



OFFICE OF THE CHANCELLOR  
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VERMONT STATE COLLEGES  
CASTLETON UNIVERSITY  
COMMUNITY COLLEGE OF VERMONT  
JOHNSON STATE COLLEGE  
LYNDON STATE COLLEGE  
VERMONT TECHNICAL COLLEGE

## MEMORANDUM

TO: VSC Finance & Facilities Committee  
M. Jerome Diamond  
J. Churchill Hindes, Chair  
Tim Jerman  
Bill Lippert  
Christopher Macfarlane, Vice Chair  
Linda Milne  
Martha O'Connor  
Aly Richards

FROM: Steve Wisloski, CFO and VP of Finance & Administration

DATE: August 18, 2016

SUBJ: Finance & Facilities Committee Meeting on August 24, 2016

The Finance and Facilities Committee of the VSC Board of Trustees is scheduled from 3:30 p.m. to 5:30 p.m. in Room 101 of the Chancellor's Office in Montpelier.

The agenda for this meeting includes an update from the Uniform Guidance (i.e., grants compliance) Working Group, a draft schedule of topics for FY2017's Committee meetings, and discussions of cash management, endowment performance, System debt, and deferred maintenance.

Should you have any questions regarding the upcoming meeting or any other matter, or any requested additions to the agenda, please contact me at [stephen.wisloski@vsc.edu](mailto:stephen.wisloski@vsc.edu) or (802) 224-3022. Thank you.

### Attachments:

1. Agenda
2. Meeting Materials

cc: VSC Board of Trustees, Council of Presidents and Business Affairs Council  
David Beatty, Vermont Department of Finance & Management  
The Honorable Douglas Hoffer, Vermont State Auditor

**Vermont State Colleges Board of Trustees  
Finance and Facilities Committee Meeting  
August 24, 2016**

**AGENDA**

1. Call to Order
2. Consent agenda
  - a. Approve minutes of July 20, 2016 meeting
  - b. Approve VSTEOP Working Families Grant
3. Grants and Uniform Guidance Update
4. Review of draft meeting schedule and topics for FY2017
5. Review of cash management and endowment performance
6. Review of outstanding system debt
7. Review of facilities and deferred maintenance
8. Other business
9. Public comment
10. Adjourn

**MEETING MATERIALS**

1. Consent agenda items
2. Memo from Uniform Guidance Working Group
3. Draft FY2017 meeting schedule and topics
4. Cash management summary
5. Endowment performance report
6. Summary of System debt outstanding
7. List of deferred maintenance projects

Item 1:  
Consent Agenda Items

**Unapproved minutes of the Finance & Facilities Committee meeting Monday,  
July 20, 2016**

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

The Vermont State Colleges Board of Trustees Finance and Facilities Committee met on July 20, 2016 in Hoff Hall at Castleton University.

Committee members present: Church Hindes (Chair), Jerry Diamond, Tim Jerman, Bill Lippert, Chris Macfarlane (Vice Chair), Martha O'Connor, Aly Richards

Absent: Linda Milne

Other trustees: Morgan Easton, Kraig Hannum

Presidents: Joe Bertolino, Elaine Collins, Joyce Judy, Dan Smith, Dave Wolk

Chancellor's Office Staff: Tricia Coates, Director of External & Governmental Affairs  
Sheilah Evans, System Controller/Senior Director of Financial Operations  
Bill Reedy, General Counsel  
Elaine Sopchak, Executive Assistant to the Chancellor  
Jeb Spaulding, Chancellor  
Steve Wisloski, Chief Financial Officer  
Sophie Zdatny, Associate General Counsel  
Yasmine Ziesler, Chief Academic & Academic Technology Officer

From the Colleges: Martha Coulter, Wellness Center Director, Castleton  
Scott Dikeman, Dean of Administration, Castleton  
Gillian Galle, Professor, Castleton  
Loren Loomis Hubbell, Dean of Administration, LSC  
Laura Jakubowski, Director of Finance, Castleton  
Billy Langlois, Staff Federation Chair, Castleton  
Louis Palmer, Professor, Castleton  
Jillian Rader, Area Coordinator, Castleton  
Sharron Scott, Dean of Administration, JSC  
Jonathan Spiro, Academic Dean, Castleton

Sharon Twigg, Interim Academic Dean, JSC  
Beth Walsh, VSCUP President  
Shaun Williams, Area Coordinator, Castleton

Chair Hinds called the meeting to order at 1:01 p.m.

