73,514
Equipment	4,787	3,753	(1,034)	513	5,300	6,000	-	6,000	700	4,162
Library Acquisitions	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Inter-entity	(442,737)	(322,434)	120,303	(23,563)	(466,300)	(457,261)	-	(457,261)	9,039	(346,843)
Intra-entity	133,358	253,862	120,504	24,000	157,358	427,898	-	427,898	270,540	192,237
<b>TOTAL OPERATING EXPENSES</b>	<b>1,109,686</b>	<b>1,286,036</b>	<b>176,351</b>	<b>465,673</b>	<b>1,575,359</b>	<b>1,626,898</b>	<b>-</b>	<b>1,626,898</b>	<b>51,539</b>	<b>1,851,726</b>
Operating Income (Loss)	(562,470)	(743,454)	180,984	(234,138)	(796,608)	(564,983)	-	(564,983)	(231,625)	(1,079,339)
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
State Appropriations	320,923	320,922	1	106,975	427,898	427,898	-	427,898	-	427,896
Gifts	-	-	-	-	-	-	-	-	-	-
Investment Income (Net of Expenses)	-	-	-	-	-	-	-	-	-	-
Interest Expense on Capital Debt	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-
Net Non-Operating Revenues	320,923	320,922	1	106,975	427,898	427,898	-	427,898	-	427,896
Income before Other Rev, Exp, Gains, Losses	(241,547)	(422,532)	180,985	(127,163)	(368,710)	(137,085)	-	(137,085)	(231,625)	(651,443)
Capital Appropriations	-	-	-	-	-	-	-	-	-	-
Capital Grants and Gifts	-	-	-	-	-	-	-	-	-	-
Additions to Non Expendable Assets	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	(241,547)	(422,532)	180,985	(127,163)	(368,710)	(137,085)	-	(137,085)	(231,625)	(651,443)
Increase (Decrease) in GASB45 liability	186,300	102,621	83,679	62,100	248,400	137,085	-	137,085	(111,315)	258,618
<b>TOTAL</b>	<b>(55,247)</b>	<b>(319,912)</b>	<b>264,665</b>	<b>(65,063)</b>	<b>(120,310)</b>	<b>-</b>	<b>-</b>	<b>(120,310)</b>	<b>(120,310)</b>	<b>(392,825)</b>

[illegible]



**VERMONT TECHNICAL COLLEGE (Workforce Development)****NARRATIVE HIGHLIGHTS FOR BUDGET VS ACTUAL – 3rd Qtr Review**

**Workforce Development Entity is comprised of Vermont Manufacturing Extension Center (VMEC), Small Business Development Center (SBDC), Continuing Education and Workforce Development (CEWD), and Vermont Corporate College (VCC).**

**Unrestricted Fund:**

VMEC revenue is projected to be lower than expected as a result of lower workshop attendance over the year which will result in approximately \$82K net loss for the year. CEWD revenue and expenses are projected on budget but with an increase in credit bearing classes (recorded through transfers) rather than non-credit bearing classes (sales & services). SBDC revenue is projected to be slightly lower than budget while expenses are projected to be higher than budget primarily due to funding a grant overage and retiree health insurance. SBDC is anticipated to have a net loss of approximately \$32K. VCC expenses are anticipated to be \$6K for the year with no revenue offset but there is prior year fund balance to cover the expenditures.

**Restricted Fund:**

Many of WFD grants continue year to year. Currently there are 10 federal grants and 5 state grants reflected in the WFD restricted report. The federal SBDC Technology Grant finished in September and the federal CEWD Green Jobs Initiative Grant just completed at the end of December. The CEWD Manufacturing Apprenticeship Program Grant concluded at the end of December but an extension request will be submitted.

Vermont State Colleges  
Vermont Interactive TV  
For the Nine Months Ending March 31, 2014  
Budget vs Actual Report

	Actual 2014	Actual 2013	Variance Prior Yr Fav/(Unfav)	Projected Balance of 2014	Projected Total Year 2014	Board Approved Budget 2014	Approved Carry Forward	Total Board Approved Budget 2014	Projection vs Budget Variance Fav/(Unfav)	Total Year 2013 Actual
<b>OPERATING REVENUES</b>										
Tuition and Fees (Gross)	-	-	-	-	-	-	-	-	-	-
(Less Scholarship Allowances)	-	-	-	-	-	-	-	-	-	-
Net Tuition and Fees:	-	-	-	-	-	-	-	-	-	-
Federal Grants and Contracts	-	-	-	-	-	-	-	-	-	-
State and Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-
Sales and Services	165,543	127,385	38,159	89,665	255,208	350,000	-	350,000	(94,792)	140,392
Auxiliary Enterprises	-	-	-	-	-	-	-	-	-	-
Other Operating Revenue	510	659	(150)	-	510	-	-	-	510	1,539
<b>TOTAL OPERATING REVENUE</b>	<b>166,053</b>	<b>128,044</b>	<b>38,009</b>	<b>89,665</b>	<b>255,718</b>	<b>350,000</b>	<b>-</b>	<b>350,000</b>	<b>(94,282)</b>	<b>141,931</b>
<b>OPERATING EXPENSES</b>										
Salaries and Wages	426,587	417,734	(8,854)	149,433	576,020	578,970	-	578,970	2,950	551,970
Employee Benefits - Group Insurance	152,818	149,041	(3,777)	50,182	203,000	204,959	-	204,959	1,959	193,756
Employee Benefits - GASB 45	5,700	19,967	14,267	(5,700)	-	-	-	-	-	9,718
Payment to Trust for GASB45 benefits	-	-	-	-	-	28,300	-	28,300	28,300	-
Employee Benefits - Other	86,904	86,320	(584)	32,576	119,480	126,394	-	126,394	6,914	113,890
Scholarships and Fellowships	-	-	-	-	-	-	-	-	-	-
Supplies and Other Services	122,073	111,810	(10,263)	55,582	177,655	201,626	-	201,626	23,971	157,602
Travel	12,300	11,813	(487)	5,700	18,000	19,000	-	19,000	1,000	16,635
Equipment	-	-	-	-	-	-	-	-	-	-
Library Acquisitions	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Inter-entity	(46,792)	(45,457)	1,335	-	(46,792)	-	-	-	46,792	(158,723)
Intra-entity	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>759,591</b>	<b>751,228</b>	<b>(8,363)</b>	<b>287,773</b>	<b>1,047,364</b>	<b>1,159,249</b>	<b>-</b>	<b>1,159,249</b>	<b>111,885</b>	<b>884,848</b>
Operating Income (Loss)	(593,538)	(623,184)	29,646	(198,108)	(791,646)	(809,249)	-	(809,249)	17,603	(742,917)
<b>NON-OPERATING REVENUES (EXPENSES)</b>										
State Appropriations	606,938	589,260	17,678	202,311	809,249	809,249	-	809,249	-	785,679
Gifts	-	-	-	-	-	-	-	-	-	-
Investment Income (Net of Expenses)	-	-	-	-	-	-	-	-	-	-
Interest Expense on Capital Debt	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Revenues	-	-	-	-	-	-	-	-	-	-
Net Non-Operating Revenues	606,938	589,260	17,678	202,311	809,249	809,249	-	809,249	-	785,679
Income before Other Rev, Exp, Gains, Losses	13,400	(33,924)	47,324	4,203	17,603	-	-	-	17,603	42,762
Capital Appropriations	-	-	-	-	-	-	-	-	-	-
Capital Grants and Gifts	-	-	-	-	-	-	-	-	-	-
Additions to Non Expendable Assets	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	13,400	(33,924)	47,324	4,203	17,603	-	-	-	17,603	42,762
Increase (Decrease) in GASB45 liability	5,700	19,967	(14,267)	(5,700)	-	-	-	-	-	9,718
<b>TOTAL</b>	<b>19,100</b>	<b>(13,957)</b>	<b>33,057</b>	<b>(1,497)</b>	<b>17,603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,603</b>	<b>52,480</b>



## VIT FY14 Budget Narrative

April 26, 2014

### REVENUES

VIT is expected to generate approximately \$302,000 in FY14 income, when the year-to-date sales & service income (470-sales & services + 910 inter-entity transfers) plus the projected income (reservations currently on the VIT schedule through June 30, 2014) are totaled.

### EXPENSES

Although the above listed \$302,000 sales income falls short of the FY14 goal, VIT's expenses are also expected to come in under budget for a variety of reasons. VIT fully funded its current post retirement obligation at the end of FY'13. As a result, the VIT Council gave VIT permission to remove the annual expense from the FY'14 operating budget. This reduces VIT's total operating expenses by \$28,300. Other expense areas where VIT is expected to come under budget are: supplies, outreach and transmission. These savings should more than offset the anticipated sales shortfall.

Barring any reservation cancellations or unforeseen circumstances, VIT will close FY14 with a balanced budget, at a minimum. It is likely that VIT will have a small surplus to further grow the post retirement fund. All in all, VIT is in good health.

Prepared by Tara Lidstone, Executive Director

2. Update on Legislative Issues

An update of legislative activity will be provided at the meeting.

### 3. Update on Ongoing VSC Construction

#### Project updates:

Significant progress has been made on the Brattleboro Academic Center project since the last report: both levels of the addition have been dry walled, taped and painted. A portion of the casework order will be delivered and installed in mid-May. The mechanical contractor is working on completing the mechanical systems above the ceilings so that the ceiling grid can be installed. BreadLoaf is anticipating the start of subflooring prep work in preparation of the installation of the finish floor within the next week.

The main building (Brooks House) remains a few weeks behind schedule. BreadLoaf has completed the structural repair work and is now framing and roughing in the electrical and mechanical systems on the south end of the CCV / VTC space. The north end of the building has been completely framed, dry walled, taped, painted and is awaiting the completion of the above-ceiling mechanical systems. The construction schedule is still tight but Bread Loaf has committed to an August 4th Substantial Completion date which will allow CCV and VTC enough time to move and prepare for the start of the fall semester.

Construction of the VTC Digester has been completed with the exception of finish paving and some site re-grading and top soiling. Green Mountain Power has completed the utility interconnect commissioning, and the generator manufacturer, 2G, has been on site to perform the equipment startup and commissioning. On April 2<sup>nd</sup> the facility came on line and started generating power to the grid thus satisfying the project's SPEED contract commitments.

Last summer an RFP was issued for the JSC Solar Array project. Encore Redevelopment was selected as the owner and developer of the project. Encore filed and received a Certificate of Public Good for a 75kw array late last fall. Encore then evaluated the site and concluded that the costs to interconnect to the grid for the 75KW array were borderline cost prohibitive, but then concluded that with the pending legislation on Net Metering, a 150kw array project would become feasible. Encore is working on amending the CPG and anticipates a construction start in early summer.

#### Level 3 Projects for OC approval:

VTC continues to work on planning for the construction of a milk processing facility. The VTC farm is being considered for logistical reasons. The construction team is presently gathering rough estimates for the renovation and equipment installation at the farm. It is hoped that the facility will be in operation by early fall of 2014.

Also as part of the Federal Dept. of Labor TAACCCT grant, VTC is developing plans to create a food processing facility – location yet to be determined. This facility will process fruits,

vegetables and dairy products. The funding sources for this project include the DOL grant and possibly some internal financing.

4. Review Capital Projects Report

For this month's Project Status Report we removed the completed projects which give us a total of 27 projects on the Capital Project List.

May 2014 Capital Project Update									
Board Approved State Capital Projects	Preliminary Estimate	Budget	Final / Est. Cost	(Under)/ Over Budget	% Cash Dispersed	% Work Complete	Start	Finish	Notes
CSC FY 06 Glenbrook Waterline	\$ 42,196	\$ 42,196	\$ 42,196		50%	50%	7/1/08	6/31/14	
CSC FY 13 Parking Lot / Roadway Repaving Phase I	\$ 41,250	\$ 41,250	\$ 41,250		0%	0%	7/2/12	8/8/14	
<b>Castleton Totals</b>		<b>\$ 83,446</b>	<b>\$ 83,446</b>						
JSC FY 13 Martinetti Heat System Upgrades Phase I	\$ 95,000	\$ 95,000	\$ 95,000		10%	13%	7/2/12	8/8/14	
JSC FY 13 Campus Electrical Efficiency Upgrades	\$ 21,250	\$ 21,250	\$ 21,250		0%	10%	7/2/12	6/30/14	
JSC FY 14 Campus Emergency Notification System	\$ 66,250	\$ 66,250	\$ 66,250		75%	100%	11/1/13	6/30/14	
<b>Johnson Totals</b>		<b>\$ 182,500</b>	<b>\$ 182,500</b>						
LSC FY13 Campus Building Brick Repairs	\$ 50,000	\$ 50,000	\$ 50,000		65%	80%	7/2/12	6/30/14	
LSC FY 13 Bio-Mass CHP Study See Note #1	\$ 31,250	\$ 65,000	\$ 65,000		70%	75%	7/2/12	6/30/14	Note #1: Study scope increased to include evaluation of campus steam system infrastructure.
LSC FY 14 Activities Building Renovations	\$ 140,000	\$ 140,000	\$ 140,000		0%	5%	7/1/13	6/30/14	
LSC FY 14 Vail Air Handler Replacement Phase I	\$ 60,000	\$ 60,000	\$ 60,000		45%	50%	7/1/13	6/30/14	
LSC FY 14 Campus Landscaping & Walkway Replacement	\$ 70,250	\$ 70,250	\$ 70,250		50%	60%	7/1/13	6/30/14	
<b>Lyndon Totals</b>		<b>\$ 115,000</b>	<b>\$ 115,000</b>						
* Green Indicates project completed and will be removed from next report.									
CCV FY 14 Facility Improvements	\$ 75,000	\$ 75,000	\$ 75,000		20%	20%	7/1/13	6/30/14	
<b>CCV Totals</b>		<b>\$ 75,000</b>	<b>\$ 75,000</b>						
VSC FY 13 Brattleboro Academic Facility	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		26%	40%	11/7/12	8/1/14	
<b>VSC Total</b>		<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>						



[illegible]

\* Green Indicates project completed and will be removed from next report.

C. ITEMS FOR INFORMATION ONLY

1. Monthly Grant Activity Report

There are 91 current grants, of which, 1 is new.

There are 19 pending grants, of which, 6 are new.

There are 26 denied grants, of which 6 are new.

There are 136 total grants all together.

**Vermont State Colleges**  
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Item	College	Grant Title (Project Director)	Status	CFDA #	Granting Agency (Fed,State,Other)	Funding Agency/Grant Period	Brief Description	Amount Requested	VSC Match	Amount Awarded	Reported to Board
	CCV	TRIO Student Support Services Program (Heather Weinstein)	Awarded	84.042A	Federal	US Dept of Education (9/1/10 - 8/31/15)	Program to serve students who are first generation, low income and/or have a disability. The objects are persistence, graduation and transfer, and financial literacy education. (1st 4 yrs period-\$345,733/yr; 5th \$327,651)	\$ 1,754,827		\$ 1,783,970	Mar-11
	CCV	Career Readiness Certificate (CRC) Program (Tiffany Keune)	Awarded	59.000	Federal	Congressional Earmark - SBA (10/1/10 - 6/30/14)	To increase employability of Vermont's workforce by refining skill necessary to be successful in the workplace. (75,000/yr)	\$150,000		\$150,000	Oct-10
	CCV	Community College Career Training Grant: Vermont ExpressED (Revised title to: Trade Adjustment Assistance Community College and Career Training Grants Program) (Linda Gabrielson)	Awarded	17.282	Federal	US Department of Labor (Jul 11 - Jun 14)-Revised to Oct11-Sept14	To support trade impacted workers in high demand occupations. CCV proposes to develop three new degree programs and a new, fast track degree model that includes embedded remediation, blended courses, and career coaches. (1st yr: \$860K; 2nd yr: \$978K; 3rd yr: \$662K)	\$2,500,000		\$2,500,000	Jun-11
	CCV	Health Care Opportunities (Linda Gabrielson)	Awarded	93.822	Federal (Pass Through)	Health Resources and Services Administration (9/1/2011 - 8/31/2014) (end date revised to 8/31/13)	Increase the numbers of students from rural or underserved communities, who are economically or educationally disadvantaged, exploring a career in health care. Increase the opportunities economically or educationally disadvantaged Vermont students to follow a pathway to the successful completion of a post-secondary certification or degree in a health career. Improve quality of care by healing to ensure a culturally competent and diverse health care workforce for Vermont. (1st yr: \$6K; 2nd yr: \$34K; (2nd yr revised to \$14K); 3rd yr: \$37K now \$0)	\$226,435		\$77,635	Oct-11
	CCV	Vermont Training Grant (Tiffany Keune)	Awarded		State	State of Vermont, Dept of Economic, Housing, and Community Development (7/16/12 - 5/31/13) (extended to 8/31/13)	To provide statewide Governor's Career Ready Certificate Program providing work-related skills to employed and unemployed workers to assist them in acquiring entry-level and/or promotions.	\$ 35,560		\$ 35,560	
	CCV	VT DOL - VNA CRC Program (Penne Ciaraldi)	Awarded		State	Vermont Dept of Labor (2/11/13 - 2/10/14)	To give a strong basis career ready skill set to aspiring healthcare workers looking to become personal care attendants.	\$ 43,658		\$ 40,000	
	CCV	Vermont Digital Economy Project (Eric Sakai)	Awarded	11.307	Federal	Vermont Council on Rural Development (1/1/13 - 6/30/14)	Place CCV students in libraries of Vermont towns affected by 2011 storms to assist community members with Internet tasks such as information and job searches, community engagement, educational activities, and communications with family.	\$ 108,100		\$ 114,360	
	CCV	Northern Lights Career Development Center (NLCD) (Nancy Sugarman)	Awarded	93.596 & 93.575	Federal (Pass through)	State of Vermont, DHHS / Administration for Children and Families (7/1/13 - 6/30/14)	To enhance child care opportunities and sustain and improve the quality of programs for Vermont children.	\$350,269		\$350,269	Oct-13
	CCV	Perkins Reserve (Natalie Searle)	Awarded	84.048	Federal (Pass Through)	Vermont Department of Education (7/1/13 - 6/30/14)	Fast Forward dual enrollment model at regional career centers	\$ 50,000	\$ -	\$ 50,000	
	CCV	Vt DOL - WET Fund Training Grant (Penne Ciaraldi)	Awarded		State	Vermont Dept of Labor (7/22/13 - 6/30/14)	To give a strong basic career ready skill set to aspiring and underemployed Vermont works looking to enter Manufacturing, Healthcare, Customer Service, and STEM careers.	\$164,809		\$162,352	May-13
	CCV	Vermont State GEAR UP (Deb Stewart)	Awarded	84.334	Federal	Vermont Student Assistance Corporation (8/1/13 - 8/31/14)	Embed peer mentors into the Dimensions First Initiative <b>(Award amount increased by \$1,000)</b>	\$15,000		<b>\$16,000</b>	
	CCV	Consolidated Perkins Postsecondary and Tech Prep (Linda Gabrielson, Academic Dean)	Awarded	84.048	Federal	State of Vermont, Department of Education (7/1/13 - 6/30/14)	Improving vocational and technical education at the secondary and post-secondary level.	\$675,241		\$673,818	Oct-13
	CSC	TRIO Student Support Services Program (Kelly Beckwith)	Awarded		Federal	US Dept of Education (9/1/10 - 8/31/15)	To increase college retention and graduation rates of first-generation and low-income students and students with disabilities. (5 yr -\$301,694 1st yr + 3-5% annual incr/yr thereafter)	\$1,508,470	\$ 611,750	\$ 301,694 1st yr funding	Jan-10
	CSC	CSC Woodruff Energy Efficiency Renovations (Chuck Lavoie)	Awarded	81.041	Federal (pass through)	Vermont Clean Energy Development Fund (2 yrs from date of award)	To remove and replace 90 windows and improve insulation deficiencies in Woodruff Hall.	\$143,271	\$132,658	\$137,964	
	CSC	2013 Division III Strategic Alliance Matching Grant (Deanna Tyson)	Awarded		Other	National Collegiate Athletic Association (9/1/13 - 8/31/16)	To hire full-time female/minority administrator in athletics (1st yr: \$50K; 2nd yr: \$34K; 3rd yr: \$18K)	\$101,904	\$101,323	\$101,904	Feb-13
	CSC	Bedrock Geologic Mapping in the Shelving Rock Quadrangle, Eastern Adirondacks, New York (Tim Grover, Ph.D.)	Awarded		Other	National Cooperative Geologic Mapping Program / Educational Geologic Mapping Program Element (Summer 2013) (6/1/13 - 9/1/13)	Support summer stipends for four undergraduate geology majors who will participate in a bedrock mapping research project in the Shelving Rock Quadrangle (Eastern Adirondacks, NY)	\$22,479		\$22,479	
	CSC	Deans' Summer Research (Ingrid Johnson-Robledo)	Awarded		Other	The Jack and Dorothy Byrne Foundation (5/19/14 - 8/16/14)	To fund summer faculty-student research projects	\$20,000		\$5,000	

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	CSC	Vermont Geographic Alliance (Scott Roper, Ph.D.)	Awarded		Other	National Geographic Education Foundation (9/1/13 - 11/1/14)	Fund activities of Vermont Geographic Alliance.	\$34,500	\$13,480	\$29,000	
	CSC	FC2 College Health Initiative Mini-Grant Program (Barbara McCall)	Awarded		Other	The Female Health Company (2/1/13 - 2/1/14)	To raise awareness, increase access, and enhance students' capacity to effectively and accurately use FC2 Female Condoms	\$250		\$250	
	CSC	Indirect Photochemical Decay of BPA in Sunlit Surface Waters (Andrew Vermilyea)	Awarded		Other	Vermont Genetics Network (NIH) (Jun 2013 - May 2014)	Environmental science research with students	\$25,000		\$25,000	
	CSC	Investigating Metabolic Regulation in the Intracellular Sinorhizobium Melliotti (Preston Garcia)	Awarded		Other	Vermont Genetics Network (6/1/13 - 5/31/14)	Obtain funding for independent microbiology research project in the Natural Sciences Department. This will provide salary (and teaching release time) and supplies for Dr. Garcia as well as undergraduates enrolled in independent study projects with him.	\$25,000		\$25,000	
	CSC	Courageous Leadership: Peace-building in today's world (SallyAnn Majoya)	Awarded		Other	The United Institute of Peace Public Education for Peacebuilding Support (PEPS) (9/1/13 - 12/31/13)	Develop peace and justice component to curriculum.	\$2,000	\$2,500	\$2,000	
	CSC	North East Water Resources Network (Andrew Vermilyea, Ph.D.)	Awarded		Other	National Science Foundation - EPSCoR subaward (9/1/13 - 8/31/16)	To study changes to the Lake Champlain watershed brought about in part by the increasing number of severe storms that have been hitting the region in recent years. (1st yr: \$8K; 2nd yr: \$15K; 3rd yr: \$16K)	\$38,857		\$38,857	
	CSC	Leavenworth Window Replacement Project (Scott Dikeman / Chuck Lavoie)	Awarded		Other	Price Chopper's Golub Foundation (5/1/14 - 8/15/14)	To replace windows in Leavenworth Hall (750 Nov 2013; 750 in Nov 2014)	\$75,000	\$225,000	\$1,500	Oct-13
	CSC	NN/LM NER Vermont Focused Health Information Outreach (Kathleen Culpo)	Awarded			National Network of Libraries of Medicine, New England Region (NM/LM NER) (1/19/14 - 5/2/14)	Support CSC Health Ed students in using NN/NLM resources to develop lesson plans for K-12	\$1,649			
	JSC	Student Support Services (Dr. Karen Madden)	Awarded	84.042A	Federal	U. S. Dept. of Education (9/05 - 8/09); (Renewed 9/1/10 - 8/31/15)	To increase the retention and graduation rates of JSC students who are low income, first generation students and students with disabilities who clearly demonstrate academic need.	\$ 406,702 (1st of 5 yrs: \$406,072)		\$ 406,702	Oct-10
	JSC	Transition and Postsecondary Programs for Students with Intellectual Disabilities (TPSID) (Perry LaRoque)	Awarded	84.407A	Federal	University of Vermont / U.S. Dept of Education (9/23/10 - 6/30/15)	To provide individual supports and services for the academic, physical, and social inclusion of students with intellectual disabilities in academic courses, extracurricular activities, and other aspects of the institution of higher education's regular postsecondary program including internships leading to gainful employment based upon the CDCI principles. (1st yr: \$32K; 2nd yr: \$59K; 3rd yr: \$54K; 4th yr: \$60K; 5th yr: \$59K)	\$264,058	\$72,844	\$264,058	Jan-11
	JSC	Mammals on the Move: Managing Cascadia Wildlife in the Face of Climate Change (Kevin Johnston)	Awarded Renewed	15.222	Federal	US Department of the Interior / Bureau of Land Management (12/10/10 - 8/3/15)	The core objective of this research is to inform and improve management by describing a range of potential outcomes and identifying high-priority species and habitats.	\$25,000		\$25,000	
	JSC	Adaptation to Climate Change in the Lake Champlain Basin (Dr. Robert Genter)	Awarded	47.076	Federal Pass-through	Vermont EPSCoR (9/1/11 - 6/30/16)	Research the climate change in the Lake Champlain Basin (1st yr: \$186K; 2nd yr: \$156K; 3rd yr: \$160K; 4th yr: \$164K; 5th yr: \$168K)	\$834,022		\$834,022	Oct-11
	JSC	Badger Leadership Promoting Healthy Choices (Camille Campanile)	Awarded		Other	NCAA (8/1/12 - 5/30/15)	Campus-wide collaboration for Alcool Education & Student Leadership Training. Foster spirit of peer-caretaking & support for healthy choices. (1st yr: \$15K; 2nd yr: \$10K; 3rd yr: \$5K)	\$30,000	\$40,114	\$30,000	
	JSC	2012 Division III Strategic Alliance Matching Grant (Jamey Ventura)	Awarded		Other	NCAA (7/1/12 - 6/30/15)	To enhance gender and ethnic diversity through full-time professional positions in athletics administration. (1st yr: \$51K; 2nd yr: \$36K; 3rd yr: \$19K)	\$106,571	\$104,224	\$106,581	
	JSC	Student Transition, Achievement, Retention and Teaching (Leslie Kanat)	Awarded	47.076	Federal Pass-through	National Science Foundation (Aug 2012 - Jun 2017)	Students, faculty, support staff, and the administration will work together to prepare students for graduate school and future employment by providing realistic, relevant and challenging learning opportunities. Scholarships will be provided to 17 students who major in the Dept. of Environmental and Health Sciences. (1st yr: \$97K; 2nd yr: \$131K; 3rd yr: \$159K; 4th yr: \$133K; 5th yr: \$74K)	\$594,637		\$594,637	Oct-11
	JSC	Upward Bound (Tony Bluetter)	Awarded	84.047A	Federal	U. S. Dept. of Education (6/01/2011-5/31/2015) Multiple Year Award	Help low income high school students transition to college	\$ 1,826,004		\$ 1,826,004	Jun-07
	JSC	Improving Connectivity between the University of Vermont and the Vermont State Colleges for STEM Research and Education Dr. Elizabeth Dolci	Awarded	47.081	Federal (Pass Through)	NSF - VT EPSCoR (9/1/11 - 8/3/13)	To enhance collaboration between education institutions within and outside of Vermont including providing enhanced intercampus connectivity to the Vermont State Colleges (1st yr: \$6,281; 2nd yr: \$6,533)	\$ 12,814	\$ -	\$ 12,814	

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JSC		Social Referencing and the Influence of Parental Affect on NonAmbulatory Infants (Gina Mireault, Ph.D.)	Awarded	47.074	Federal	National Institutes of Health (National Institute of Child Health & Human Development) (1/1/13 - 12/31/15)	Investigation of social referencing and parental affect on infant behavior, affect & physiology in the first 6 months of life. (1st yr: \$107K; 2nd yr: \$69K; 3rd yr: \$74K)	\$250,000		\$250,000	Apr-12
JSC		Mammals on the Move: Managing Cascadia Wildlife in the Face of Climate Change Kevin Johnson	Awarded	15.222	Federal	US Dept of the Interior / Bureau of Land Management (7/1/12 - 8/3/15)	To inform and improve management by describing a range of potential outcomes and identifying high-priority species and habitats.	\$ 10,510	\$ -	\$ 10,510	
JSC		Microbial Community Structure of the Vermont Asbestos Group Mine (Dr. Elizabeth Dolci)	Awarded		Other	Vermont Genetics Network (6/1/13 - 5/31/14)	To assess the microbiome of the environmentally impacted Pit Pond at the Vermont Asbestos Group Mine.	\$ 69,997		\$ 69,997	
JSC		Undergraduate Summer Research on Asbestos Mine Microbial Community Structure (Dr. Elizabeth Dolci)	Awarded		Other	Vermont Genetics Network (6/1/13 - 8/31/13)	To provide undergraduate research training and experience in molecular microbiology. The student will characterize microbial communities in an aquatic site at a local asbestos mine.	\$ 5,000		\$ 5,000	
JSC		Exercise and Biofeedback in High-Stressed Students: An exploratory investigation (Amy Welsh, PhD; (Undergraduate student: Emily Sopolowski)	Awarded		Other	Vermont Genetics Network (6/1/13 - 12/31/13)	The proposed research project will seek to identify whether regular, short bouts of physical exercise and biofeedback improve anxiety-related physiological states in stressed students.	\$ 5,000		\$ 5,000	
JSC		Exercise and Biofeedback in High-Stressed Students: An exploratory investigation of intervention efficacy and psychophysiological effects (David Bergh)	Awarded	93.389	Federal (Pass Through)	Vermont Genetics Network (6/1/13 - 5/31/14)	The proposed research project will seek to identify whether regular, short bouts of physical exercise and biofeedback improve anxiety-related physiological and psychological states in stressed students, and will explore factors that influence the effectiveness of these interventions.	\$ 25,000		\$ 25,000	
JSC		Effects of Lung Inflation on Airway Caliber During and After Exercise in Asthmatics (Hans Christian Haverkamp, Ph.D.)	Awarded		Other	Vermont Genetics Network (6/1/13 - 5/31/14)	To investigate the influence of lung inflation on airway function during and after exercise in asthmatic adults. Also, to effectively involve undergraduate students in the research.	\$ 69,729	\$ -	\$ 69,729	
JSC		Exercise and Biofeedback in High-Stressed Students: An exploratory investigation (Amy Welsh, PhD; (Undergraduate student: Melissa Rixon)	Awarded		Other	Vermont Genetics Network (6/1/13 - 12/31/13)	The proposed research project will seek to identify whether regular, short bouts of physical exercise and biofeedback improve anxiety-related physiological states in stressed students.	\$ 5,000		\$ 5,000	
JSC		Support for Veteran Students and Their Families (Dean David Bergh)	Awarded		Other	Vt. Community Foundation (6/1/13 - 12/31/14)	To develop a process for supporting veterans from admission through graduation.	\$ 10,000	\$ 1,655	\$ 10,000	
JSC		Project Green's JSC High School Greening Summit Project (Russ Weis)	Awarded		Other	Canaday Family Charitable Trust (9/1/13 - 8/31/16)	To secure additional funding for the sixth, seventh, & eighth JSC H.S. Greening Summits ((\$25K/year)	\$ 75,000		\$ 75,000	
JSC		Project Green's JSC High School Greening Summit Project (Russ Weis)	Awarded		Other	Vermont Community Foundation's Green Mountain Fund (9/1/13 - 8/31/14)	To secure additional funding for the sixth JSC H.S. Greening Summit	\$ 5,000	\$ 600	\$ 5,000	
JSC		Residence Hall Tutoring (Karen Madden)	Awarded		Other	VSAC-Gear Up (8/26/13 - 5/15/14)	Subsidize expansion of tutoring to serve TRIO/GearUp students	\$ 5,000		\$ 5,000	
JSC		GEAR UP (Michele Whitmore)	Awarded	84.334	Federal (pass thru Dept of Ed)	Vermont Student Assistance Corporation (8/1/13 - 5/30/14)	To support the success of students in their first year of postsecondary education so they can make a successful transition to the full college experience.	\$15,000		\$15,000	
JSC		AlcoholEdu/Haven Grant (Michele Whitmore)	Awarded		Other	Lamoille Family Center/Partnership for Success Grant (Sept 2013 - Aug 2016)	To implement the on-line educational course Alcohol/Edu and Haven to our first year and transfer students as a proactive approach in addressing alcohol use and unhealthy relationships in college. \$11K/yr for 3 yrs	\$33,000	\$14,000	\$33,000	
JSC		GU III Guide Contract Agreement (Michele Whitmore)				VSAC (8/15/13 - 5/30/14)	JSC's Peer Mentoring Project	\$21,561			
JSC		Partnership for Success (MOU) (Michele Whitmore)				Lamoille Family Center (Memorandum of Understanding) (7/1/13 - 6/30/14)	MOU to outline the terms and conditions for the relationship with JSC as a recipient of a sub grantee of the Partnership for Success grant awarded by the Vt Dept of Health to Lamoille Family Center who serves as the "lead agency" for the grant.	\$11,000			
LSC		TRIO_Upward Bound (84.047) ED-Grants-121911-001 (Rick Williams)	Awarded	84.047	Federal	US Department of Education (9/1/12 - 8/31/17)	To obtain funding for the Upward Bound project at LSC to serve nine target high schools in a three-county area to help students navigate the path towards success in postsecondary education. (1st yr: \$324,765)	\$1,623,825		\$324,765	May-12

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	LSC	TRIIO Student Support Services Program (Bob McCabe)	Awarded	84.042A	Federal	US Dept of Education (9/1/10 - 8/31/15)	To increase college retention and graduation rates of first-generation and low-income students and students with disabilities. (5 yr -\$288,707 /yr)	\$1,443,535		\$ 279,757 3rd yr funding	Mar-11
	LSC	Center for Rural Students (Heather Bouchey)	Awarded		Federal	US Department of Education (6/15/10 - 8/30/13) (Extended)	To help create the Center for Rural Students to raise community awareness and involvement in increasing the region's educational attainment rates to help with the prof development of faculty & staff at LSC and the NEK schools.	\$333,000		\$333,000	Oct-10
	LSC	NEK Incubator without Walls (IWOW) (Ann Nygard)	Awarded	10.769 RBEG	Federal	Rural Business Enterprises Grant (7/1/12 - 6/30/14)	To continue providing technical assistance to local area businesses which will result in the creation of at least 14 direct jobs.	\$129,429		\$129,429	
	LSC	Northern Border Regional Commission (Ann Nygard)	Awarded		Federal	NBRC (11/7/11 - 4/30/13)	To implement the Industry Cluster Development project in the NEK to develop a professional and resource-sharing network among existing and future manufacturing employers in the NEK.	\$128,500		\$128,500	
	VTC	Small Business Jobs Act (Lenae Quillen-Blume)	Awarded	59.037	Federal	Small Business Administration (10/1/10 - 9/30/12) (2/1/11-1/31/14)	Business technical assistance (1st 9 mos: \$144K; 2nd yr: \$181K; 3rd yr: \$96K)	\$325,000		\$420,800	Jan-11
	VTC	"Earmark Request via Senator Leahy's Office " Jobs Initiative (John Paterson) (Maureen Hebert)	Awarded	17.261	Federal	Small Business Administration / US Dept of Labor Education & Training Administration (6/1/11 - 5/31/13) Extended to 12/31/13	To connect Vermont's sustainable technologies industry with highly trained workers in fields that include photovoltaic technology installation and maint.; wind turbine construction, installation, and maint.; residential and commercial weatherization; and wastewater systems design and installation.	\$ 750,000		\$ 750,000	Jun-09
	VTC	Congressional Earmark Program: Technology (Lenae Quillen-Blume)	Awarded	59.000	Federal	Small Business Administration (12/15/10 - 3/31/13) Extended to 3/31/14; Ended 9/30/13	Expand technology business advising	\$250,000		\$250,000	Oct-10
	VTC	Vermont Space Grant Consortium (Dr. Carl Brandon)	Awarded	43.000	Federal	NASA (5/15/10 - 5/17/15) (ended July 2013)	Support of student undergraduate research. Student salaries for CubeSat work.	\$10,000	\$5,000	\$10,000	
	VTC	Community Development Block Grant (Lenae Quillen-Blume)	Awarded	14.228	Federal (pass through)	Town of Randolph/Agency of Commerce (12/12/10 - 6/30/13) (To be extended to 12/31/14)	Technical assistance: VTEC (1st yr: \$81,692; 2nd yr: \$106,308)	\$188,000		\$188,000	Oct-11
	VTC	VtSBDC Business Environmental Assistance (Peter Crawford)	Awarded	66.708	Federal	Vermont Agency of Natural Resources (10/1/12 - 9/30/13) Ended 9/30/13	To fund VtSBDC to provide environmental assistance to VT businesses.	\$47,500		\$47,500	
	VTC	Central Recovered Biomass Facility (Geoffrey Lindemer) (Donna Barlow-Casey)	Awarded	81.087	Federal	U.S. Dept. of Energy (11/1/11 - 12/31/13)	Construction of large biodigester; securing feedstock, designing & permitting, project management (1st yr of 2 yrs: \$1,421,500)	\$1,421,500	\$2,477,471	\$1,421,500	Oct-12
	VTC	Applied Agriculture Institute (TAACCTT) (Jeff Higgins) (Chris Beattie)	Awarded	17.282	Federal (Pass Through)	US Department of Labor (10/1/12 - 9/30/15) (10/1/12 - 9/30/16)	Workforce development (1st yr: \$1,141K; 2nd yr: \$656K; 3rd yr: \$689K)	\$ 2,485,920	\$ -	\$ 3,357,703	Oct-12
	VTC	SBDC (Lenae Quillen-Blume)	Awarded	59.037	Federal Pass-through	Small Business Administration (10/1/11 - 9/30/12) (Yr 3 of 3) (Ended 9/30/13)	Statewide business counseling and training. SBA requested revision as SBA got final budget and revised all SBDC amounts. (Due to Sequestration, initial funding reduced. Now SBA is offering some supplemental funding.)	\$627,776	\$180,464	\$589,667	Apr-12
	VTC	SBDC (Lenae Quillen-Blume)	Awarded		State	Small Business Administration (10/1/11-9/30/12)	Statewide business counseling and training. Year 3 of 3	\$ 627,776	\$ 180,484		Oct-11
	VTC	Northeast Photovoltaic Instructor Training Network US Dept of Energy (Donna Barlow Casey)	Awarded	81.087	Federal	Hudson Valley Community College is Administrator (Jul 2011 - Dec 2014)	The college will work in conjunction with the US DOE to support 25 Northeast Photovoltaic Training Network Participating Institutions throughout the states of CT, MA, NH, NY, RI, and VT to provide renewable energy training in VT (1st yr: \$9K; cumulative \$56K)	\$9,000		\$56,000	
	VTC	Vermont Training Program (Maureen Hebert)	Awarded		State	Vermont Dept. of Economic, housing, and Community Development (12/24/12 - 5/31/13) (6/7/13 - 5/31/14)	To cover 40% of tuition costs for eligible applicants for existing Vermont Tech Continuing Education programs in Healthcare, HR, Leadership, BPI, Manufacturing and Environmental Engineering.	\$50,000		\$100,000	
	VTC	GMEDC - Manufacturing Apprenticeship Program (Jeff Higgins & Maureen Hebert)	Awarded		State	Vermont Dept of Labor - WETF (1/1/13 - 12/31/13)	VTC, Green Mountain Economic Development Corp. and two Vermont Employers will launch a 4 year registered certificate/apprenticeship program in Advanced manufacturing to meet 21st workforce needs. (1st yr: \$20K; 2nd yr: \$17K)	\$36,960		\$36,960	
	VTC	SBDC Cooperative Agreement	Awarded	59.037	Federal	Small Business Administration	Statewide Business Counseling and Training	\$1,875,000	\$817,155	\$625,000	Oct-12

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		(Lenae Quillen-Blume)				(10/1/12 - 9/30/15)		(\$625K/yr)		1st yr	
	VTC	e-Commerce for EDA/VCRD (Lenae Quillen-Blume)	Awarded	11.307	Federal	Sub-Award through Vermont Council on Rural Development (2/1/13 - 7/31/14)	Develop resiliency in businesses through e-Commerce as an after effect of Irene (1st yr: \$220K; 2nd yr: \$110K)	\$330,000		\$330,000	Apr-13
	VTC	TRIO-Student Support Services (Susan Polen)	Awarded	84.042A	Federal	U.S. Dept of Education (9/1/12 - 8/31/13) Ended 8/31/13	SSS Program designed to increase the number of disadvantaged low-income college students, first generation students and college students with disabilities in the U.S. who successfully complete a program of study. (1st yr: \$220K; 2nd yr: \$110K; 3rd yr:\$286K)	\$298,575	\$32,967	\$286,140	May-13
	VTC	EDA Disaster Assistance (Lenae Quillen-Blume)	Awarded	11.307	Federal	Economic Development Administration (EDA), U.S. Dept of Commerce (6/1/13 - 12/31/15)	Disaster assistance	\$115,000	\$47,404	\$115,000	
	VTC	NASA Spacegrant Budget 2011 (Dr. Carl S. Brandon)	Awarded	43.AAA	Federal	NASA EPSCoR Research Infrastructure Development (9/1/11 - 5/31/12) extended to 1/1/14; Ended 9/30/13	Continuing work on ELaNia IV CubeSat and Lunar Lander/Orbiter CubeSat	\$ 32,026	\$ 32,026	\$ 32,026	
	VTC	Anaerobic Digester Heat Recovery (Mary L. O'Leary)	Awarded		Other	Green Mountain Power (8/6/13 - 9/30/14)	First phase of the Digester Heat Recovery Project, which will provide hot water from the generator to the Maintenance Building.	\$25,000		\$25,000	
	VTC	VMEC NIST Grant - Hollings Manufacturing Extension Partnership (Robert Zider)	Awarded	11.611	Federal	US Dept of Commerce (7/1/13 - 6/30/14)	Improve manufacturing in Vermont and strengthen the global competitiveness of the state's smaller manufacturers. Focus on small to medium sized manufacturers; help them increase productivity, modernize processes, adopt advanced technologies, reduce costs, and stabilize the workforce. VMEC has a separate budget from the rest of the college.	\$396,483	\$1,272,898	\$396,483	Oct-13
	VTC	SBDC FAST Grant (Linda Rossi)	Awarded	59.058	Federal	U.S. Small Business Administration, Office of Technology (7/1/13 - 6/30/14) (Revised to 9/30/13 - 9/29/2014)	Business advising and training	\$95,000		\$95,000	
	VTC	TRIO-Student Support Services (Susan Polen)	Awarded	84.042A	Federal	US Dept of Education (9/1/13 - 8/31/14) (4th year of 5 year grant)	SSS Program designed to increase the number of disadvantaged low-income college students, first generation students and college students with a disability in the U.S. who successfully complete a program of study.	\$271,175	\$32,967	\$271,175	Oct-13
	VTC	Federal FY2013 Resource Sharing Grant (David Sturges)	Awarded	45.31	Federal	Vermont Department of Libraries (7/1/13 - 6/30/14)	To facilitate interlibrary loan in Vermont	\$500		\$500	
	VTC	VT-ANR Pollution Prevention Grant / VTSBDC Business Environmental Assistance (Peter Crawford)	Awarded	66.708	Federal	Vt. Agency of Natural Resopurces (10/1/13 - 9/30/14)	To fund Vt SBDC to provide environmental assistance to VT businesses through the Vermont Business Environmental Partnership.	\$47,500		\$47,500	
	VTC	Perkins IV Basic Grant - Secondary & Postsecondary (Rosemary Distel)	Awarded	84.048	Federal	US Department of Education (7/1/13 - 6/30/14)	Improve the educational achievement of secondary and post-secondary students enrolled in vocational/technical programs through integrating rigorous academic skills with technical skills as related to all aspects of business and industry.	\$159,813		\$159,813	Oct-13
	VTC	VMEC - Vermont Training Program (Bob Zider)	Awarded		State	State of Vermont, Department of Economic Development, Vermont Training Program (7/1/13 - 6/30/14)	Provide upgrade classroom training for employees in the following sectors: Manufacturing, Information Technology, Telecommunications, Healthcare, and Environmental.	\$200,000		\$200,000	Dec-13
<b>U</b>	VTC	2014 SBA Core Funding Grant (Linda Rossi)	Awarded	59.037	Federal	U.S. Small Business Administration (10/1/13 - 9/30/14)	Business advising and training	\$574,667		<b>\$631,250</b> <b>Rec'd additional \$56,583 award</b>	Feb-14
	VTC	ACCD Grant Agreement (Linda Rossi)			State	State of Vermont, ACCD Department of Economic Development (7/1/13 - 6/30/14)	Conduct small business development center programs.	\$317,400		\$317,400	Feb-14
	VTC	Agency of Agriculture Digester Pond Liner (Chris Dutton)	Awarded		State	State of Vermont Agency of Agriculture, Food & Markets (10/1/13 - 12/31/15)	To improve farm management - which should improve water quality - by installing a flexible membrane pond liner/sealing.	\$50,000		\$50,000	
	VTC	CubeSat VTC Mentored Undergraduate Research Support (Carl Brandon)	Awarded	43.001	Federal	National Aeronautics and Space Administration (9/1/12 - 8/31/14)	Additional \$10,000 for work on CubeSet Project (10K/yr)	\$20,000		\$20,000	
	VTC	Vermont Procurement Technical Assistant Center (VPTAC) (Linda Rossi)	Awarded	12.002	Federal	Agency of Commerce and Community Development (ACCD) (7/1/13 - 6/30/14)	Administering counseling, outreach event management, and training services to Vermont businesses interested in government contracting.	\$94,798		\$94,798	
<b>N, U</b>	VTC	Electrical and Plumbing Apprenticeship Programs (Bonnie Chamberlin)	<b>Awarded</b>		State	Vermont Dept of Labor (7/1/13 - 6/30/14)	Management of related instruction compoent of VDOL Electrical & Plumbing Apprenticeship programs. This includes oversight of six (6) traditional sites throughout VT, eight (8) levels of Distance Learning, 35 classes & approx 450 students.	\$468,615		\$468,615	May-14



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SOS		GEAR-UP Dual Enrollment Subaward (VSAC)	Awarded	84.334	Federal	VSAC	To support existing Partnership agreement for the dual enrollment program and Intro to College Studies.	\$350,000	\$400,000	\$350,000	Oct-12
		(Joyce Judy)			Pass-through	(9/30/12 - 8/31/13)					
SOS		Leadership for Pre-K Through 16 Council	Awarded		Other	J. Warren and Lois McClure Foundation	To support the Pre-K through 16 Council	\$25,000		\$25,000	
		(Tim Donovan)				(7/1/13 - 6/30/15)					
SOS		GEAR-UP Dual Enrollment Subaward (VSAC)	Awarded	84.334	Federal	VSAC	To support existing Partnership agreement for the dual enrollment program and Intro to College Studies.	\$350,000	\$400,000	\$350,000	Oct-13
		(Joyce Judy)			Pass-through	(9/30/13 - 8/31/14)					
SOS		Dual Enrollment Program Management (Contract)	Awarded		State	Vt. Agency of Education	To provide overall administration of dual enrollment program			\$140,000	
		(Natalie Searle, Katie Mobley)				(9/1/13 - 6/30/14)					

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	CCV	Trade Adjustment Assistance Community College & Career Training (TAACCTT) 3 (Linda Gabrielson / Joyce Judy)	Denied		Federal	Employment and Training Administration (7/1/14 - 6/30/17)	To develop a Vermont State Colleges's Center for Manufacturing Innovation which will prepare trade adjusted dislocated workers and others for employment in modern manufacturing positions. 1st yr: \$6,426K; 2nd yr: \$4,722K; 3rd yr: \$4,730K; 4th yr: \$688K	\$16,565,852			Oct-13
	CSC	Proterozoic Mountain building and Collapse, Eastern Adirondack Mountains, New York (Timothy W. Grover)	Denied		Other	National Science Foundation (a 6-8 week period during both years)	Understand: i) nature of the crust during these various orogenic processes, ii) the effects of Shawinigan granulite facies metamorphism and anatexis relative to Ottawan granulite facies metamorphism and anatexis, and iii) how the crust evolved through time as the Grenville orogeny was constructed. (1st yr: \$23769; 2nd yr: \$23,979)	\$47,748			
	CSC	New Foods for Falcons (Gail Regan, Ph.D.)	Denied			Bowse Community Health Trust (1/1/12 - 12/31/14)	To develop and implement a food preparation and taste testing program that will supplement the USDA's twice weekly Fresh Fruit and Vegetable program in the Fair Haven Grade School (K-8). CSC faculty and students will work with several community partners to implement this program. (1st yr: \$8K; 2nd yr: \$3K; 3rd yr: \$3K)	\$14,621			
	CSC	Music Drives Us - Organizational Grant (Lori Phillips)	Denied			Music Drives Us Foundation (4/1/12 - 9/30/12)	To pay bands that will perform during 10-week Castleton College Concert series	\$5,000	\$26,000		
	CSC	Healthy Relationship College Program (Amy Bremel)	Denied			M.Powerment by Mark (Avon Foundation for Women) (1 year from award)	Expand Peer Advocates for Change programming and promotional material	\$5,000			
	CSC	The Effect of Quercetin on Aerobic Capacity and Fat Utilization in Untrained Individuals Exercising in a Hypoxic Environment (Justin Carlstrom)	Denied			Vermont Genetics Network (6/1/13 - 5/31/14)	Research/Undergraduate Research	\$24,986			
	CSC	Burlington Ensemble: Starry Nights Series (Sherrill Blodgett)	Denied			Alma Gibbs Donchain Foundation (2/1/14 - 6/30/14)	Support artist in-residence for Burlington Ensemble	\$6,750	\$12,500		
	CSC	The Physics Box Project: K-12 Physics Curriculum and Lending Library (Catherine Garland)	Denied			Binker International Foundation (8/1/13 - 6/30/16)	Increase amount and quality of time spent by elementary and secondary students on inquiry-based physics activities. (1st yr: \$345; 2nd yr: \$1,545; 3rd yr: \$1,100)	\$2,990			
	CSC	The Physics Box Project: K-12 Physics Curriculum and Lending Library (Catherine Garland)	Denied			Bauder Fund (8/1/13 - 6/30/16)	Increase amount and quality of time spent by elementary and secondary students on inquiry-based physics activities. (1st yr: \$345; 2nd yr: \$1,545; 3rd yr: \$1,100)	\$2,990			
	CSC	Leavenworth Window Replacement Project (Scott Dikeman / Chuck Lavoie)	Denied			Tarrant Foundation (1/1/14 - 8/31/14)	To replace windows in Leavenworth Hall	\$75,000	\$225,000		Oct-13
	CSC	Castleton Archives Digital Preservation Initiative (Karen Sanborn)	Denied			National Endowment for the Humanities (NEH) (9/1/13 - 6/30/14)	Advise the Castleton State college Archives in developing its first digital preservation plan.	\$6,000			
	CSC	RUI: Collaborative Research: How will climate-driven shifts in runoff alter riverine organic carbon fluxes from coastal temperate rainforest ecosystems? (Andrew Vermilyea)	Denied			National Science Foundation (3/1/14 - 2/28/17)	Studying OC dynamics intensively across watersheds that vary in glacier and forest cover will allow us to substitute space for time to understand how OC export dynamics will be altered with a warming climate and the continued loss of glacier ice in CTR ecosystems. (1st yr: \$25K; 2nd yr: \$32K; 3rd yr: \$33K)	\$89,612			
	CSC	Castleton SEV-Green Campus Vehicles (Scott Dikeman/Chuck Lavoie)	Denied			Stewart's Shops (7/1/13 - 6/30/14) ??	Purchase 2 of 4 SEVs for campus use	\$19,650	\$17,400		
	CSC	Castleton State College Virtual Hospital (Marie McDuff)	Denied			Hannford Charitable Foundation (one time purchase)	To purchase high fidelity simulator manikin for Nursing Dept.	\$41,890	\$22,407		
	CSC	Leavenworth Window Replacement Project (Scott Dikeman / Chuck Lavoie)	Denied			Surdna Foundation (5/1/14 - 8/31/14)	To replace windows in Leavenworth Hall	\$75,000			
	CSC	Castleton State College Virtual Hospital (Marie McDuff)	Denied			Blue Cross/Blue Shield Corporate Giving Program	Purchase a high fidelity simulation manikin for the Virtual Hospital located in the Nursing Department	\$41,890	\$22,407		
	CSC	STEM Scholarships (Catherine Garland / Andrew Vermilyea / Tim Grover / Deborah Alongi)	Denied			National Science Foundation (8/1/14 - 7/31/19)	To fund scholarships for students in STEM fields (1st yr: \$86K; 2nd yr: \$123K; 3rd yr: \$113K; 4th yr: \$149K; 5th yr: \$149K)	\$621,471			Oct-13
	CSC	Castleton Virtual Hospital (Marie McDuff)	Denied			RGK Foundation (8/24/14 - 5/31/16)	Purchase a high fidelity simulation manikin for the Virtual Hospital located in the Nursing Department.	\$53,235	\$15,452		
<b>U</b>	CSC	RUI: Collaborative Research: Sma0114, a genetic and structural model for a new class of two-component response regulators (Preston Garcia)	<b>Denied</b>			National Science Foundation (6/1/14 - 5/31/17)	Collaborative research w/Daniel Gage, University of Connecticut (1st yr: \$41K; 2nd yr: \$45K; 3rd yr: \$47K;	\$133,905			
<b>U</b>	CSC	Upward Bound - Tutor.com (Jennifer Jones)	<b>Denied</b>			Bride Charitable oundation (9/1/13 - 8/31/14)	Fund tutor.com for 1 year	\$3,600			

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U	CSC	Spartan Community Adult Physical Activity Program (Gail Regan, PhD)	Denied			(1/1/14 - 5/30/14) Dreamfields Pasta	To purchase equipment for service learning course.	\$450			
U	CSC	Student Advocacy Leadership as Transformative Co-curricular Learning (Chris Boetcher)	Denied			(Jan-May 2014) AACU Bring Theory to Practice	Seminar to discuss and plan for integrative learning and student leadership initiatives	\$1,000			
	VTC	Key Bank: Build a Stronger Vermont (Maureen Hebert (Mgr) w/Molly Willard)	Denied			(Dec 2013 - Dec 2014) Key Bank & FreePress Media	Expand Diversified Ag Summer Intensive curriculum and infrastructure for workforce development.	\$25,000			
U	VTC	Vermont Youth Career Connect (Sue Polen)	Denied			(Apr 2014 - Oct 2018) VTDOL via USDOL	VTC is the lead project implementer for this grant. This application is only for the portion of the project budget for which VTC is responsible. This grant will serve approximately 650 high school students in some of Vt's most disadvantaged areas, and will focus on science, technology, engineering, and mathematics (STEM) disciplines, as well as other H-1B related occupations. (1st yr \$555K; 2nd yr \$1,063K; 3rd yr \$1,048K; 4th yr \$1,054K; 5th yr \$538K)	\$4,257,861	\$525,745		Feb-14

Vermont State Colleges  
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FY2014 Pending Grants

A = Action Item  
N = New Grants This Period  
U = Updated (Awarded/Denied or Withdrawn)

					Amount	Amount	Reported to
Item	College	Grant Title (Project Director)	Funding Agency/Grant Period	Brief Description	Requested	VSC Match	Board
	CSC	RUI: Collaborative Research: Proterozoic Mountain Building and Collapse, Eastern Adirondacks, New York (Timothy Grover)	National Science Foundation (7/1/14 - 6/30/16)	Understand; i) nature of the crust during these various orogenic processes, ii) the effects of Shawinigan granulite facies metamorphism and anatexis relative to Ottawan granulite facies metamorphism and anatexis, and iii) how the crust evolved through time as the Grenville orogeny was constructed.	\$66,419		
	CSC	Castleton State College Virtual Hospital (Marie McDuff)	Gladys Brooks Foundation (7/1/14 - 6/30/16)	Purchase a high fidelity simulation manikin for the Virtual Hospital located in the Nursing Department.	\$64,297	\$3,850	
	CSC	Using "negative acknowledgement" to restore a rape victim's credibility in court (Kathryn Sperry)	Vermont Genetics Network (6/1/14 - 5/31/15)	Examine the efficacy of "negative acknowledgement" as a way to combat the negative impact of perceived blameworthiness for victims of sexual assault.	\$24,305		
N	CSC	Network of Alliances for Geographic Education (Scott Roper)	National Geographic Education Foundation (9/1/2014 - 5/31/2015)	Funding for Vermont Geographic Alliance	\$27,500	\$18,425	
N	CSC	Upward Bound STEM Immersion Project (Jennifer Jones)	American Honda Foundation (8/1/14 - 8/31/15)	Increase participation of Castleton Upward Bound students in college STEM majors.	\$30,627		
N	CSC	Castleton Archives Digital Preservation Initiative (Karen Sanborn)	NEH (9/1/14 - 6/30/15)	Advise the Castleton State College Archives in developing its first digital preservation plan	\$6,000		
	JSC	Microbial Community Structure of the Vermont Asbestos Group Mine (Dr. Elizabeth Dolci)	Vermont Genetics Network (6/1/14 - 5/31/15)	To study microbial community interactions at the Vermont Asbestos Group Mine.	\$69,994		
	JSC	Comparative Effectiveness of Biofeedback vs. Exercise for Stressed Students (Amy Welsh, PhD)	Vermont Genetics Network (6/1/14 - 5/31/15)	The proposed research project will seek to identify whether regular, short bouts of physical exercise and biofeedback improve anxiety-related physiological and psychological states in stressed students, and will explore factors that influence the effectiveness of these interventions.	\$69,801		
	JSC	Community Grant / Bronze (Jeff Angione)	IBM (4/1/14 - 4/1/15)	Radio station sundries / CD player & storage unit	\$500		
	LSC	Promise Neighborhoods Program Planning Grant Competition (Heather Bouchey)	US Dept of Education - Northeast Kingdom Promise Region (1/1/13 - 12/31/13)	To create a continuum of care in the region that prepares all youth to successfully transition to post-secondary education, training, and career opportunities.	\$486,745	\$284,897	Dec-12
	LSC	Lyndon Promise Scholarship Challenge Grant (Bob Whittaker)	LSC Foundation FY2010 - FY2013	This challenge grant will provide an annual \$10K challenge to attract a total of \$10K in private support towards the Lyndon Promise Scholarship program. (\$10,000/yr for 4 yrs)	\$ 40,000	\$ 40,000	
	LSC	Early Promise Community Outreach Coordinator (Dr. Heather Bouchey)	The Canaday Family Charitable Trust (7/31/13 - 7/31/16)	To help us implement and expand our existing Early Promise Program to increase postsecondary degree attainment in Northeast Kingdom. (\$50,000/yr for 3 yrs)	\$ 150,000	\$ 257,618 \$86K/yr	Dec-13
	LSC	NSF Scholarships in Science, Technology, Engineering, and Mathematics (S-STEM) (Janel Hanrahan)	National Science Foundation (3/1/14 - 2/28/19)	To provide scholarships, improve retention, expand academic interests, and increase gender diversity for S-STEM interested students. (1st yr: \$45K; 2nd yr: \$91K; 3rd yr: \$134K; 4th yr: \$176K; 5th yr: \$190K; 6th yr: \$0; 7th yr: \$40K, 8th yr: \$20K)	\$ 696,221	\$ 60,000	Dec-13
	VTC	Developing a Successful Food System: Diversified Workshop series/Internship Curriculum (Molly Wilard)	Northeast Sustainable Agriculture Research & Education NE SARE (Aug 13 - May 2015)	Build a program to support the Diversified Agriculture Degree. (1st yr: \$7.7K; 2nd yr: \$7.7K)	\$15,439		

Vermont State Colleges  
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N = New Grants This Period U = Updated (Awarded/Denied or Withdrawn)					Amount	Amount	Reported to	
Item	College	Grant Title (Project Director)	Funding Agency/Grant Period	Brief Description	Requested	VSC Match	Awarded	Board
	VTC	High Meadows Fund: Governor's Institute: Farms, Food, & Your Future (Maureen Hebert (Mgr) w/Molly Willard)	High Meadows Fund (Jun 2014 - Aug 2014)	To support the 2014 Governor's Institute: Farms, Food, & Your Future	\$7,500			
	VTC	Dental Hygiene: Refurbish DESTR Manikins (Dr. Ellen Grimes)	Northeast Delta Dental (Feb 2014 - May 2014)	Refurbish two (2) existing DEXTR dental manikins	\$6,100			
N	VTC	Capital & Infrastructure Investment Grant (Ag., Forestry, & Forest Products) (Dr. Ellen Grimes)	Vermont Working Lands Enterprise Initiative (Apr 2014 - Oct 2015)	Provide funds for dairy processing plant fit-up at the VTC farm. 1:1 required match can be met using TAACCCT grant equipment funds.	\$75,000	\$75,000		May-14
N	VTC	VMEC NIST GRANT - Hollings Manufacturing Extension Partnership (Bob Zider)	US Department of Commerce (7/1/2014 - 6/30/2015)	Improve manufacturing in Vermont and strengthen the global competitiveness of the state's smaller manufacturers. Focus on small to medium sized manufacturers; help them increase productivity, modernize processes, adopt advanced technologies, reduce costs, and stabilize the workforce. VMEC has a separate budget from the rest of the college.	\$600,000	\$1,200,000		May-14
N	VTC	Nutrient Management Incentive Grant (Sosten Lungu)	Vermont Agency of Agriculture, Food and Markets (Feb 2014 - Aug 2014)	Update nutrient management plan for the VTC, and OSHA farms	\$7,812			

## 2. VSC Q3 Endowment Report

On March 31, 2014 the value of the VSC endowment was \$22,882,244 including \$89,237 of non-managed AGI stock. This money is spread over seven investment managers with well diversified portfolios. The assets allocation is within the VSC guidelines. The table below shows the VSC returns versus the representative index:

	<u>Year-to-Date</u>	<u>Last Calendar</u>	<u>Last 5 Years</u>	<u>Since Inception</u>
VSC returns	12.6%	17.4%	13.7%	6.8%
Index	10.8%	15.2%	12.9%	7.3%

The endowments have had total returns of \$2,542,544 in value since June, 2013. Approximately 50% of our endowment balance is comprised of investment earnings.



Morgan Stanley

## 1Q14 Report

Monday, May 05, 2014

Prepared for: Vermont State Colleges

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Q1  
2014

# Capital Markets Overview

## Introduction

- In the first quarter, equity performance in the United States was mixed, largely due to investor uncertainty around the strength and speed of the global economic recovery, as well as seemingly frothy valuation metrics. Investor anxiety was fueled to a lesser extent by Federal Reserve (the “Fed”) Chairwoman Janet Yellen’s indication that short-term interest rates could be raised sooner than expected, once Quantitative Ease 3 (QE3) tapering is complete. (QE3 allows the Fed to purchase billions of dollars in mortgage-backed securities to lower long-term interest rates and stimulate housing and other sectors dependent on borrowing.)
- The Dow Jones Industrial Average fell 0.2% in the first quarter. The NASDAQ Composite advanced 0.8% for the quarter. The S&P 500 rose 1.8% for the quarter, its fifth consecutive quarterly increase.
- Nine of the 10 sectors of the S&P 500 advanced in the first quarter. Utilities fared the best, with a 10.1% uptick. Health Care rose 5.8% and Materials advanced 2.9%. The laggards were Industrials, which advanced 0.1%, and Consumer Discretionary, which fell 2.8%.
- Morgan Stanley and Co. LLC economists expect that U.S. real GDP will be 2.7% in 2014 and 2.8% in 2015. Morgan Stanley economists forecast global GDP growth to be 3.4% in 2014 and 3.7% in 2015.
- In the first quarter, the Dow Jones-UBS Commodity Index rose 7.0%, making commodities one of the top performing asset classes for the quarter. For the quarter, gold rose 6.7%, countering its 28% plunge in the fourth quarter of 2013.
- For the first quarter of 2014, global mergers-and-acquisitions deal volume was \$639 billion, compared to \$517 billion for the first quarter of 2013. Global M&A activity increased to \$2.3 trillion in 2013 from \$2.2 trillion in 2012.

Please refer to the Index Descriptions and other important information at the end of this material.

## The U.S. Economy

- The Department of Commerce estimated that Gross Domestic Product grew at an annual rate of 2.6% in the fourth quarter of 2013, in comparison to 4.1% in the third quarter of 2013. Morgan Stanley and Co. LLC economists forecast that U.S. real GDP will be 2.7% in 2014 and 2.8% in 2015.
- For the quarter, the seasonally adjusted unemployment rate rose from 6.6% for January to 6.7% for both February and March. Job gains in the quarter took place in mining and logging, health care, professional and business services, food services and drinking places, and construction. The unemployment rate (6.7%) and the number of unemployed persons (10.5 million) was little changed in March. The number of long-term unemployed (3.7 million) remained relatively unchanged in March.
- According to the most recent estimate from the Bureau of Economic Analysis, corporate profits rose 2.2% between the third quarter of 2013 and the fourth quarter of 2013, and rose 6.2% between the fourth quarter of 2012 and the fourth quarter of 2013.
- Inflation remained low in the U.S. According to the Bureau of Labor Statistics, the seasonally adjusted Consumer Price Index rose 0.1% in both January and February. Morgan Stanley & Co. LLC economists forecast a 1.6% inflation rate for 2014 and 1.6% for 2015.
- The Census Bureau reported that private-sector housing starts in February 2014 were at a seasonally adjusted annual rate of 907,000—6.4% below February 2013 housing starts. The decline in housing starts over the past year indicates that the housing market has cooled due to rising mortgage rates and climbing house prices.
- The Census Bureau also reported that seasonally adjusted retail and food services sales increased 0.3% between January and February 2014, and increased 1.5% between February 2013 and February 2014.
- In March, the Institute for Supply Management's Purchasing Managers' Index (PMI), a manufacturing-sector index, was 53.7, up 0.5 from February, and up from January's 51.3. The latest PMI data indicates an expansion in the manufacturing sector for 10 consecutive months. Overall, PMI has been above 42 for 58 consecutive months. Generally speaking, a PMI or NMI (ISM Nonmanufacturing Index) over 50 indicates that the sector is expanding and a PMI over 42 indicates that the overall economy is expanding.
- The NMI fell 2.4 points to 51.6 between January and February of 2014, and rose 1.5 to 53.1 between February and March of 2014. The index has now been above 50 for 50 consecutive months.

Please refer to the Index Descriptions and other important information at the end of this material.

## The U.S. Equity Markets

- The Dow Jones Industrial Average fell 0.2% in the first quarter. The NASDAQ Composite advanced 0.8% for the quarter. The S&P 500 rose 1.8% for the quarter, its fifth consecutive quarterly increase.
- Nine of the 10 sectors of the S&P 500 advanced in the first quarter. Utilities fared the best, with a 10.1% uptick. Health Care rose 5.8% and Materials advanced 2.9%. The laggards were Industrials, which advanced 0.1%, and Consumer Discretionary, which fell 2.8%.
- Both value- and growth-style stocks rose during the first quarter, with value stocks faring better among those of small-, mid- and large-cap companies. The Russell Midcap Value Index climbed 5.2%, with the best quarterly showing of the Russell indices referenced here. The Russell Midcap Index rose 3.5% for the quarter. The large-cap Russell 1000 Value Index rose 3.0% for the quarter. The Russell 1000 Index, a large-cap index, rose 2.1% for the quarter. The Russell Midcap Growth Index also rose 2.1% for the quarter.
- The Russell 2000 Value Index, a small-cap index, advanced 1.8% for the quarter. The Russell 1000 Growth Index, a large-cap index, rose 1.1% for the quarter. The Russell 2000 Index, a small-cap index, also advanced 1.1% for the quarter. The Russell 2000 Growth Index, a small-cap index, rose 0.5% for the quarter, but had the weakest showing of the quarter compared to the other Russell indices referenced here.
- Despite investor concerns over weakness in emerging-market currencies, Russia's annexation of Crimea, and the Fed's ongoing QE3 tapering, the CBOE Volatility Index (VIX), the so-called "fear index," fell to 13.9 at the end of the first quarter. This level is not far from the index's six-year low of 11.3 hit in March 2013. The index's end-of-quarter calm is a distinct contrast from its August 8, 2011 high of 48.

Key U.S. Stock Market Index Returns (%) for the Period Ending 3/31/14				
	Quarter	12 Months	Five Years (Annualized)	Seven Years (Annualized)
S&P 500	1.8	21.9	21.2	6.3
Dow Jones	(0.2)	15.7	19.9	7.0
Russell 2000	1.1	24.9	24.3	7.1
Russell Midcap	3.5	23.5	25.6	7.1
Russell 1000	2.1	22.4	21.7	6.6

Source: Morgan Stanley

*Past performance is not a guarantee of future results. Investors cannot invest directly in an index. The performance of unmanaged indices reflects no deductions for fees, expenses or taxes that would affect the performance of actively managed assets.*

Please refer to the Index Descriptions and other important information at the end of this material.

## Global Equity Markets

- In the first quarter, emerging markets (EM) and global equities mostly declined. The MSCI EAFE Index (a benchmark for developed markets) rose 0.8% for U.S.-currency investors and fell 0.2% for local currency investors, as the U.S. dollar depreciated in relation to the currencies of many nations in the index. In contrast, in the fourth quarter of 2013, the MSCI EAFE Index rose 5.8% in U.S. dollar terms and rose 6.4% in local currency terms.
- For the first quarter, the MSCI Emerging Markets Index declined 0.4% for U.S.-currency investors and fell 0.5% for local currency investors, as the U.S. dollar maintained parity with many emerging-market currencies. This contrasts with the previous quarter, when the MSCI Emerging Markets Index rose 1.9% for U.S.-dollar-based investors and rose 3.0% for local currency investors.
- The MSCI Europe Index rose 2.2% for U.S.-currency investors and 1.9% for local currency investors during the first quarter. In comparison, the MSCI Far East Index fell 5.0% for the quarter in terms of the U.S. dollar and declined 6.6% in terms of local currencies.
- More specific emerging economy equity market indices fell in the first quarter. The MSCI BRIC (Brazil, Russia, India and China) Index dropped 2.9% for the quarter in U.S. dollar terms and fell 3.8% in terms of local currencies. In comparison, for the first quarter, the MSCI EM Asia Index declined 0.2% in U.S. dollar terms and fell 0.3% in local terms.

Key Global Equity Market Indices Based on the U.S. Dollar (%) for the Period Ending 3/31/14				
	Quarter	12 Months	Five Years (Annualized)	Seven Years (Annualized)
MSCI EAFE	0.8	18.0	16.6	1.8
MSCI EAFE Growth	0.3	15.5	16.3	2.6
MSCI EAFE Value	1.2	20.7	16.8	0.9
MSCI Europe	2.2	25.2	18.2	2.3
MSCI Japan	(5.5)	7.7	10.5	(1.4)
MSCI Emerging Markets	(0.4)	(0.9)	14.8	3.7

Source: Morgan Stanley

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Please refer to the Index Descriptions and other important information at the end of this material.

## The U.S. Bond Market

- In the first quarter, the bond market benefited from weak economic news—the Barclays U.S. Aggregate Bond Index, a general measure of the bond market, increased 1.8% for the quarter. Interest rates declined during the first quarter, as the yield on the 10-Year U.S. Treasury note fell to a quarter-end 2.72% from 3.03% at the end of December 2013.
- Also in the first quarter, riskier parts of the bond market, including high-yield debt and corporate credit, built upon their fourth quarter 2013 upswing. As a result, the Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, advanced 3.0% for the quarter.
- Investors returned to mortgage-backed securities in the first quarter. Consequently, the Barclays Capital Mortgage Backed Index rose 1.6% for the quarter.
- During the first quarter, investors embraced the municipal-bond market. As a result, the Barclays Capital Muni Index rose 3.3% for the quarter.

U.S. Bond Market Index Returns (%) for the Period Ending 3/31/14				
	Quarter	12 Months	Five Years (Annualized)	Seven Years (Annualized)
Barclays Capital U.S. Aggregate	1.8	(0.1)	4.8	5.0
Barclays Capital High Yield	3.0	7.5	18.3	8.7
Barclays Capital Govt/Credit	2.0	(0.3)	5.1	5.1
Barclays Capital Government	1.3	(1.2)	2.7	4.5
Barclays Capital Intermediate Govt/Credit	1.0	(0.1)	4.2	4.5
Barclays Capital Long Govt/Credit	6.6	(0.9)	9.1	7.5
Barclays Capital Mortgage Backed Securities	1.6	0.2	3.6	4.8
Barclays Capital Muni	3.3	0.4	5.7	4.7

Source: Morgan Stanley

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Please refer to the Index Descriptions and other important information at the end of this material.

**INDEX DESCRIPTIONS:**

**DOW JONES INDUSTRIAL AVERAGE:** The most widely used indicator of the overall condition of the stock market, a price-weighted average of 30 actively traded blue-chip stocks, primarily industrials. The 30 stocks are chosen by the editors of The Wall Street Journal (WSJ) (which is published by Dow Jones & Company), a practice that dates back to the beginning of the century. Charles Dow officially started the Dow in 1896, at which time it consisted of only 11 stocks. The Dow is computed using a price-weighted indexing system, rather than the more common market cap-weighted indexing system. Simply put, the editors at WSJ add up the prices of all the stocks and then divide by the number of stocks in the index. (In actuality, the divisor is much higher today in order to account for stock splits that have occurred in the past.) **DOW JONES-UBS COMMODITY INDEX:** Composed of futures contracts on physical commodities which are traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). **NASDAQ COMPOSITE INDEX:** Covers 4,500 stocks traded over the counter. It represents many small company stocks but is heavily influenced by about 100 of the largest NASDAQ stocks. It is a value-weighted index calculated on price change only and does not include income. **S&P 500 INDEX:** Covers 400 industrial, 40 utility, 20 transportation and 40 financial companies in the U.S. markets (mostly NYSE issues). The index represents about 75% of NYSE market cap and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total-return basis with dividends reinvested. **RUSSELL 1000 INDEX:** Measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 89% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$9.9 billion; the median market capitalization was approximately \$3.7 billion. The smallest company in the index had an approximate market capitalization of \$1,404.7 million. **RUSSELL 1000 GROWTH INDEX:** Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. **RUSSELL 1000 VALUE INDEX:** Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. **RUSSELL 2000 INDEX:** Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 11% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$592.0 million; the median market capitalization was approximately \$500.0 million. The largest company in the index had an approximate market capitalization of \$1,402.7 million. **RUSSELL 2000 GROWTH INDEX:** Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. **RUSSELL 2000 VALUE INDEX:** Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. **RUSSELL 3000 INDEX:** Measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. **RUSSELL MIDCAP INDEX:** Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 35% of the total market capitalization of the Russell 1000 Index. As of the latest reconstitution, the average market capitalization was approximately \$3.7 billion; the median market capitalization was approximately \$2.9 billion. The largest company in the index had an approximate market capitalization of \$10.3 billion. **RUSSELL MIDCAP GROWTH INDEX:** Measures the performance of those Russell mid-cap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth Index. An investment cannot be made directly in a market index. **RUSSELL MIDCAP VALUE INDEX:** Measures the performance of those Russell mid-cap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value Index. An investment cannot be made directly in a market index. **VIX INDEX:** (Chicago Board Options Exchange Volatility Index) Estimates volatility in the S&P 500 Index for the next 30 days using a weighted blend of prices for various options on the S&P 500 Index.

**THE BARCLAYS CAPITAL U.S. AGGREGATE BOND INDEX:** A broad-based benchmark that measures the investment grade, U.S.-dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS and CMBS. **BARCLAYS CAPITAL GOVERNMENT INDEX:** Barclays Capital Treasury bond and agency bond indices (all publicly issued debt of agencies of the U.S. government, quasi-federal corporations and corporate debt guaranteed by the U.S. government, but no mortgage-backed securities) are combined to form the government bond index. **BARCLAYS CAPITAL U.S. INTERMEDIATE GOVERNMENT/CREDIT BOND INDEX:** The Barclays Capital U.S. Intermediate Government/Credit Bond Index is a total return index consisting of investment-grade corporate debt issues as well as debt issues of U.S. government agencies and the U.S. Treasury. The debt issues all maintain maturities within a range of 1 to 10 years. An investment cannot be made directly in a market index. **BARCLAYS CAPITAL HIGH YIELD INDEX:** The Barclays Capital U.S. High Yield Index covers the universe of fixed-rate, noninvestment-grade debt. Pay-in-kind (PIK) bonds, Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Mexico, Venezuela, etc.) are excluded, but Yankee and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes and step-up coupon structures are also included. Liquidity Rules: All bonds included in the High Yield Index must be dollar-denominated and nonconvertible and have at least one year remaining to maturity and an outstanding par value of at least \$150 million. Quality Rating Rules: Securities in the index must be rated Ba1 or lower. If both Moody's and S&P provide a rating for a security, the lower of the two ratings is used. A small number of unrated bonds are included in the index; to be eligible they must have previously held a high-yield rating or have been associated with a high-yield issuer, and must trade accordingly. Components: The index has several subcomponents. Intermediate indices include bonds with remaining maturities of less than 10 years; long indices include bonds with remaining maturities of 10 years or more. The index also has subdivisions by credit quality, and subindices are available that exclude securities in default. **BARCLAYS CAPITAL MUNI INDEX:** The composite measure of the total return performance of the muni bond market. The muni market contains over two million bond issues. The market is divided into seven major sectors: state G.O. debt (31%); prerefunded bonds (7.7%); electric-utility revenue bonds (7.79%); hospital revenue bonds (3.4%); state-housing revenue bonds (3.4%); industrial-development and pollution-control revenue bonds (1.8%); and transportation revenue bonds (7.1%). These weightings are reviewed annually. **BARCLAYS CAPITAL GOVT/CREDIT INDEX:** The U.S. Government/Credit Index is the nonsecuritized component of the U.S. Aggregate Index and was the first macro index launched by Barclays Capital. The U.S. Government/Credit Index includes Treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year), government-related issues (i.e., agency, sovereign, supranational and local-authority debt) and U.S. dollar corporates. In order to qualify for inclusion in the U.S. Government/Credit Index, a bond or security must have at least one year to maturity; at least \$250 million par amount outstanding; must be rated Baa3 by Moody's, BBB- by Standard & Poor's, and BBB- by Fitch Investor Service; must be fixed-rate, although it can carry a coupon that steps up; and it must be U.S.-dollar-denominated. **BARCLAYS CAPITAL LONG GOVERNMENT/CREDIT INDEX:** Composed of all bonds covered by BARCLAYS CAPITAL GCB Index with maturities of 10 years or greater. Total return comprises price appreciation/depreciation and income as a percent of the original investment. Indices are rebalanced monthly by market capitalization. **BARCLAYS CAPITAL MORTGAGE BACKED SECURITIES INDEX:** Includes all fixed securities issued and backed by mortgage pools of Ginnie Mae (GNMA), Fannie Mae (FNMA), Freddie Mac (FHLMC) and half-coupon securities. The index excludes buydowns, graduated equity mortgages (GEM), project loans, nonagency (whole loans), jumbos, collateralized mortgage obligations (CMOs), graduated payment mortgages (GPMs), adjustable rate mortgages (ARMs), manufactured home mortgages and prepayment-penalty collateral.

Formed by grouping the universes of over one million individual fixed-rate MBS pools into approximately 5,500 generic aggregates. Pool aggregates must be U.S.-dollar-denominated, have at least \$250 million current outstanding and average-weighted life of at least one year.

**MSCI EUROPE, AUSTRALASIA AND THE FAR EAST ("EAFE") INDEX:** A free-float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada. As of May 27, 2010, the index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. **MSCI EUROPE INDEX:** A free-float-adjusted market capitalization-weighted index that is designed to measure developed market equity performance in Europe. As of June 2007, the index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. This series approximates the maximum possible dividend reinvestment. The amount reinvested is the dividend distributed to individuals resident in the country of the company, but does not include tax credits. **MSCI JAPAN INDEX:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in Japan. **MSCI EAFE GROWTH INDEX:** A free-float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada. As of May 27, 2010, the index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The MSCI Global Value and Growth Indices cover the full range of developed, emerging and All Country MSCI International Equity Indices across all size segmentations. MSCI Barra uses a two-dimensional framework for style segmentation in which value and growth securities are categorized using a multifactor approach, which uses three variables to define the value investment-style characteristics and five variables to define the growth investment-style characteristics, including forward-looking variables. The objective of the index design is to divide constituents of an underlying MSCI Equity Index into respective value and growth indices, each targeting 50% of the free-float-adjusted market capitalization of the underlying market index. **MSCI EAFE VALUE INDEX:** A free-float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada. As of May 27, 2010, the index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The MSCI Value and Growth Indices cover the full range of developed, emerging and All Country MSCI Equity Indices. As of the close of May 30, 2003, MSCI implemented an enhanced methodology for the MSCI Global Value and Growth Indices, adopting a two-dimensional framework for style segmentation in which value and growth securities are categorized using different attributes: three for value and five for growth including forward-looking variables. The objective of the index design is to divide constituents of an underlying MSCI Standard Country Index into a value index and a growth index, each targeting 50% of the free-float-adjusted market capitalization of the underlying country index. Country Value/Growth indices are then aggregated into regional value/growth indices. Prior to May 30, 2003, the indices used price/book value (P/BV) ratios to divide the standard MSCI country indices into value and growth indices. All securities were classified as either "value" securities (low P/BV securities) or "growth" securities (high P/BV securities), relative to each MSCI country index. **MSCI FAR EAST INDEX:** A free-float-adjusted market capitalization weighted index that is designed to measure developed market equity performance in the Far East. As of March 2010, the index consists of the following three developed country indices: Japan, Hong Kong and Singapore. **MSCI EMERGING MARKETS INDEX:** A free-float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of May 27, 2010, the index consisted of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey. **MSCI BRIC INDEX:** A free-float-adjusted market capitalization index that measures equity market performance in larger emerging markets. The index consists of the following emerging market country indices: Brazil, Russia, India and China. **MSCI EM ASIA INDEX:** A free-float-adjusted market capitalization index that measures equity market performance in emerging markets in Asia. The index consists of the following emerging market country indices: China, India, Indonesia, Korea, Malaysia, Philippines, Taiwan and Thailand. **MSCI ALL COUNTRY WORLD INDEX:** A free-float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index consists of 45 country indices comprising 24 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey.

**CONSUMER PRICE INDEX (CPI)** includes monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

**INSTITUTE FOR SUPPLY MANAGEMENT'S PURCHASING MANAGERS' INDEX (PMI):** An indicator of the economic health of the manufacturing sector. The PMI index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. A PMI of more than 50 represents expansion of the manufacturing sector, compared to the previous month. A reading under 50 represents a contraction, while a reading at 50 indicates no change. **ISM NON-MANUFACTURING INDEX (NMI):** An index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation.

**CBOE VOLATILITY INDEX:** The CBOE Volatility Index—more commonly referred to as "VIX"—is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500® Index (SPX) option bid/ask quotes. VIX uses nearby and second nearby options with at least eight days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index.



## DISCLOSURES

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Although the statements of fact and data in this report have been obtained from, and are based upon, sources the firm believes reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions included in this report constitute the firm's judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. This report may contain forward-looking statements, and there can be no guarantee that they will come to pass. Past performance is not a guarantee of future results.

The indices are unmanaged, and an investor cannot invest directly in an index. The indices are shown for illustrative purposes only and do not represent the performance of any specific investment. Index returns consist of income and capital appreciation (or depreciation) and do not take into account fees, taxes or other charges. Such fees and charges would reduce performance. Index performance is calculated on a total return basis and assumes that dividends and distributions were reinvested. Index returns do not include any expenses, fees or sales charges, which would lower performance.

To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. These risks may be magnified in **emerging markets**. International investing may not be for everyone. **Value investing** involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. **Growth investing** does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. **Bonds** are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer. With respect to fixed-income securities, please note that, in general, as prevailing interest rates rise, fixed-income securities prices fall. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. **Commodities** markets may fluctuate widely based on a variety of factors, including, but not limited to, changes in supply and demand relationships; governmental programs and policies; national and international political and economic events, war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence, technological change and weather; and the price volatility of a commodity.

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2014-PS-288  
(4/14)





**VERMONT STATE COLLEGES**  
**PORTFOLIO SUMMARY - ASSET ALLOCATION**

March 31, 2014

	Large Cap Growth	Large Cap Value	Small / Mid Growth	Small / Mid Value	International	International Emerging	Domestic and High Yield Fixed	International Fixed	Real Estate	Commodity	Cash	Total	% of Total Portfolio
<b>CG Advisor</b>													
I shares Russell 1000 Growth	\$ 2,462,496											\$ 2,462,496	10.8%
I shares Russell 1000 Value		\$ 2,926,845										\$ 2,926,845	12.8%
I shares Trust S&P Mid Cap 400			\$ 192,373									\$ 192,373	0.8%
I shares Trust S&P Small Cap 600			\$ 69,841									\$ 69,841	0.3%
Royce Premier Fund				\$ 377,405								\$ 377,405	1.7%
William Blair Int Growth					\$ 1,214,691							\$ 1,214,691	5.3%
Oppenheimer Developing Mkts						\$ 452,326						\$ 452,326	2.0%
American Century International Bond								\$ 828,989				\$ 828,989	3.6%
Loomis Bond Fund							\$ 1,116,996					\$ 1,116,996	4.9%
Ishares S&P GSCI Commodity										\$ 174,972		\$ 174,972	0.8%
Ishares Dj US Real Estate									\$ 309,252			\$ 309,252	1.4%
Powershares DB Commodity										\$ 164,869		\$ 164,869	0.7%
Vanguard REIT ETF									\$ 317,225			\$ 317,225	1.4%
Vanguard FI SECS Short Term GD							\$ 942,750					\$ 942,750	4.1%
I Shares Russell 2000 Value				\$ 56,269								\$ 56,269	0.2%
Lazard Emerging Markets						\$ 458,984						\$ 458,984	2.0%
Money Funds											\$ 132,083	\$ 132,083	0.6%
<b>Anchor</b>				\$ 644,310								\$ 644,310	2.8%
<b>Delaware</b>					\$ 1,006,706							\$ 1,006,706	4.4%
<b>Clearbridge</b>	\$ 1,389,825	\$ -	\$ 684,541	\$ -	\$ -							\$ 2,074,366	9.1%
<b>Madison</b>							\$ 2,703,036					\$ 2,703,036	11.9%
<b>Seix</b>							\$ 1,373,486					\$ 1,373,486	6.0%
<b>Thomas Partners</b>	\$ 797,326	\$ 1,266,505	\$ 106,124	\$ 206,662	\$ 416,118							\$ 2,792,735	12.3%
<b>Total Fund</b>	<b>\$ 4,649,647</b>	<b>\$ 4,193,350</b>	<b>\$ 1,052,879</b>	<b>\$ 1,284,646</b>	<b>\$ 2,637,515</b>	<b>\$ 911,310</b>	<b>\$ 6,136,269</b>	<b>\$ 828,989</b>	<b>\$ 626,477</b>	<b>\$ 339,841</b>	<b>\$ 132,083</b>	<b>\$ 22,793,007</b>	<b>100.00%</b>
Allocation	20.40%	18.40%	4.62%	5.64%	11.57%	4.00%	26.92%	3.64%	2.75%	1.49%	0.58%	100.00%	
<i>Strategic Target Allocation a/o 6.30.11</i>													
By Percent	12.00%	12.00%	6.00%	6.00%	17.00%	7.00%	28.00%	4.00%	4.00%	4.00%	0.00%	100.00%	
By Dollar	\$ 2,735,161	\$ 2,735,161	\$ 1,367,580	\$ 1,367,580	\$ 3,874,811	\$ 1,595,510	\$ 6,382,042	\$ 911,720	\$ 911,720	\$ 911,720	\$ -	\$ 22,793,007	
<b>Current Tactical Allocation</b>	<b>17%</b>	<b>17%</b>	<b>6%</b>	<b>6%</b>	<b>10%</b>	<b>5%</b>	<b>30%</b>	<b>5%</b>	<b>2%</b>	<b>2%</b>	<b>0%</b>	<b>100%</b>	

**Operations Account** \$ 87,230.48 (1432 Shares AIG, 764 WTS AIG) \$ 2,006.40 (money funds) \$ 89,237

**Total All Accounts** \$ 22,882,244

**Basic Asset Allocation:**

<b>Stocks</b>	<b>65%</b>
<b>Alternatives</b>	<b>4%</b>
<b>Fixed Income/Cash</b>	<b>31%</b>

The above summary/prices/quote/statistics have been obtained from sources we believe to be reliable, but we cannot guarantee its accuracy or completeness. Past performance is no guarantee of future results. The information provided in this summary is for illustrative purposes only and does not represent an official statement by the firm. You must refer to your monthly statements for an accurate and complete record of your transactions, holdings & balances. Best efforts have been made to reflect the true values of the figures, but we can not guarantee the accuracy or completeness due to the element of human error. This is not a binding or legal document. This information is based upon the market value of your account as of the close of business on 03.31.14 and is subject to daily market fluctuation. Prepared by: John O. Myhre, Vice President, Financial Advisor

## **Managed Endowment Performance**

YTD – through 04/30/14

Last 5 years – through 4/30/14

**Current Quarter – 3/31/14**

Prepared for:

## Vermont State Colleges

Prepared by:

**Brian A Pelkey**  
*Senior Vice President - Wealth Management*

**John O Myhre**  
*Vice President-Wealth Management*

69 Swift Street, 4th Floor  
South Burlington VT 05403

## Portfolio Review

### Managed Endowment

Information as of April 30, 2014  
Prepared on May 5, 2014

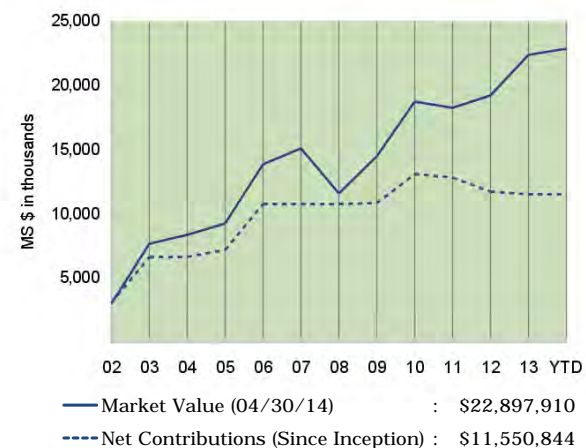
Investment Summary	2
Composite Allocation	3
Composite Analysis	5
Composite Performance	6

Morgan Stanley

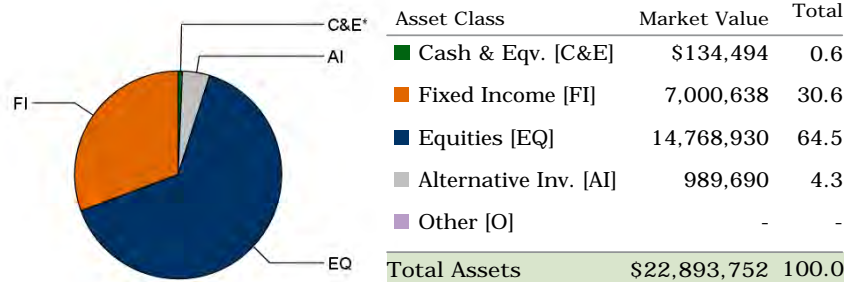
## Investment Summary prepared for Managed Endowment as of 04/30/14

Asset Growth and Portfolio Returns<sup>1</sup>

	Year-to-Date 12/31/13 to 04/30/14	Last-5-Years 04/30/09 to 04/30/14	Custom Period 12/31/13 to 03/31/14	For the Period <sup>2</sup> 12/26/02 to 04/30/14
Beginning Value	\$22,384,760	\$11,787,160	\$22,384,760	\$3,085,318
Net Contributions	0	791,047	0	8,465,526
Ending Value	22,897,910	22,897,910	22,801,208	22,897,910
<b>Total Returns</b>	<b>\$513,150</b>	<b>\$10,319,702</b>	<b>\$416,448</b>	<b>\$11,347,065</b>
Dollar Weighted Rate of Return (IRR)	Annualized		Annualized	
Advisory Net Returns (%)	2.3	12.4	1.9	6.8
Brokerage Net Returns (%)	N/A	N/A	N/A	N/A
<b>Total Net Returns (%)</b>	<b>2.3</b>	<b>12.4</b>	<b>1.9</b>	<b>7.1</b>
40%S&P 15%EAFE 45%BCGC INT	2.1	11.8	1.3	7.3



## Asset Allocation



\*Available Cash is -\$11,335 or -0.05%.

<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

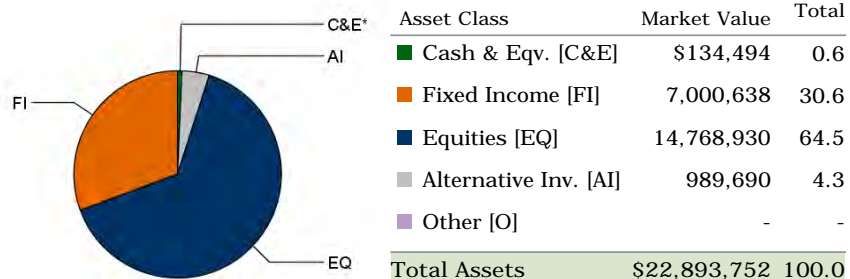
## Income Summary

	Year-to-Date 01/01/14 04/30/14	Estimated	
		Year 2014 01/01/14 12/31/14	Next 12 Months 06/01/14 05/31/15
Taxable	157,481	501,523	493,790
Non Taxable	-	-	-
Tax Deferred	-	-	-
<b>Morgan Stanley Total Income</b>	<b>157,481</b>	<b>501,523</b>	<b>493,790</b>

If external holdings were provided, they have been included in this report in order to provide you with a more complete picture of your financial holdings. Please note: Morgan Stanley Smith Barney LLC is not responsible for information (including valuations) from external sources. Please contact your financial advisor to update your information.

## Composite Allocation prepared for Managed Endowment as of 04/30/14

## Asset Allocation



\*Available Cash is -\$11,335 or -0.05%.

## Style Analysis

## Fixed Income (% of Asset Class)

## Domestic

Short	Interm.	Long	
0.0	27.1	0.0	High Quality
1.3	11.1	0.0	Medium Quality
16.4	0.0	0.9	Low Quality

## International

12.5	30.7
------	------

## Equity (% of Asset Class)

## Domestic

Value	Core	Growth	
25.5	6.4	27.5	Large Size
5.0	0.9	6.5	Medium Size
2.9	0.0	0.5	Small Size

## International

Core	Emerg.	Other
18.0	6.2	0.6

## Asset Allocation Detail

Account No.	Account	Cash Equivalents <sup>1</sup>	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
Household Total		\$134,494 0.6%	\$7,000,638 30.6%	\$14,768,930 64.5%	\$989,690 4.3%	-	\$22,893,752 100.0%

## Managed Endowment

383-108874	VERMONT STATE COLLEGES	-	-	1,024,886	-	-	1,024,886
	Delaware Investments - Internationa	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-108918	VERMONT STATE COLLEGES	-	-	646,179	-	-	646,179
	Anchor Capital - Mid Cap Value	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-108919	VERMONT STATE COLLEGES	-	-	-	-	-	-
	REG	-	-	-	-	-	100.0%

continued on next page

<sup>1</sup> May include fixed income due within a year.

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## Composite Allocation prepared for Managed Endowment as of 04/30/14

Asset Allocation Detail *continued from previous page*

Account No.	Account	Cash Equivalents <sup>1</sup>	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
383-108920	VERMONT STATE COLLEGES	-	2,708,324	-	-	-	2,708,324
	Madison - Intermediate Govt-Corp	-	100.0%	-	-	-	100.0%
	Fiduciary Services						
383-110533	VERMONT STATE COLLEGES	-	-	2,055,212	-	-	2,055,212
	ClearBridge - Multi Cap Growth	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-110534	VERMONT STATE COLLEGES	-	1,379,602	-	-	-	1,379,602
	Seix Advisors - High Yield Bond	-	100.0%	-	-	-	100.0%
	Fiduciary Services						
383-122584	VERMONT STATE COLLEGES	16,143	-	2,810,278	-	-	2,826,421
	ThomasPartners	0.6%	-	99.4%	-	-	100.0%
	Investment Management Services						
383-108872	VERMONT STATE COLLEGES	118,352	2,912,711	8,232,376	989,690	-	12,253,129
	Consulting Group Advisor	1.0%	23.8%	67.2%	8.1%	-	100.0%
	Consulting Group Advisor						
Portfolio Total		\$134,494	\$7,000,638	\$14,768,930	\$989,690	-	\$22,893,752
		0.6%	30.6%	64.5%	4.3%	-	100.0%
Household Total		\$134,494	\$7,000,638	\$14,768,930	\$989,690	-	\$22,893,752
		0.6%	30.6%	64.5%	4.3%	-	100.0%

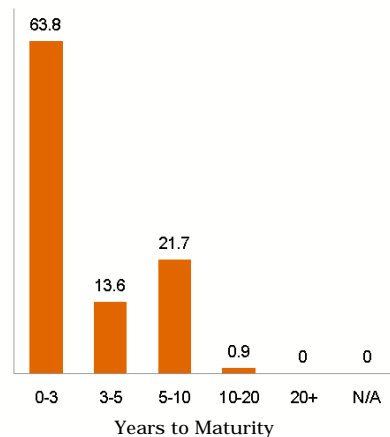
*continued on next page*<sup>1</sup> May include fixed income due within a year.

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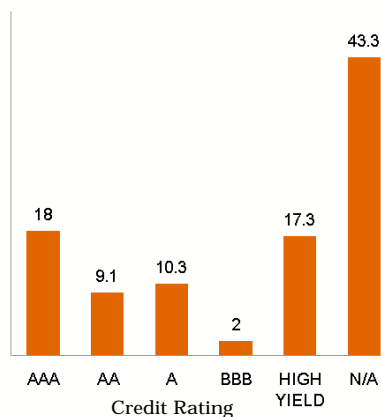
## Composite Analysis prepared for Managed Endowment as of 04/30/14

## Fixed Income

## Maturity Schedule (%)



## Credit Rating (%)



## Fixed Income

## Top Holdings

Security Name	Market Value	% of Fixed
LOOMIS SAYLES BOND INST	\$1,125,666	16.1
VANGUARD SH TM INVT GR INV	946,322	13.5
AMER CENT INTL BOND INV	840,723	12.0
UNITED STATES TREASURY NOTE	186,041	2.7
UNITED STATES TREASURY NOTE	178,153	2.5
UNITED STATES TREASURY NOTE	172,598	2.5
UNITED STATES TREASURY NOTE	156,304	2.2
FED HOME LN MTG CORP	153,483	2.2
FED NATL MTG ASSN	153,391	2.2
UNITED STATES TREASURY NOTE	135,617	1.9
<b>Total Fixed Income Top Holdings</b>	<b>4,048,299</b>	<b>57.8</b>
<b>Total Fixed Income</b>	<b>7,000,638</b>	<b>100.0</b>

## Equities

## Sector Allocation

Sector	Market Value	% of Equities
Consumer Discretionary	912,329	6.3
Consumer Staples	609,615	4.2
Energy	608,131	4.2
Financials	454,315	3.1
Health Care	1,005,844	6.9
Industrials	1,019,022	7
Information Technology	938,532	6.4
Materials	219,908	1.5
Telecommunication Services	333,776	2.3
Utilities	223,923	1.5
Others	8,257,343	56.6
<b>Total</b>	<b>14,582,738</b>	<b>100.0</b>

## Top Holdings

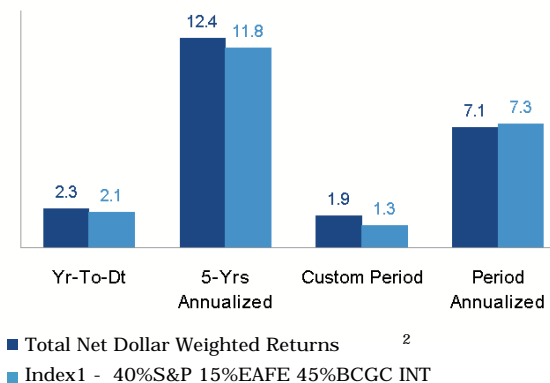
Security Name	Market Value	% of Equities
ISHARES RUSSELL 1000 VALUE ETF	\$2,953,535	20.0
ISHARES RUSSELL 1000 GRW ETF	2,464,203	16.7
WILLIAM BLAIR INTL GROWTH I	1,212,417	8.2
LAZARD EMERGING MKTS EQ I	461,206	3.1
OPPENHEIMER DEVELOPING MKTS Y	452,816	3.1
ROYCE PREMIER INV	378,914	2.6
ISHARES S&P MID-CAP 400 G ETF	187,027	1.3
FOREST LABORATORIES INC	177,754	1.2
COMCAST CORP CL A SPECIAL NEW	172,107	1.2
UNITEDHEALTH GP INC	123,741	0.8
<b>Total Equities Top Holdings</b>	<b>8,583,721</b>	<b>58.1</b>
<b>Total Equities</b>	<b>14,768,930</b>	<b>100.0</b>

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## Morgan Stanley Composite Performance prepared for Managed Endowment as of 04/30/14

Portfolio Returns (%)<sup>1</sup>  
Morgan Stanley Accounts Only

	Year-to-Date 12/31/13 to 04/30/14	Annualized Last-5-Years 04/30/09 to 04/30/14	Custom Period 12/31/13 to 03/31/14	Annualized For the Period 12/26/02 to 04/30/14
Total Net Dollar Weighted Returns <sup>2</sup>	2.3	12.4	1.9	7.1



## Representative Index

40%S&P 15%EAFE 45%BCGC INT	2.1	11.8	1.3	7.3
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Account Performance<sup>1</sup>  
Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 04/30/14	Return (%)				Date of Inception <sup>2</sup>	Inception Value
			Year-to-Date 12/31/13 to 04/30/14	Annualized Last-5-Years 04/30/09 to 04/30/14	Custom Period 12/31/13 to 03/31/14	Annualized Since Inception to 04/30/14		
Total Net Dollar Weighted Returns		\$22,897,910	2.3	12.4	1.9	7.1	12/26/02	\$3,085,318

## Advisory

383-108872	VERMONT STATE COLLEGES (Consulting Group Advisor) Consulting Group Advisor	12,253,129	2.2	13.9	1.7	N/A	12/26/02	3,085,318
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<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

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## Morgan Stanley Composite Performance prepared for Managed Endowment as of 04/30/14

**Account Performance**<sup>1</sup> *Continued from previous page*  
Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 04/30/14	Return (%)				Date of Inception <sup>2</sup>	Inception Value
			Year-to-Date 12/31/13 to 04/30/14	Annualized Last-5-Years 04/30/09 to 04/30/14	Custom Period 12/31/13 to 03/31/14	Annualized Since Inception to 04/30/14		
383-108874	VERMONT STATE COLLEGES (Fiduciary Services) Delaware Investments - Internationa	1,027,901	4.8	13.7	3.0	13.0	02/06/03	2,483,086
383-108918	VERMONT STATE COLLEGES (Fiduciary Services) Anchor Capital - Mid Cap Value	646,298	1.1	15.0	0.8	16.0	02/27/03	795,409
383-108920	VERMONT STATE COLLEGES (Fiduciary Services) Madison - Intermediate Govt-Corp	2,708,324	0.8	2.9	0.6	3.4	02/28/03	4,039,638
383-110533	VERMONT STATE COLLEGES (Fiduciary Services) ClearBridge - Multi Cap Growth	2,055,599	4.5	24.0	5.4	9.4	04/21/06	1,040,220
383-110534	VERMONT STATE COLLEGES (Fiduciary Services) Seix Advisors - High Yield Bond	1,379,602	2.6	10.2	2.2	7.0	04/21/06	700,952
383-122584	VERMONT STATE COLLEGES (Investment Management Services) ThomasPartners	2,827,058	2.1	N/A	0.9	16.9	03/09/12	1,627,719
<b>Total Advisory</b>		<b>\$22,897,910</b>	<b>2.3</b>	<b>12.4</b>	<b>1.9</b>	<b>6.8</b>	<b>12/26/02</b>	<b>\$3,085,318</b>
<b>Brokerage</b>								
383-108919**	VERMONT STATE COLLEGES (REG)	-	N/A	N/A	N/A	N/A	02/27/03	1,006,477
<b>Total Brokerage</b>		<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>02/27/03</b>	<b>\$1,006,477</b>
<b>Total Net Dollar Weighted Returns</b>		<b>\$22,897,910</b>	<b>2.3</b>	<b>12.4</b>	<b>1.9</b>	<b>7.1</b>	<b>12/26/02</b>	<b>\$3,085,318</b>

*Continued on next page*<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

\*\* Account is ineligible for performance reporting.

## Disclaimers prepared for Managed Endowment as of 04/30/14

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### General Disclosures

#### Information Disclosures:

This performance report has been prepared for your information only and is not a substitute for your official Morgan Stanley Smith Barney LLC account statements. Do not use the information in this report as the sole basis for investment decisions, nor take action relying on this information without confirming its accuracy and completeness. Please carefully review the attached glossary. Past performance is not a guarantee of future results.

Information is approximate: The information in this report is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. If there are discrepancies between your official account statement and this report, rely on your official account statement. Prices shown in your official account statement may differ from the prices shown in this report due to, among other things, different reporting methods, delays, market conditions and interruptions. Also, the figures in this report do not include all relevant costs (e.g., fees, commissions and taxes).

We obtain pricing and other information from various standard quotation services and other sources which we believe to be reliable, but we do not warrant or guarantee the accuracy or completeness of this information. The price that you would actually receive in the market for any investment may be higher or lower than the price shown in this report. The prices of securities and other investments not actively traded may be estimated or may not be available. For example:

- Bonds trading less frequently: We rely on outside pricing services or a computerized trading model, which cannot always give us actual market values.
- Annuities: Data in this report may have been provided by third party insurance carriers. (Not all insurance carriers provide data on annuities for performance calculations. The list of providers that provide data is available on request. Performance calculations are based on annuity values as of December 31, 2006 or later, depending on carrier participation.) This report might not reflect a transaction that posted at the insurance company before this reporting period. Depending on the carrier, annuities transactions may be net of certain fees or expenses.
- Alternative investments: The assets in these investments (and in corresponding benchmark indices) are difficult to value, values may be several weeks or more old, and the index values reflect pricing from multiple sources. Index values may be more up-to-date than the data for the alternative investments shown in this report. This report shows the latest generally available alternative investment and index data as of the date of this report.
- Non-traded Real Estate Investment Trusts (REITs) and certain other investments: These are illiquid and have no public markets.
- For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

We are not responsible for any clerical, computational or other errors or omissions. You are responsible for promptly reviewing your report and seeking clarification about entries that you do not understand. If you do not understand an entry in this report, suspect an error, or want more details on current prices or other information, contact your Financial Advisor.

#### Sources and Intent:

This investment evaluation is directed only to the client for whom the evaluation was performed. The underlying data has been obtained from sources considered to be reliable but its accuracy and completeness cannot be assured. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security. Performance for periods greater than one year is annualized. This information is being provided at your request and does not replace or supersede your monthly client account statement.

#### Not Tax or Other Advice:

The information in this report (including any gain and loss information) is not investment, legal, tax, accounting or other professional advice. Please contact your tax advisor to determine the appropriate information to be used in preparing your tax return. Gain/loss is provided for informational purposes only and should not be used for tax preparation. We do not guarantee nor independently verify the accuracy of gain and loss information.

#### Use of Report:

## Disclaimers prepared for Managed Endowment as of 04/30/14

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Asset classifications and performance calculation methodologies can differ among the various supplemental performance reports available through us. For example, some reports calculate Time Weighted performance using a weighted or Modified Dietz approach while others use a daily approach. In addition, some reports may display Dollar Weighted Returns. These differences can generate meaningful dispersions in the performance numbers displayed on different reports.

### Liability and indemnification:

You agree not to hold Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. LLC, their affiliates or third party information providers liable for any investment decision you make based on information in this report. You also agree to indemnify Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. LLC and their affiliates and hold Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. LLC and their affiliates harmless from and against any and all actions, claims, demands, losses or expenses whatsoever (including attorneys' fees and costs) resulting directly or indirectly from any breaches or violations by you of the terms and conditions on this page.

### Classifications of Assets:

The security classifications in this report are based on information from several sources including: Morningstar, Moody's, Standard & Poor's and Morgan Stanley Investment Research. For the purposes of this report, fixed income assets that mature within 1 year may be classified as cash if they are a packaged product, or classified as fixed income if they are an individual security. Equity assets may be categorized based on their Capitalization as Large Cap, Mid Cap or Small Cap. Large Cap is defined as equities in the top 70 percent of investible market capitalization, Mid Cap is defined as the next 20 percent of investible market capitalization and Small Cap is defined as the next 7 percent of investible market cap. An "N/A" credit rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's Rating). An "N/A" maturity rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's). As a firm we classify assets based on general characteristics such as: asset type, underlying capital structure, and issuing organization. As many assets contain characteristics of more than one asset class, this asset classification may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. For more information on asset classification methodology, please contact your Financial Advisor.

Advisory accounts are classified according to the manager's style mandate and may not match the classifications of the holdings at the time of this report.

### Income Summary:

Current Year Estimated and 12 Month Forward projected income figures are based on a combination of stated interest and/or dividend yield, as well as recent payment history, and are not a guarantee of future payments.

### Benchmarks, Charts and Graphs:

Benchmark indices are provided for general reference purposes only. Indices are unmanaged and do not reflect payment of any expenses, fees or sales charges an investor would pay to purchase the securities it represents. Such costs would lower performance. You cannot invest directly in an index. An index's past performance is not a guarantee of future results. Index values for certain types of investments (e.g. alternative investments) are approximate and subject to updating, correction and other changes. Charts and graphs are for illustrative purposes only and are not intended to represent the performance of any Morgan Stanley Smith Barney LLC offering. Also, if your account was enrolled in performance reporting prior to May 1, 2003, your gross portfolio returns and the returns for all comparative indices have a start date of the month following the account's inception date. Additionally, the following indices are available only on a monthly basis and are, therefore, measured from the beginning of the month following the account's inception: CPI, IFC Investable Emerging Markets, National Association REIT, Wilshire REIT, all Merrill Lynch Municipal Indices, the Merrill Lynch Investment Grade Convertible and the Merrill Lynch High Yield Master.

## Performance Calculations

### Contribution / Withdrawal Valuation:

The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

## Disclaimers prepared for Managed Endowment as of 04/30/14

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### Internal Rate of Return (Dollar-Weighted):

Internal Rate of Return (IRR) tracks the performance of actual dollars invested over time. IRR is the discount rate that equates the cost of an investment with the cash generated by that investment. IRR accounts for the timing and magnitude of cash flows. IRR should not be used to compare an account's performance to benchmark indices (e.g. S&P 500) since index performance does not take into account the effect of cash flows.

### Time Weighted Rate of Return:

Time Weighted Rate of Return (TWR) measures an account's compounded rate of growth over the specified time period. TWR is the return produced over time by an account independent of contributions or withdrawals. TWR is used to compare an account's performance to relevant benchmark indices (e.g. S&P 500). Different methodologies for calculating performance at the Household/Portfolio level and the Account level exist, making it possible for returns to be slightly different depending on the level being displayed. Households/Portfolios and Accounts with a historical period use a Modified Dietz calculation while Accounts with no historical periods use Modified Dietz but revalue on dates of large cash flows.

## Morgan Stanley Accounts

### Historical Data:

Portfolio Minder provides a life view of an account's history with the firm and will include performance to the original performance inception of the account. Performance inception date does not necessarily correspond to account inception. Please reference the inception column to establish performance coverage.

### Return Reconciliation

Although checks and balances are in place, we strongly encourage you to review all returns carefully. This is especially true for returns up to a current date. Daily performance data is un-reconciled and is intended for illustrative purposes only. The CSG Performance Group will not reconcile daily performance inquiries.

### Unsupervised Assets:

This report utilizes the total account view. Unsupervised assets contained within advisory accounts have been included under the advisory section and will be taken into account for both market value and performance.

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## **Total Performance – Managed & Operations**

YTD – through 04/30/14

Last 5 years – through 4/30/14

**Current Quarter – 3/31/14**

Prepared for:

## Vermont State Colleges

Prepared by:

**Brian A Pelkey**  
*Senior Vice President - Wealth Management*

**John O Myhre**  
*Vice President-Wealth Management*

69 Swift Street, 4th Floor  
South Burlington VT 05403

## Portfolio Review

Information as of April 30, 2014  
Prepared on May 5, 2014

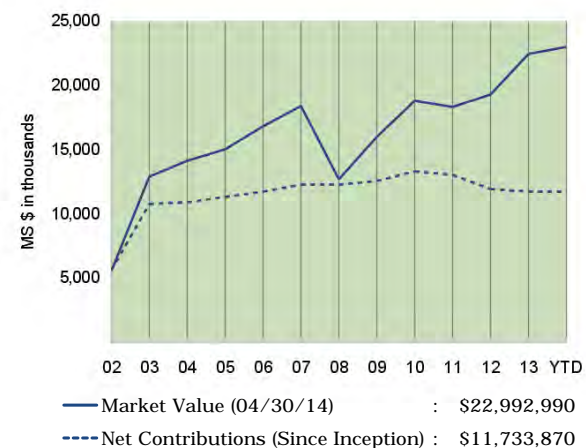
Investment Summary	2
Composite Allocation	3
Composite Analysis	5
Composite Performance	6

Morgan Stanley

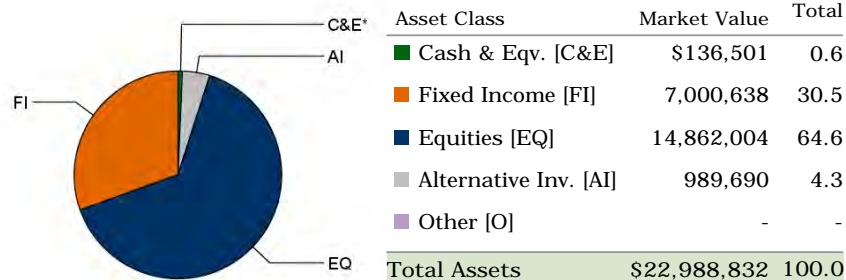
## Investment Summary prepared for Vermont State Colleges as of 04/30/14

Asset Growth and Portfolio Returns<sup>1</sup>

	Year-to-Date 12/31/13 to 04/30/14	Last-5-Years 04/30/09 to 04/30/14	Custom Period 12/31/13 to 03/31/14	For the Period <sup>2</sup> 12/26/02 to 04/30/14
Beginning Value	\$22,475,160	\$12,911,370	\$22,475,160	\$5,616,088
Net Contributions	0	(602,350)	0	6,117,782
Ending Value	22,992,990	22,992,990	22,890,445	22,992,990
<b>Total Returns</b>	<b>\$517,829</b>	<b>\$10,683,969</b>	<b>\$415,285</b>	<b>\$11,259,120</b>
Dollar Weighted Rate of Return (IRR)	Annualized		Annualized	
Advisory Net Returns (%)	2.3	12.4	1.9	6.8
Brokerage Net Returns (%)	5.2	16.8	(1.3)	2.3
<b>Total Net Returns (%)</b>	<b>2.3</b>	<b>12.5</b>	<b>1.8</b>	<b>6.1</b>
40%S&P 15%EAFE 45%BCGC INT	2.1	11.8	1.3	7.3



## Asset Allocation



\*Available Cash is -\$11,335 or -0.05%.

<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

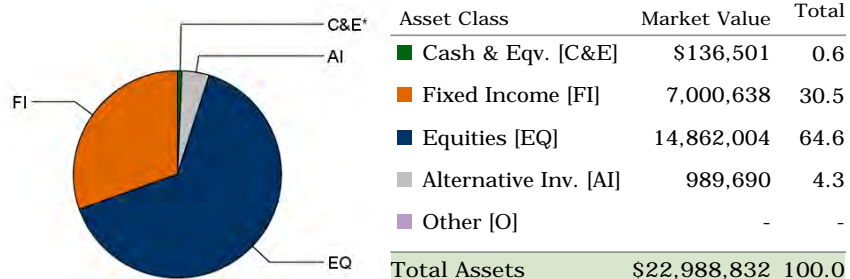
## Income Summary

	Year-to-Date 01/01/14 04/30/14	Estimated	
		Year 2014 01/01/14 12/31/14	Next 12 Months 06/01/14 05/31/15
Taxable	157,660	502,239	494,506
Non Taxable	-	-	-
Tax Deferred	-	-	-
<b>Morgan Stanley Total Income</b>	<b>157,660</b>	<b>502,239</b>	<b>494,506</b>

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## Composite Allocation prepared for Vermont State Colleges as of 04/30/14

## Asset Allocation



\*Available Cash is -\$11,335 or -0.05%.

## Style Analysis

## Fixed Income (% of Asset Class)

## Domestic

Short	Interm.	Long	
0.0	27.1	0.0	High Quality
1.3	11.1	0.0	Medium Quality
16.4	0.0	0.9	Low Quality

## International

N/A

12.5

30.7

## Equity (% of Asset Class)

## Domestic

Value	Core	Growth	
25.8	6.3	27.5	Large Size
4.9	0.9	6.4	Medium Size
2.9	0.0	0.5	Small Size

## International

Other

17.9

6.2

0.7

## Asset Allocation Detail

Account No.	Account	Cash Equivalents <sup>1</sup>	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
Household Total		\$136,501 0.6%	\$7,000,638 30.5%	\$14,862,004 64.6%	\$989,690 4.3%	-	\$22,988,832 100.0%

## Managed Endowment

383-108872	VERMONT STATE COLLEGES	118,352	2,912,711	8,232,376	989,690	-	12,253,129
	Consulting Group Advisor	1.0%	23.8%	67.2%	8.1%	-	100.0%
	Consulting Group Advisor						
383-110534	VERMONT STATE COLLEGES	-	1,379,602	-	-	-	1,379,602
	Seix Advisors - High Yield Bond	-	100.0%	-	-	-	100.0%
	Fiduciary Services						

continued on next page

<sup>1</sup> May include fixed income due within a year.

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## Composite Allocation prepared for Vermont State Colleges as of 04/30/14

Asset Allocation Detail *continued from previous page*

Account No.	Account	Cash Equivalents <sup>1</sup>	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
383-108874	VERMONT STATE COLLEGES	-	-	1,024,886	-	-	1,024,886
	Delaware Investments - International Fiduciary Services	-	-	100.0%	-	-	100.0%
383-108918	VERMONT STATE COLLEGES	-	-	646,179	-	-	646,179
	Anchor Capital - Mid Cap Value Fiduciary Services	-	-	100.0%	-	-	100.0%
383-108919	VERMONT STATE COLLEGES	-	-	-	-	-	-
	REG	-	-	-	-	-	100.0%
383-108920	VERMONT STATE COLLEGES	-	2,708,324	-	-	-	2,708,324
	Madison - Intermediate Govt-Corp Fiduciary Services	-	100.0%	-	-	-	100.0%
383-110533	VERMONT STATE COLLEGES	-	-	2,055,212	-	-	2,055,212
	ClearBridge - Multi Cap Growth Fiduciary Services	-	-	100.0%	-	-	100.0%
383-122584	VERMONT STATE COLLEGES	16,143	-	2,810,278	-	-	2,826,421
	ThomasPartners Investment Management Services	0.6%	-	99.4%	-	-	100.0%
Portfolio Total		\$134,494	\$7,000,638	\$14,768,930	\$989,690	-	\$22,893,752
		0.6%	30.6%	64.5%	4.3%	-	100.0%

## Operations

383-108873	VERMONT STATE COLLEGES	2,006	-	93,074	-	-	95,080
	REG	2.1%	-	97.9%	-	-	100.0%
Portfolio Total		\$2,006	-	\$93,074	-	-	\$95,080
		2.1%	-	97.9%	-	-	100.0%
Household Total		\$136,501	\$7,000,638	\$14,862,004	\$989,690	-	\$22,988,832
		0.6%	30.5%	64.6%	4.3%	-	100.0%

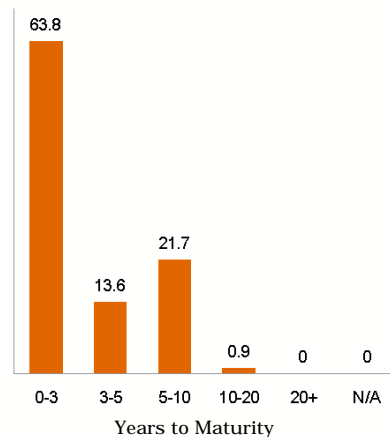
*continued on next page*<sup>1</sup> May include fixed income due within a year.

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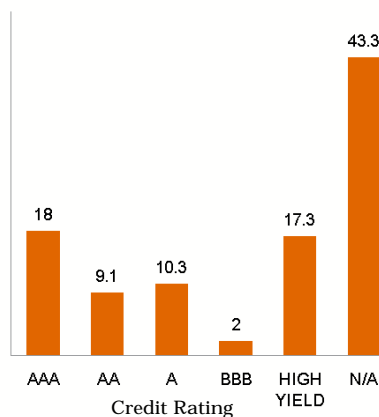
## Composite Analysis prepared for Vermont State Colleges as of 04/30/14

## Fixed Income

## Maturity Schedule (%)



## Credit Rating (%)



## Fixed Income

## Top Holdings

Security Name	Market Value	% of Fixed
LOOMIS SAYLES BOND INST	\$1,125,666	16.1
VANGUARD SH TM INVT GR INV	946,322	13.5
AMER CENT INTL BOND INV	840,723	12.0
UNITED STATES TREASURY NOTE	186,041	2.7
UNITED STATES TREASURY NOTE	178,153	2.5
UNITED STATES TREASURY NOTE	172,598	2.5
UNITED STATES TREASURY NOTE	156,304	2.2
FED HOME LN MTG CORP	153,483	2.2
FED NATL MTG ASSN	153,391	2.2
UNITED STATES TREASURY NOTE	135,617	1.9
<b>Total Fixed Income Top Holdings</b>	<b>4,048,299</b>	<b>57.8</b>
<b>Total Fixed Income</b>	<b>7,000,638</b>	<b>100.0</b>

## Equities

## Sector Allocation

Sector	Market Value	% of Equities
Consumer Discretionary	912,329	6.2
Consumer Staples	609,615	4.2
Energy	608,131	4.1
Financials	547,388	3.7
Health Care	1,005,844	6.9
Industrials	1,019,022	6.9
Information Technology	938,532	6.4
Materials	219,908	1.5
Telecommunication Services	333,776	2.3
Utilities	223,923	1.5
Others	8,257,343	56.3
<b>Total</b>	<b>14,675,811</b>	<b>100.0</b>

## Top Holdings

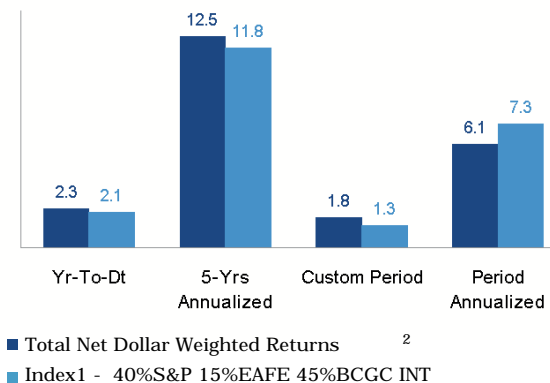
Security Name	Market Value	% of Equities
ISHARES RUSSELL 1000 VALUE ETF	\$2,953,535	19.9
ISHARES RUSSELL 1000 GRW ETF	2,464,203	16.6
WILLIAM BLAIR INTL GROWTH I	1,212,417	8.2
LAZARD EMERGING MKTS EQ I	461,206	3.1
OPPENHEIMER DEVELOPING MKTS Y	452,816	3.0
ROYCE PREMIER INV	378,914	2.5
ISHARES S&P MID-CAP 400 G ETF	187,027	1.3
FOREST LABORATORIES INC	177,754	1.2
COMCAST CORP CL A SPECIAL NEW	172,107	1.2
UNITEDHEALTH GP INC	123,741	0.8
<b>Total Equities Top Holdings</b>	<b>8,583,721</b>	<b>57.8</b>
<b>Total Equities</b>	<b>14,862,004</b>	<b>100.0</b>

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## Morgan Stanley Composite Performance prepared for Vermont State Colleges as of 04/30/14

### Portfolio Returns (%)<sup>1</sup> Morgan Stanley Accounts Only

	Year-to-Date 12/31/13 to 04/30/14	Annualized Last-5-Years 04/30/09 to 04/30/14	Custom Period 12/31/13 to 03/31/14	Annualized For the Period 12/26/02 to 04/30/14
Total Net Dollar Weighted Returns <sup>2</sup>	2.3	12.5	1.8	6.1



### Representative Index

40%S&P 15%EAFE 45%BCGC INT	2.1	11.8	1.3	7.3
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### Account Performance<sup>1</sup> Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 04/30/14	Return (%)				Date of Inception <sup>2</sup>	Inception Value
			Year-to-Date 12/31/13 to 04/30/14	Annualized Last-5-Years 04/30/09 to 04/30/14	Custom Period 12/31/13 to 03/31/14	Annualized Since Inception to 04/30/14		
Total Net Dollar Weighted Returns		\$22,992,990	2.3	12.5	1.8	6.1	12/26/02	\$5,616,088

### Advisory

383-108872	VERMONT STATE COLLEGES (Consulting Group Advisor) Consulting Group Advisor	12,253,129	2.2	13.9	1.7	N/A	12/26/02	3,085,318
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*Continued on next page*

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## Morgan Stanley Composite Performance prepared for Vermont State Colleges as of 04/30/14

**Account Performance**<sup>1</sup> *Continued from previous page*  
Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 04/30/14	Year-to-Date 12/31/13 to 04/30/14	Return (%)			Date of Inception <sup>2</sup>	Inception Value
				Annualized Last-5-Years 04/30/09 to 04/30/14	Custom Period 12/31/13 to 03/31/14	Annualized Since Inception to 04/30/14		
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383-110534	VERMONT STATE COLLEGES (Fiduciary Services) Seix Advisors - High Yield Bond	1,379,602	2.6	10.2	2.2	7.0	04/21/06	700,952
383-122584	VERMONT STATE COLLEGES (Investment Management Services) ThomasPartners	2,827,058	2.1	N/A	0.9	16.9	03/09/12	1,627,719
<b>Total Advisory</b>		<b>\$22,897,910</b>	<b>2.3</b>	<b>12.4</b>	<b>1.9</b>	<b>6.8</b>	<b>12/26/02</b>	<b>\$3,085,318</b>
<b>Brokerage</b>								
383-108873	VERMONT STATE COLLEGES (REG)	95,080	5.2	13.9	(1.3)	(19.7)	12/26/02	2,530,770
383-108919**	VERMONT STATE COLLEGES (REG)	-	N/A	N/A	N/A	N/A	02/27/03	1,006,477
<b>Total Brokerage</b>		<b>\$95,080</b>	<b>5.2</b>	<b>16.8</b>	<b>(1.3)</b>	<b>2.3</b>	<b>12/26/02</b>	<b>\$2,530,770</b>

*Continued on next page*<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

\*\* Account is ineligible for performance reporting.

\*\*\* Performance includes closed accounts. For a complete list of closed accounts included in performance please see the disclaimer page.

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## Morgan Stanley Composite Performance prepared for Vermont State Colleges as of 04/30/14

### Account Performance<sup>1</sup> *Continued from previous page* Morgan Stanley Accounts Only

		Return (%)						
Account No.	Account Name (Type)	Market Value 04/30/14	Year-to-Date 12/31/13 to 04/30/14	Annualized	Custom Period	Annualized	Date of Inception <sup>2</sup>	Inception Value
				Last-5-Years 04/30/09 to 04/30/14	12/31/13 to 03/31/14	Since Inception to 04/30/14		
Total Net Dollar Weighted Returns		\$22,992,990	2.3	12.5	1.8	6.1	12/26/02	\$5,616,088

*Continued on next page*

<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

\*\*\* Performance includes closed accounts. For a complete list of closed accounts included in performance please see the disclaimer page.

## Disclaimers prepared for Vermont State Colleges as of 04/30/14

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### General Disclosures

#### Information Disclosures:

This performance report has been prepared for your information only and is not a substitute for your official Morgan Stanley Smith Barney LLC account statements. Do not use the information in this report as the sole basis for investment decisions, nor take action relying on this information without confirming its accuracy and completeness. Please carefully review the attached glossary. Past performance is not a guarantee of future results.

Information is approximate: The information in this report is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. If there are discrepancies between your official account statement and this report, rely on your official account statement. Prices shown in your official account statement may differ from the prices shown in this report due to, among other things, different reporting methods, delays, market conditions and interruptions. Also, the figures in this report do not include all relevant costs (e.g., fees, commissions and taxes).

We obtain pricing and other information from various standard quotation services and other sources which we believe to be reliable, but we do not warrant or guarantee the accuracy or completeness of this information. The price that you would actually receive in the market for any investment may be higher or lower than the price shown in this report. The prices of securities and other investments not actively traded may be estimated or may not be available. For example:

- Bonds trading less frequently: We rely on outside pricing services or a computerized trading model, which cannot always give us actual market values.
- Annuities: Data in this report may have been provided by third party insurance carriers. (Not all insurance carriers provide data on annuities for performance calculations. The list of providers that provide data is available on request. Performance calculations are based on annuity values as of December 31, 2006 or later, depending on carrier participation.) This report might not reflect a transaction that posted at the insurance company before this reporting period. Depending on the carrier, annuities transactions may be net of certain fees or expenses.
- Alternative investments: The assets in these investments (and in corresponding benchmark indices) are difficult to value, values may be several weeks or more old, and the index values reflect pricing from multiple sources. Index values may be more up-to-date than the data for the alternative investments shown in this report. This report shows the latest generally available alternative investment and index data as of the date of this report.
- Non-traded Real Estate Investment Trusts (REITs) and certain other investments: These are illiquid and have no public markets.
- For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

We are not responsible for any clerical, computational or other errors or omissions. You are responsible for promptly reviewing your report and seeking clarification about entries that you do not understand. If you do not understand an entry in this report, suspect an error, or want more details on current prices or other information, contact your Financial Advisor.

#### Sources and Intent:

This investment evaluation is directed only to the client for whom the evaluation was performed. The underlying data has been obtained from sources considered to be reliable but its accuracy and completeness cannot be assured. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security. Performance for periods greater than one year is annualized. This information is being provided at your request and does not replace or supersede your monthly client account statement.

#### Not Tax or Other Advice:

The information in this report (including any gain and loss information) is not investment, legal, tax, accounting or other professional advice. Please contact your tax advisor to determine the appropriate information to be used in preparing your tax return. Gain/loss is provided for informational purposes only and should not be used for tax preparation. We do not guarantee nor independently verify the accuracy of gain and loss information.

#### Use of Report:

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Asset classifications and performance calculation methodologies can differ among the various supplemental performance reports available through us. For example, some reports calculate Time Weighted performance using a weighted or Modified Dietz approach while others use a daily approach. In addition, some reports may display Dollar Weighted Returns. These differences can generate meaningful dispersions in the performance numbers displayed on different reports.

### Liability and indemnification:

You agree not to hold Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. LLC, their affiliates or third party information providers liable for any investment decision you make based on information in this report. You also agree to indemnify Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. LLC and their affiliates and hold Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. LLC and their affiliates harmless from and against any and all actions, claims, demands, losses or expenses whatsoever (including attorneys' fees and costs) resulting directly or indirectly from any breaches or violations by you of the terms and conditions on this page.

### Classifications of Assets:

The security classifications in this report are based on information from several sources including: Morningstar, Moody's, Standard & Poor's and Morgan Stanley Investment Research. For the purposes of this report, fixed income assets that mature within 1 year may be classified as cash if they are a packaged product, or classified as fixed income if they are an individual security. Equity assets may be categorized based on their Capitalization as Large Cap, Mid Cap or Small Cap. Large Cap is defined as equities in the top 70 percent of investible market capitalization, Mid Cap is defined as the next 20 percent of investible market capitalization and Small Cap is defined as the next 7 percent of investible market cap. An "N/A" credit rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's Rating). An "N/A" maturity rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's). As a firm we classify assets based on general characteristics such as: asset type, underlying capital structure, and issuing organization. As many assets contain characteristics of more than one asset class, this asset classification may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. For more information on asset classification methodology, please contact your Financial Advisor.

Advisory accounts are classified according to the manager's style mandate and may not match the classifications of the holdings at the time of this report.

### Income Summary:

Current Year Estimated and 12 Month Forward projected income figures are based on a combination of stated interest and/or dividend yield, as well as recent payment history, and are not a guarantee of future payments.

### Benchmarks, Charts and Graphs:

Benchmark indices are provided for general reference purposes only. Indices are unmanaged and do not reflect payment of any expenses, fees or sales charges an investor would pay to purchase the securities it represents. Such costs would lower performance. You cannot invest directly in an index. An index's past performance is not a guarantee of future results. Index values for certain types of investments (e.g. alternative investments) are approximate and subject to updating, correction and other changes. Charts and graphs are for illustrative purposes only and are not intended to represent the performance of any Morgan Stanley Smith Barney LLC offering. Also, if your account was enrolled in performance reporting prior to May 1, 2003, your gross portfolio returns and the returns for all comparative indices have a start date of the month following the account's inception date. Additionally, the following indices are available only on a monthly basis and are, therefore, measured from the beginning of the month following the account's inception: CPI, IFC Investable Emerging Markets, National Association REIT, Wilshire REIT, all Merrill Lynch Municipal Indices, the Merrill Lynch Investment Grade Convertible and the Merrill Lynch High Yield Master.

## Performance Calculations

### Contribution / Withdrawal Valuation:

The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

## Disclaimers prepared for Vermont State Colleges as of 04/30/14

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### Internal Rate of Return (Dollar-Weighted):

Internal Rate of Return (IRR) tracks the performance of actual dollars invested over time. IRR is the discount rate that equates the cost of an investment with the cash generated by that investment. IRR accounts for the timing and magnitude of cash flows. IRR should not be used to compare an account's performance to benchmark indices (e.g. S&P 500) since index performance does not take into account the effect of cash flows.

### Time Weighted Rate of Return:

Time Weighted Rate of Return (TWR) measures an account's compounded rate of growth over the specified time period. TWR is the return produced over time by an account independent of contributions or withdrawals. TWR is used to compare an account's performance to relevant benchmark indices (e.g. S&P 500). Different methodologies for calculating performance at the Household/Portfolio level and the Account level exist, making it possible for returns to be slightly different depending on the level being displayed. Households/Portfolios and Accounts with a historical period use a Modified Dietz calculation while Accounts with no historical periods use Modified Dietz but revalue on dates of large cash flows.

## Morgan Stanley Accounts

### Historical Data:

Portfolio Minder provides a life view of an account's history with the firm and will include performance to the original performance inception of the account. Performance inception date does not necessarily correspond to account inception. Please reference the inception column to establish performance coverage.

### Return Reconciliation

Although checks and balances are in place, we strongly encourage you to review all returns carefully. This is especially true for returns up to a current date. Daily performance data is un-reconciled and is intended for illustrative purposes only. The CSG Performance Group will not reconcile daily performance inquiries.

### Unsupervised Assets:

This report utilizes the total account view. Unsupervised assets contained within advisory accounts have been included under the advisory section and will be taken into account for both market value and performance.

### Closed Accounts:

999-209262, 999-209263

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## **Managed Endowment Performance**

Year 2013

Last 5 Years

Fiscal Period 6/30/13 – 3/31/14

Prepared for:

## Vermont State Colleges

Prepared by:

**Brian A Pelkey**  
*Senior Vice President - Wealth Management*

**John O Myhre**  
*Vice President-Wealth Management*

69 Swift Street, 4th Floor  
South Burlington VT 05403

## Portfolio Review

### Managed Endowment

Information as of March 31, 2014  
Prepared on April 28, 2014

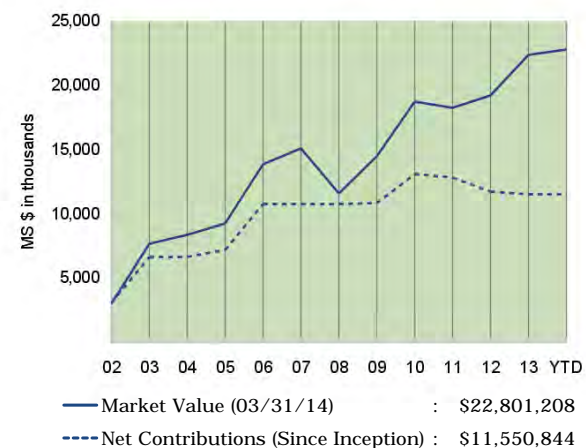
Investment Summary	2
Composite Allocation	3
Composite Analysis	5
Composite Performance	6

Morgan Stanley

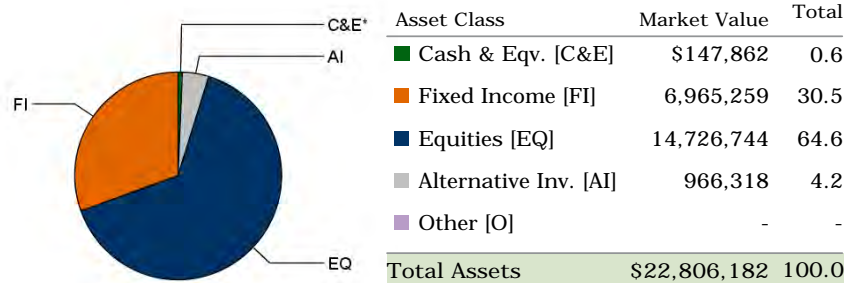
## Investment Summary prepared for Managed Endowment as of 03/31/14

Asset Growth and Portfolio Returns<sup>1</sup>

	Year 2013 12/31/12 to 12/31/13	Last-5-Years 03/31/09 to 03/31/14	Custom Period 06/30/13 to 03/31/14	For the Period <sup>2</sup> 12/26/02 to 03/31/14
Beginning Value	\$19,269,387	\$11,108,864	\$20,471,723	\$3,085,318
Net Contributions	(205,250)	741,047	(213,059)	8,465,526
Ending Value	22,384,760	22,801,208	22,801,208	22,801,208
<b>Total Returns</b>	<b>\$3,320,623</b>	<b>\$10,951,297</b>	<b>\$2,542,544</b>	<b>\$11,250,363</b>
Dollar Weighted Rate of Return (IRR)	Annualized		Annualized	
Advisory Net Returns (%)	17.4	13.7	12.6	6.8
Brokerage Net Returns (%)	N/A	N/A	N/A	N/A
<b>Total Net Returns (%)</b>	<b>17.4</b>	<b>13.7</b>	<b>12.6</b>	<b>7.1</b>
40%S&P 15%EAFE 45%BCGC INT	15.2	12.9	10.8	7.3



## Asset Allocation



\*Available Cash is \$35,914 or 0.16%.

<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

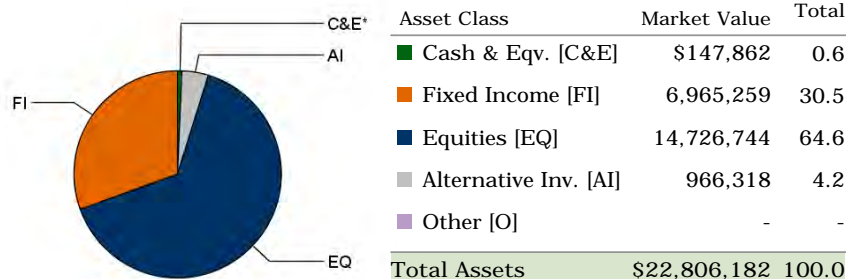
## Income Summary

	Year-to-Date 01/01/14 03/31/14	Estimated	
		Year 2014 01/01/14 12/31/14	Next 12 Months 05/01/14 04/30/15
Taxable	119,088	499,962	479,406
Non Taxable	-	-	-
Tax Deferred	-	-	-
<b>Morgan Stanley Total Income</b>	<b>119,088</b>	<b>499,962</b>	<b>479,406</b>

If external holdings were provided, they have been included in this report in order to provide you with a more complete picture of your financial holdings. Please note: Morgan Stanley Smith Barney LLC is not responsible for information (including valuations) from external sources. Please contact your financial advisor to update your information.

## Composite Allocation prepared for Managed Endowment as of 03/31/14

## Asset Allocation



\*Available Cash is \$35,914 or 0.16%.

## Style Analysis

## Fixed Income (% of Asset Class)

## Domestic

Short	Interm.	Long	
0.0	27.2	0.0	High Quality
1.5	11.2	0.0	Medium Quality
16.2	0.0	0.6	Low Quality

## International

12.4	30.9
------	------

## Equity (% of Asset Class)

## Domestic

Value	Core	Growth	
25.3	6.3	28.3	Large Size
5.2	0.7	6.0	Medium Size
2.9	0.0	0.5	Small Size

## International

Core	Emerg.	Other
18.0	6.2	0.6

## Asset Allocation Detail

Account No.	Account	Cash Equivalents <sup>1</sup>	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
Household Total		\$147,862 0.6%	\$6,965,259 30.5%	\$14,726,744 64.6%	\$966,318 4.2%	-	\$22,806,182 100.0%

## Managed Endowment

383-108874	VERMONT STATE COLLEGES	-	-	1,010,861	-	-	1,010,861
	Delaware Investments - Internationa	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-108918	VERMONT STATE COLLEGES	-	-	645,476	-	-	645,476
	Anchor Capital - Mid Cap Value	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-108919	VERMONT STATE COLLEGES	-	-	-	-	-	-
	REG	-	-	-	-	-	100.0%

continued on next page

<sup>1</sup> May include fixed income due within a year.

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## Composite Allocation prepared for Managed Endowment as of 03/31/14

Asset Allocation Detail *continued from previous page*

Account No.	Account	Cash Equivalents <sup>1</sup>	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
383-108920	VERMONT STATE COLLEGES	-	2,703,037	-	-	-	2,703,037
	Madison - Intermediate Govt-Corp	-	100.0%	-	-	-	100.0%
	Fiduciary Services						
383-110533	VERMONT STATE COLLEGES	-	-	2,075,834	-	-	2,075,834
	ClearBridge - Multi Cap Growth	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-110534	VERMONT STATE COLLEGES	-	1,373,487	-	-	-	1,373,487
	Seix Advisors - High Yield Bond	-	100.0%	-	-	-	100.0%
	Fiduciary Services						
383-122584	VERMONT STATE COLLEGES	15,778	-	2,783,343	-	-	2,799,121
	ThomasPartners	0.6%	-	99.4%	-	-	100.0%
	Investment Management Services						
383-108872	VERMONT STATE COLLEGES	132,083	2,888,735	8,211,229	966,318	-	12,198,366
	Consulting Group Advisor	1.1%	23.7%	67.3%	7.9%	-	100.0%
	Consulting Group Advisor						
Portfolio Total		\$147,862	\$6,965,259	\$14,726,744	\$966,318	-	\$22,806,182
		0.6%	30.5%	64.6%	4.2%	-	100.0%
Household Total		\$147,862	\$6,965,259	\$14,726,744	\$966,318	-	\$22,806,182
		0.6%	30.5%	64.6%	4.2%	-	100.0%

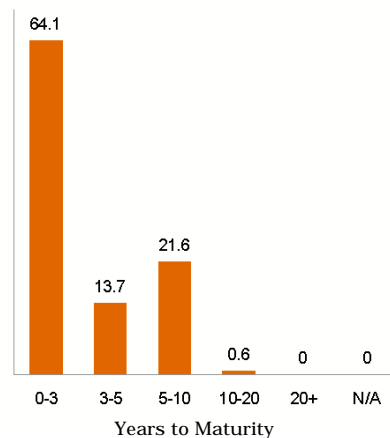
*continued on next page*<sup>1</sup> May include fixed income due within a year.

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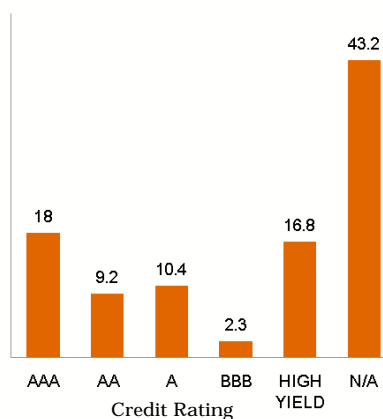
## Composite Analysis prepared for Managed Endowment as of 03/31/14

## Fixed Income

## Maturity Schedule (%)



## Credit Rating (%)



## Fixed Income

## Top Holdings

Security Name	Market Value	% of Fixed
LOOMIS SAYLES BOND INST	\$1,116,996	16.0
VANGUARD SH TM INVT GR INV	942,750	13.5
AMER CENT INTL BOND INV	828,989	11.9
UNITED STATES TREASURY NOTE	186,037	2.7
UNITED STATES TREASURY NOTE	180,198	2.6
UNITED STATES TREASURY NOTE	171,802	2.5
FED NATL MTG ASSN	156,862	2.3
UNITED STATES TREASURY NOTE	155,090	2.2
FED HOME LN MTG CORP	153,348	2.2
UNITED STATES TREASURY NOTE	134,633	1.9
<b>Total Fixed Income Top Holdings</b>	<b>4,026,705</b>	<b>57.8</b>
<b>Total Fixed Income</b>	<b>6,965,259</b>	<b>100.0</b>

## Equities

## Sector Allocation

Sector	Market Value	% of Equities
Consumer Discretionary	922,890	6.4
Consumer Staples	594,688	4.1
Energy	551,647	3.8
Financials	462,389	3.2
Health Care	1,040,463	7.2
Industrials	1,013,316	7
Information Technology	955,152	6.6
Materials	213,152	1.5
Telecommunication Services	302,150	2.1
Utilities	220,477	1.5
Others	8,250,915	56.8
<b>Total</b>	<b>14,527,239</b>	<b>100.0</b>

## Top Holdings

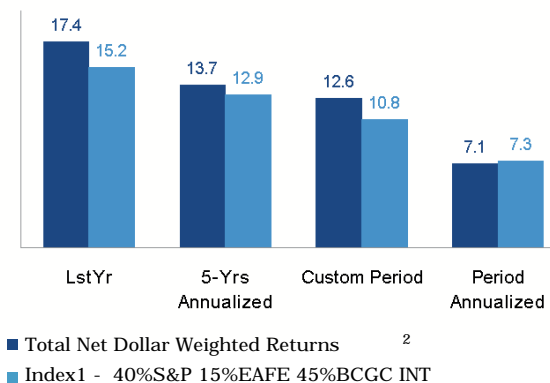
Security Name	Market Value	% of Equities
ISHARES RUSSELL 1000 VALUE ETF	\$2,926,845	19.9
ISHARES RUSSELL 1000 GRW ETF	2,462,496	16.7
WILLIAM BLAIR INTL GROWTH I	1,214,691	8.2
LAZARD EMERGING MKTS EQ I	458,984	3.1
OPPENHEIMER DEVELOPING MKTS Y	452,326	3.1
ROYCE PREMIER INV	377,405	2.6
ISHARES S&P MID-CAP 400 G ETF	192,373	1.3
FOREST LABORATORIES INC	178,450	1.2
COMCAST CORP CL A SPECIAL NEW	165,211	1.1
UNITEDHEALTH GP INC	135,202	0.9
<b>Total Equities Top Holdings</b>	<b>8,563,982</b>	<b>58.2</b>
<b>Total Equities</b>	<b>14,726,744</b>	<b>100.0</b>

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## Morgan Stanley Composite Performance prepared for Managed Endowment as of 03/31/14

Portfolio Returns (%)<sup>1</sup>  
Morgan Stanley Accounts Only

	Year 2013 12/31/12 to 12/31/13	Annualized Last-5-Years 03/31/09 to 03/31/14	Custom Period 06/30/13 to 03/31/14	Annualized For the Period 12/26/02 to 03/31/14
Total Net Dollar Weighted Returns <sup>2</sup>	17.4	13.7	12.6	7.1



## Representative Index

40%S&P 15%EAFE 45%BCGC INT	15.2	12.9	10.8	7.3
----------------------------	------	------	------	-----

Account Performance<sup>1</sup>  
Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 03/31/14	Return (%)				Date of Inception <sup>2</sup>	Inception Value
			Year 2013 12/31/12 to 12/31/13	Annualized Last-5-Years 03/31/09 to 03/31/14	Custom Period 06/30/13 to 03/31/14	Annualized Since Inception to 03/31/14		
Total Net Dollar Weighted Returns		\$22,801,208	17.4	13.7	12.6	7.1	12/26/02	\$3,085,318
Advisory								
383-108872	VERMONT STATE COLLEGES (Consulting Group Advisor) Consulting Group Advisor	12,198,366	17.0	15.6	13.1	N/A	12/26/02	3,085,318

Continued on next page

<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

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## Morgan Stanley Composite Performance prepared for Managed Endowment as of 03/31/14

**Account Performance**<sup>1</sup> *Continued from previous page*  
Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 03/31/14	Return (%)				Date of Inception <sup>2</sup>	Inception Value
			Year 2013 12/31/12 to 12/31/13	Annualized Last-5-Years 03/31/09 to 03/31/14	Custom Period 06/30/13 to 03/31/14	Annualized Since Inception to 03/31/14		
383-108874	VERMONT STATE COLLEGES (Fiduciary Services) Delaware Investments - Internationa	1,010,861	22.5	15.1	19.6	13.0	02/06/03	2,483,086
383-108918	VERMONT STATE COLLEGES (Fiduciary Services) Anchor Capital - Mid Cap Value	644,334	26.0	16.3	13.6	16.0	02/27/03	795,409
383-108920	VERMONT STATE COLLEGES (Fiduciary Services) Madison - Intermediate Govt-Corp	2,703,037	(1.1)	3.1	0.8	3.4	02/28/03	4,039,638
383-110533	VERMONT STATE COLLEGES (Fiduciary Services) ClearBridge - Multi Cap Growth	2,075,126	42.3	26.9	24.9	9.6	04/21/06	1,040,220
383-110534	VERMONT STATE COLLEGES (Fiduciary Services) Seix Advisors - High Yield Bond	1,373,487	4.5	11.4	6.5	7.0	04/21/06	700,952
383-122584	VERMONT STATE COLLEGES (Investment Management Services) ThomasPartners	2,795,998	30.6	N/A	15.8	17.0	03/09/12	1,627,719
<b>Total Advisory</b>		<b>\$22,801,208</b>	<b>17.4</b>	<b>13.7</b>	<b>12.6</b>	<b>6.8</b>	<b>12/26/02</b>	<b>\$3,085,318</b>
<b>Brokerage</b>								
383-108919**	VERMONT STATE COLLEGES (REG)	-	N/A	N/A	N/A	N/A	02/27/03	1,006,477
<b>Total Brokerage</b>		<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>02/27/03</b>	<b>\$1,006,477</b>
<b>Total Net Dollar Weighted Returns</b>		<b>\$22,801,208</b>	<b>17.4</b>	<b>13.7</b>	<b>12.6</b>	<b>7.1</b>	<b>12/26/02</b>	<b>\$3,085,318</b>

*Continued on next page*<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

\*\* Account is ineligible for performance reporting.



## Disclaimers prepared for Managed Endowment as of 03/31/14

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### General Disclosures

#### Information Disclosures:

This performance report has been prepared for your information only and is not a substitute for your official Morgan Stanley Smith Barney LLC account statements. Do not use the information in this report as the sole basis for investment decisions, nor take action relying on this information without confirming its accuracy and completeness. Please carefully review the attached glossary. Past performance is not a guarantee of future results.

Information is approximate: The information in this report is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. If there are discrepancies between your official account statement and this report, rely on your official account statement. Prices shown in your official account statement may differ from the prices shown in this report due to, among other things, different reporting methods, delays, market conditions and interruptions. Also, the figures in this report do not include all relevant costs (e.g., fees, commissions and taxes).

We obtain pricing and other information from various standard quotation services and other sources which we believe to be reliable, but we do not warrant or guarantee the accuracy or completeness of this information. The price that you would actually receive in the market for any investment may be higher or lower than the price shown in this report. The prices of securities and other investments not actively traded may be estimated or may not be available. For example:

- Bonds trading less frequently: We rely on outside pricing services or a computerized trading model, which cannot always give us actual market values.
- Annuities: Data in this report may have been provided by third party insurance carriers. (Not all insurance carriers provide data on annuities for performance calculations. The list of providers that provide data is available on request. Performance calculations are based on annuity values as of December 31, 2006 or later, depending on carrier participation.) This report might not reflect a transaction that posted at the insurance company before this reporting period. Depending on the carrier, annuities transactions may be net of certain fees or expenses.
- Alternative investments: The assets in these investments (and in corresponding benchmark indices) are difficult to value, values may be several weeks or more old, and the index values reflect pricing from multiple sources. Index values may be more up-to-date than the data for the alternative investments shown in this report. This report shows the latest generally available alternative investment and index data as of the date of this report.
- Non-traded Real Estate Investment Trusts (REITs) and certain other investments: These are illiquid and have no public markets.
- For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

We are not responsible for any clerical, computational or other errors or omissions. You are responsible for promptly reviewing your report and seeking clarification about entries that you do not understand. If you do not understand an entry in this report, suspect an error, or want more details on current prices or other information, contact your Financial Advisor.

#### Sources and Intent:

This investment evaluation is directed only to the client for whom the evaluation was performed. The underlying data has been obtained from sources considered to be reliable but its accuracy and completeness cannot be assured. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security. Performance for periods greater than one year is annualized. This information is being provided at your request and does not replace or supersede your monthly client account statement.

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Asset classifications and performance calculation methodologies can differ among the various supplemental performance reports available through us. For example, some reports calculate Time Weighted performance using a weighted or Modified Dietz approach while others use a daily approach. In addition, some reports may display Dollar Weighted Returns. These differences can generate meaningful dispersions in the performance numbers displayed on different reports.

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### Classifications of Assets:

The security classifications in this report are based on information from several sources including: Morningstar, Moody's, Standard & Poor's and Morgan Stanley Investment Research. For the purposes of this report, fixed income assets that mature within 1 year may be classified as cash if they are a packaged product, or classified as fixed income if they are an individual security. Equity assets may be categorized based on their Capitalization as Large Cap, Mid Cap or Small Cap. Large Cap is defined as equities in the top 70 percent of investible market capitalization, Mid Cap is defined as the next 20 percent of investible market capitalization and Small Cap is defined as the next 7 percent of investible market cap. An "N/A" credit rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's Rating). An "N/A" maturity rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's). As a firm we classify assets based on general characteristics such as: asset type, underlying capital structure, and issuing organization. As many assets contain characteristics of more than one asset class, this asset classification may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. For more information on asset classification methodology, please contact your Financial Advisor.

Advisory accounts are classified according to the manager's style mandate and may not match the classifications of the holdings at the time of this report.

### Income Summary:

Current Year Estimated and 12 Month Forward projected income figures are based on a combination of stated interest and/or dividend yield, as well as recent payment history, and are not a guarantee of future payments.

### Benchmarks, Charts and Graphs:

Benchmark indices are provided for general reference purposes only. Indices are unmanaged and do not reflect payment of any expenses, fees or sales charges an investor would pay to purchase the securities it represents. Such costs would lower performance. You cannot invest directly in an index. An index's past performance is not a guarantee of future results. Index values for certain types of investments (e.g. alternative investments) are approximate and subject to updating, correction and other changes. Charts and graphs are for illustrative purposes only and are not intended to represent the performance of any Morgan Stanley Smith Barney LLC offering. Also, if your account was enrolled in performance reporting prior to May 1, 2003, your gross portfolio returns and the returns for all comparative indices have a start date of the month following the account's inception date. Additionally, the following indices are available only on a monthly basis and are, therefore, measured from the beginning of the month following the account's inception: CPI, IFC Investable Emerging Markets, National Association REIT, Wilshire REIT, all Merrill Lynch Municipal Indices, the Merrill Lynch Investment Grade Convertible and the Merrill Lynch High Yield Master.

## Performance Calculations

### Contribution / Withdrawal Valuation:

The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

## Disclaimers prepared for Managed Endowment as of 03/31/14

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### Internal Rate of Return (Dollar-Weighted):

Internal Rate of Return (IRR) tracks the performance of actual dollars invested over time. IRR is the discount rate that equates the cost of an investment with the cash generated by that investment. IRR accounts for the timing and magnitude of cash flows. IRR should not be used to compare an account's performance to benchmark indices (e.g. S&P 500) since index performance does not take into account the effect of cash flows.

### Time Weighted Rate of Return:

Time Weighted Rate of Return (TWR) measures an account's compounded rate of growth over the specified time period. TWR is the return produced over time by an account independent of contributions or withdrawals. TWR is used to compare an account's performance to relevant benchmark indices (e.g. S&P 500). Different methodologies for calculating performance at the Household/Portfolio level and the Account level exist, making it possible for returns to be slightly different depending on the level being displayed. Households/Portfolios and Accounts with a historical period use a Modified Dietz calculation while Accounts with no historical periods use Modified Dietz but revalue on dates of large cash flows.

## Morgan Stanley Accounts

### Historical Data:

Portfolio Minder provides a life view of an account's history with the firm and will include performance to the original performance inception of the account. Performance inception date does not necessarily correspond to account inception. Please reference the inception column to establish performance coverage.

### Return Reconciliation

Although checks and balances are in place, we strongly encourage you to review all returns carefully. This is especially true for returns up to a current date. Daily performance data is un-reconciled and is intended for illustrative purposes only. The CSG Performance Group will not reconcile daily performance inquiries.

### Unsupervised Assets:

This report utilizes the total account view. Unsupervised assets contained within advisory accounts have been included under the advisory section and will be taken into account for both market value and performance.

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## **Total Performance – Managed & Operations**

Year 2013

Last 5 Years

Fiscal Period 6/30/13 – 3/31/14

Prepared for:

## Vermont State Colleges

Prepared by:

**Brian A Pelkey**  
*Senior Vice President - Wealth Management*

**John O Myhre**  
*Vice President-Wealth Management*

69 Swift Street, 4th Floor  
South Burlington VT 05403

## Portfolio Review

Information as of March 31, 2014  
Prepared on April 28, 2014

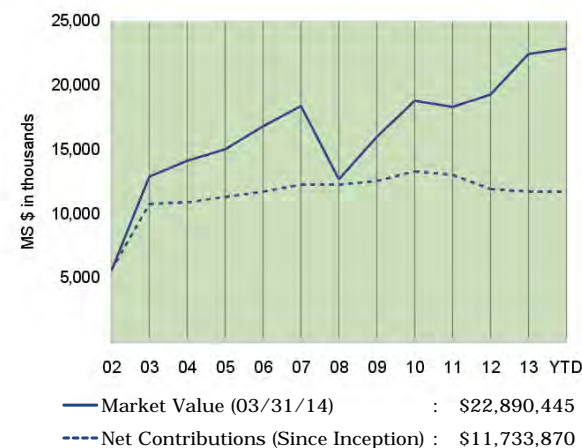
Investment Summary	2
Composite Allocation	3
Composite Analysis	5
Composite Performance	6

Morgan Stanley

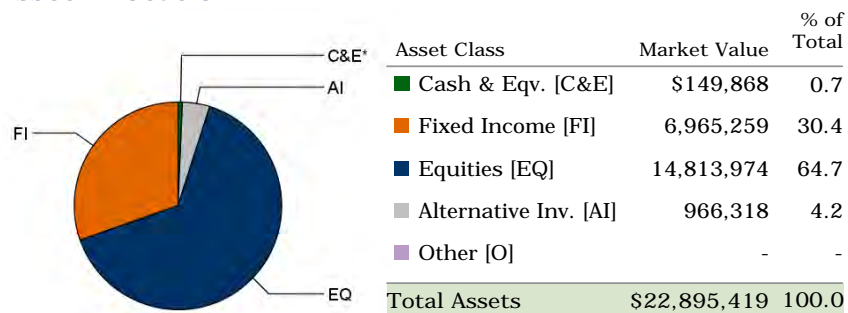
## Investment Summary prepared for Vermont State Colleges as of 03/31/14

Asset Growth and Portfolio Returns<sup>1</sup>

	Year 2013 12/31/12 to 12/31/13	Last-5-Years 03/31/09 to 03/31/14	Custom Period 06/30/13 to 03/31/14	For the Period <sup>2</sup> 12/26/02 to 03/31/14
Beginning Value	\$19,332,019	\$12,101,206	\$20,551,208	\$5,616,088
Net Contributions	(205,214)	(602,350)	(212,941)	6,117,782
Ending Value	22,475,160	22,890,445	22,890,445	22,890,445
<b>Total Returns</b>	<b>\$3,348,355</b>	<b>\$11,391,589</b>	<b>\$2,552,178</b>	<b>\$11,156,575</b>
Dollar Weighted Rate of Return (IRR)	Annualized		Annualized	
Advisory Net Returns (%)	17.4	13.7	12.6	6.8
Brokerage Net Returns (%)	36.3	20.6	9.6	2.3
<b>Total Net Returns (%)</b>	<b>17.5</b>	<b>13.9</b>	<b>12.6</b>	<b>6.1</b>
40%S&P 15%EAFE 45%BCGC INT	15.2	12.9	10.8	7.3



## Asset Allocation



\*Available Cash is \$35,914 or 0.16%.

<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

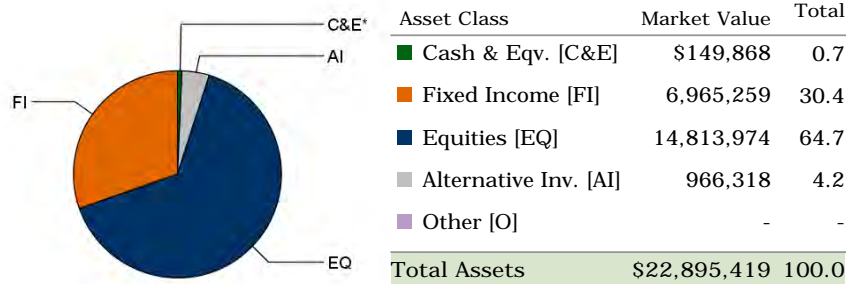
## Income Summary

	Year-to-Date 01/01/14 03/31/14	Estimated	
		Year 2014 01/01/14 12/31/14	Next 12 Months 05/01/14 04/30/15
Taxable	119,267	500,678	480,122
Non Taxable	-	-	-
Tax Deferred	-	-	-
<b>Morgan Stanley Total Income</b>	<b>119,267</b>	<b>500,678</b>	<b>480,122</b>

If external holdings were provided, they have been included in this report in order to provide you with a more complete picture of your financial holdings. Please note: Morgan Stanley Smith Barney LLC is not responsible for information (including valuations) from external sources. Please contact your financial advisor to update your information.

## Composite Allocation prepared for Vermont State Colleges as of 03/31/14

## Asset Allocation



\*Available Cash is \$35,914 or 0.16%.

## Style Analysis

## Fixed Income (% of Asset Class)

## Domestic

Short	Interm.	Long	
0.0	27.2	0.0	High Quality
1.5	11.2	0.0	Medium Quality
16.2	0.0	0.6	Low Quality

## International

N/A

12.4	30.9
------	------

## Equity (% of Asset Class)

## Domestic

Value	Core	Growth	
25.6	6.2	28.2	Large Size
5.2	0.7	5.9	Medium Size
2.9	0.0	0.5	Small Size

## International

Other

Core	Emerg.	
17.9	6.2	0.7

## Asset Allocation Detail

Account No.	Account	Cash Equivalents <sup>1</sup>	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
Household Total		\$149,868 0.7%	\$6,965,259 30.4%	\$14,813,974 64.7%	\$966,318 4.2%	-	\$22,895,419 100.0%

## Managed Endowment

383-108872	VERMONT STATE COLLEGES	132,083	2,888,735	8,211,229	966,318	-	12,198,366
	Consulting Group Advisor	1.1%	23.7%	67.3%	7.9%	-	100.0%
	Consulting Group Advisor						
383-110534	VERMONT STATE COLLEGES	-	1,373,487	-	-	-	1,373,487
	Seix Advisors - High Yield Bond	-	100.0%	-	-	-	100.0%
	Fiduciary Services						

continued on next page

<sup>1</sup> May include fixed income due within a year.

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## Composite Allocation prepared for Vermont State Colleges as of 03/31/14

Asset Allocation Detail *continued from previous page*

Account No.	Account	Cash Equivalents <sup>1</sup>	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
383-108874	VERMONT STATE COLLEGES	-	-	1,010,861	-	-	1,010,861
	Delaware Investments - Internationa	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-108918	VERMONT STATE COLLEGES	-	-	645,476	-	-	645,476
	Anchor Capital - Mid Cap Value	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-108919	VERMONT STATE COLLEGES	-	-	-	-	-	-
	REG	-	-	-	-	-	100.0%
383-108920	VERMONT STATE COLLEGES	-	2,703,037	-	-	-	2,703,037
	Madison - Intermediate Govt-Corp	-	100.0%	-	-	-	100.0%
	Fiduciary Services						
383-110533	VERMONT STATE COLLEGES	-	-	2,075,834	-	-	2,075,834
	ClearBridge - Multi Cap Growth	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-122584	VERMONT STATE COLLEGES	15,778	-	2,783,343	-	-	2,799,121
	ThomasPartners	0.6%	-	99.4%	-	-	100.0%
	Investment Management Services						
Portfolio Total		\$147,862	\$6,965,259	\$14,726,744	\$966,318	-	\$22,806,182
		0.6%	30.5%	64.6%	4.2%	-	100.0%

## Operations

383-108873	VERMONT STATE COLLEGES	2,006	-	87,230	-	-	89,237
	REG	2.2%	-	97.8%	-	-	100.0%
Portfolio Total		\$2,006	-	\$87,230	-	-	\$89,237
		2.2%	-	97.8%	-	-	100.0%
Household Total		\$149,868	\$6,965,259	\$14,813,974	\$966,318	-	\$22,895,419
		0.7%	30.4%	64.7%	4.2%	-	100.0%

*continued on next page*<sup>1</sup> May include fixed income due within a year.

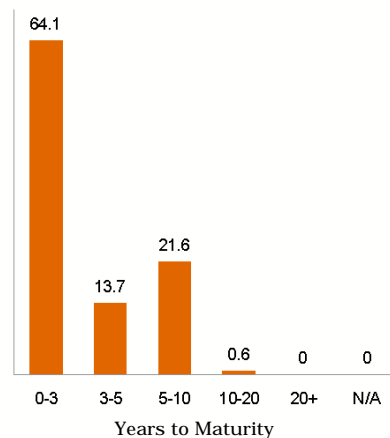
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## Composite Analysis prepared for Vermont State Colleges as of 03/31/14

## Fixed Income

## Maturity Schedule (%)



## Credit Rating (%)



## Fixed Income

## Top Holdings

Security Name	Market Value	% of Fixed
LOOMIS SAYLES BOND INST	\$1,116,996	16.0
VANGUARD SH TM INVT GR INV	942,750	13.5
AMER CENT INTL BOND INV	828,989	11.9
UNITED STATES TREASURY NOTE	186,037	2.7
UNITED STATES TREASURY NOTE	180,198	2.6
UNITED STATES TREASURY NOTE	171,802	2.5
FED NATL MTG ASSN	156,862	2.3
UNITED STATES TREASURY NOTE	155,090	2.2
FED HOME LN MTG CORP	153,348	2.2
UNITED STATES TREASURY NOTE	134,633	1.9
<b>Total Fixed Income Top Holdings</b>	<b>4,026,705</b>	<b>57.8</b>
<b>Total Fixed Income</b>	<b>6,965,259</b>	<b>100.0</b>

## Equities

## Sector Allocation

Sector	Market Value	% of Equities
Consumer Discretionary	922,890	6.3
Consumer Staples	594,688	4.1
Energy	551,647	3.8
Financials	549,620	3.8
Health Care	1,040,463	7.1
Industrials	1,013,316	6.9
Information Technology	955,152	6.5
Materials	213,152	1.5
Telecommunication Services	302,150	2.1
Utilities	220,477	1.5
Others	8,250,915	56.5
<b>Total</b>	<b>14,614,469</b>	<b>100.0</b>

## Top Holdings

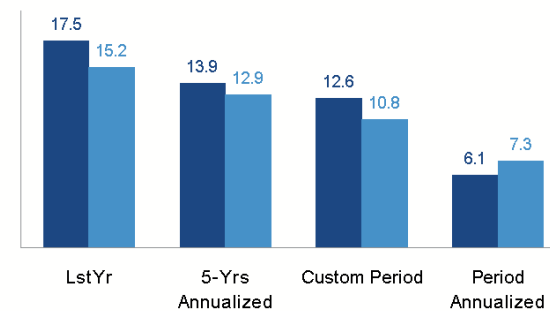
Security Name	Market Value	% of Equities
ISHARES RUSSELL 1000 VALUE ETF	\$2,926,845	19.8
ISHARES RUSSELL 1000 GRW ETF	2,462,496	16.6
WILLIAM BLAIR INTL GROWTH I	1,214,691	8.2
LAZARD EMERGING MKTS EQ I	458,984	3.1
OPPENHEIMER DEVELOPING MKTS Y	452,326	3.1
ROYCE PREMIER INV	377,405	2.5
ISHARES S&P MID-CAP 400 G ETF	192,373	1.3
FOREST LABORATORIES INC	178,450	1.2
COMCAST CORP CL A SPECIAL NEW	165,211	1.1
UNITEDHEALTH GP INC	135,202	0.9
<b>Total Equities Top Holdings</b>	<b>8,563,982</b>	<b>57.8</b>
<b>Total Equities</b>	<b>14,813,974</b>	<b>100.0</b>

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## Morgan Stanley Composite Performance prepared for Vermont State Colleges as of 03/31/14

### Portfolio Returns (%) <sup>1</sup> Morgan Stanley Accounts Only

	Year 2013 12/31/12 to 12/31/13	Annualized Last-5-Years 03/31/09 to 03/31/14	Custom Period 06/30/13 to 03/31/14	Annualized For the Period 12/26/02 to 03/31/14
Total Net Dollar Weighted Returns <sup>2</sup>	17.5	13.9	12.6	6.1



### Representative Index

40%S&P 15%EAFE 45%BCGC INT	15.2	12.9	10.8	7.3
----------------------------	------	------	------	-----

■ Total Net Dollar Weighted Returns <sup>2</sup>  
■ Index1 - 40%S&P 15%EAFE 45%BCGC INT

### Account Performance <sup>1</sup> Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 03/31/14	Return (%)				Date of Inception <sup>2</sup>	Inception Value
			Year 2013 12/31/12 to 12/31/13	Annualized Last-5-Years 03/31/09 to 03/31/14	Custom Period 06/30/13 to 03/31/14	Annualized Since Inception to 03/31/14		
Total Net Dollar Weighted Returns		\$22,890,445	17.5	13.9	12.6	6.1	12/26/02	\$5,616,088
383-108872	VERMONT STATE COLLEGES (Consulting Group Advisor) Consulting Group Advisor	12,198,366	17.0	15.6	13.1	N/A	12/26/02	3,085,318

*Continued on next page*

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## Morgan Stanley Composite Performance prepared for Vermont State Colleges as of 03/31/14

**Account Performance**<sup>1</sup> *Continued from previous page*  
Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 03/31/14	Return (%)				Date of Inception <sup>2</sup>	Inception Value
			Year 2013 12/31/12 to 12/31/13	Annualized Last-5-Years 03/31/09 to 03/31/14	Custom Period 06/30/13 to 03/31/14	Annualized Since Inception to 03/31/14		
383-108874	VERMONT STATE COLLEGES (Fiduciary Services) Delaware Investments - Internationa	1,010,861	22.5	15.1	19.6	13.0	02/06/03	2,483,086
383-108918	VERMONT STATE COLLEGES (Fiduciary Services) Anchor Capital - Mid Cap Value	644,334	26.0	16.3	13.6	16.0	02/27/03	795,409
383-108920	VERMONT STATE COLLEGES (Fiduciary Services) Madison - Intermediate Govt-Corp	2,703,037	(1.1)	3.1	0.8	3.4	02/28/03	4,039,638
383-110533	VERMONT STATE COLLEGES (Fiduciary Services) ClearBridge - Multi Cap Growth	2,075,126	42.3	26.9	24.9	9.6	04/21/06	1,040,220
383-110534	VERMONT STATE COLLEGES (Fiduciary Services) Seix Advisors - High Yield Bond	1,373,487	4.5	11.4	6.5	7.0	04/21/06	700,952
383-122584	VERMONT STATE COLLEGES (Investment Management Services) ThomasPartners	2,795,998	30.6	N/A	15.8	17.0	03/09/12	1,627,719
<b>Total Advisory</b>		<b>\$22,801,208</b>	<b>17.4</b>	<b>13.7</b>	<b>12.6</b>	<b>6.8</b>	<b>12/26/02</b>	<b>\$3,085,318</b>
<b>Brokerage</b>								
383-108873	VERMONT STATE COLLEGES (REG)	89,237	36.3	16.2	9.6	(20.1)	12/26/02	2,530,770
383-108919**	VERMONT STATE COLLEGES (REG)	-	N/A	N/A	N/A	N/A	02/27/03	1,006,477
<b>Total Brokerage</b>		<b>\$89,237</b>	<b>36.3</b>	<b>20.6</b>	<b>9.6</b>	<b>2.3</b>	<b>12/26/02</b>	<b>\$2,530,770</b>

*Continued on next page*<sup>1</sup> The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.<sup>2</sup> Data for brokerage accounts is unavailable prior to 01/01/2003.

\*\* Account is ineligible for performance reporting.

\*\*\* Performance includes closed accounts. For a complete list of closed accounts included in performance please see the disclaimer page.

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## Morgan Stanley Composite Performance prepared for Vermont State Colleges as of 03/31/14

### Account Performance<sup>1</sup> *Continued from previous page* Morgan Stanley Accounts Only

Morgan Stanley Accounts Only								
Account No.	Account Name (Type)	Market Value 03/31/14	Year 2013 12/31/12 to 12/31/13	Return (%)			Date of Inception <sup>2</sup>	Inception Value
				Annualized Last-5-Years 03/31/09 to 03/31/14	Custom Period 06/30/13 to 03/31/14	Annualized Since Inception to 03/31/14		
Total Net Dollar Weighted Returns		\$22,890,445	17.5	13.9	12.6	6.1	12/26/02	\$5,616,088

*Continued on next page*

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## Disclaimers prepared for Vermont State Colleges as of 03/31/14

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## Disclaimers prepared for Vermont State Colleges as of 03/31/14

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Asset classifications and performance calculation methodologies can differ among the various supplemental performance reports available through us. For example, some reports calculate Time Weighted performance using a weighted or Modified Dietz approach while others use a daily approach. In addition, some reports may display Dollar Weighted Returns. These differences can generate meaningful dispersions in the performance numbers displayed on different reports.

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### Classifications of Assets:

The security classifications in this report are based on information from several sources including: Morningstar, Moody's, Standard & Poor's and Morgan Stanley Investment Research. For the purposes of this report, fixed income assets that mature within 1 year may be classified as cash if they are a packaged product, or classified as fixed income if they are an individual security. Equity assets may be categorized based on their Capitalization as Large Cap, Mid Cap or Small Cap. Large Cap is defined as equities in the top 70 percent of investible market capitalization, Mid Cap is defined as the next 20 percent of investible market capitalization and Small Cap is defined as the next 7 percent of investible market cap. An "N/A" credit rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's Rating). An "N/A" maturity rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's). As a firm we classify assets based on general characteristics such as: asset type, underlying capital structure, and issuing organization. As many assets contain characteristics of more than one asset class, this asset classification may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. For more information on asset classification methodology, please contact your Financial Advisor.

Advisory accounts are classified according to the manager's style mandate and may not match the classifications of the holdings at the time of this report.

### Income Summary:

Current Year Estimated and 12 Month Forward projected income figures are based on a combination of stated interest and/or dividend yield, as well as recent payment history, and are not a guarantee of future payments.

### Benchmarks, Charts and Graphs:

Benchmark indices are provided for general reference purposes only. Indices are unmanaged and do not reflect payment of any expenses, fees or sales charges an investor would pay to purchase the securities it represents. Such costs would lower performance. You cannot invest directly in an index. An index's past performance is not a guarantee of future results. Index values for certain types of investments (e.g. alternative investments) are approximate and subject to updating, correction and other changes. Charts and graphs are for illustrative purposes only and are not intended to represent the performance of any Morgan Stanley Smith Barney LLC offering. Also, if your account was enrolled in performance reporting prior to May 1, 2003, your gross portfolio returns and the returns for all comparative indices have a start date of the month following the account's inception date. Additionally, the following indices are available only on a monthly basis and are, therefore, measured from the beginning of the month following the account's inception: CPI, IFC Investable Emerging Markets, National Association REIT, Wilshire REIT, all Merrill Lynch Municipal Indices, the Merrill Lynch Investment Grade Convertible and the Merrill Lynch High Yield Master.

## Performance Calculations

### Contribution / Withdrawal Valuation:

The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

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### Internal Rate of Return (Dollar-Weighted):

Internal Rate of Return (IRR) tracks the performance of actual dollars invested over time. IRR is the discount rate that equates the cost of an investment with the cash generated by that investment. IRR accounts for the timing and magnitude of cash flows. IRR should not be used to compare an account's performance to benchmark indices (e.g. S&P 500) since index performance does not take into account the effect of cash flows.

### Time Weighted Rate of Return:

Time Weighted Rate of Return (TWR) measures an account's compounded rate of growth over the specified time period. TWR is the return produced over time by an account independent of contributions or withdrawals. TWR is used to compare an account's performance to relevant benchmark indices (e.g. S&P 500). Different methodologies for calculating performance at the Household/Portfolio level and the Account level exist, making it possible for returns to be slightly different depending on the level being displayed. Households/Portfolios and Accounts with a historical period use a Modified Dietz calculation while Accounts with no historical periods use Modified Dietz but revalue on dates of large cash flows.

## Morgan Stanley Accounts

### Historical Data:

Portfolio Minder provides a life view of an account's history with the firm and will include performance to the original performance inception of the account. Performance inception date does not necessarily correspond to account inception. Please reference the inception column to establish performance coverage.

### Return Reconciliation

Although checks and balances are in place, we strongly encourage you to review all returns carefully. This is especially true for returns up to a current date. Daily performance data is un-reconciled and is intended for illustrative purposes only. The CSG Performance Group will not reconcile daily performance inquiries.

### Unsupervised Assets:

This report utilizes the total account view. Unsupervised assets contained within advisory accounts have been included under the advisory section and will be taken into account for both market value and performance.

### Closed Accounts:

999-209262, 999-209263

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### 3. Monthly Cash Report

We continue to actively manage our cash investments. Due to the rise in the stock markets we are seeing unrealized losses on our bonds. Since we plan on holding them to maturity this does matter. However, due to the stock market increase and the inverse relationship between stock and bond prices, any bonds that we purchase will pay lower interest rates.