1. Consent agenda

- a. Approve minutes of June 20, 2016 meeting
  - b. Establishment of Endowment, CCV: Karen Raylene Clark Memorial Scholarship Fund
- Trustee Macfarlane moved and Trustee Diamond seconded the consent agenda. No items were removed. The Committee approved the consent agenda unanimously.

2. Chancellor's remarks and FY2018 tuition recommendation

Chancellor Spaulding thanked the Committee and Board for making the decision on tuition rates much earlier than in the past, which will allow the colleges to be more competitive.

3. Review of FY2018 System budget estimate incorporating tuition recommendation

CFO Wisloski reviewed the tuition recommendation for FY2018.

4. Discussion of proposed change to Policy 403, *Annual Operating Budget*

CFO Wisloski introduced the proposed revisions to Policy 403. Trustee Diamond moved and Trustee Jerman seconded the resolution approving the revisions. The resolution was approved unanimously.

5. Consideration of Resolution approving Chancellor's recommendation

Trustee Jerman moved and Trustee Diamond seconded the resolution *Tuition, Fees, Room and Board Rates for the 2017-2018 Academic Year*. Trustee Lippert arrived at this time. After discussion, the Committee voted to approve the resolution. Trustee Macfarlane voted against the resolution. The resolution was approved (5 in favor, 1 opposed) and recommended to the full Board.

6. Other business

There was no other business.

7. Public comment

There were no further comments from the public.

Chair Hinds adjourned the meeting at 1:55 p.m.

# Vermont State Colleges Grant Proposal Budget Analysis

Form A & B

College: Vermont Technical College

Grant Title: VSTEOP Working Families Grant - # ~~AH~~ 29193-16-60-A-50 *changed 7/18/16 by DOL*

Grant Agency: US Department of Labor

Project Director: Beth Demers

Purpose of Grant: VTC/CCV are providing an advanced manufacturing apprenticeship program to create a pathway for underemployed, unemployed and incumbent workers advance in a career in the manufacturing industry.

Grant Period: 7/1/2016 to 6/30/2020

Review Period: 4 Multi-Yr\*\* / Cumulative Grant Amt: \$4,000,000  
 \*\*(please enter number of years covered)

Proposed Funding	1st Yr Grant College*	2nd Yr Grant College	3rd Yr Grant College
Direct Costs			
Salaries & Wages	\$ 775,000.00	\$ -	
Employee Benefits	\$ 439,037.50	\$ -	
Supplies	\$ 248,921.37	\$ -	
Travel	\$ 4,600.00	\$ -	
Equipment	\$ 324,000.09	\$ -	
contractual	\$ 1,703,304.74	\$ -	
Other	\$ 31,662.27	\$ -	
Total Direct	\$ 3,526,525.97	\$ -	\$ -
Indirect Costs*	\$ 473,474.63	\$ -	\$ -
Total Budget	\$ 4,000,000.60	\$ -	\$ -

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

What is(are) the sources of College Funding?

We will receive fees for the advance class that will cover the cost of food - We have received equipment from other grant that will cover lab expenses N/A

What continuing cost obligations does Granting Agency require/expect?

N/A

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

Project Manager position

Business Officer Review by: *[Signature]*

Date: 2016/07/11

Programmatic Review by: *[Signature]*

Date: 7/5/16

Presidential Review by: *[Signature]*

Date: 7/14/16

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

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

VSTEOP WORKING FAMILIES GRANT

2) Granting agency/donor/other funding source: (attach support info)  
U.S Department of Labor

2a) CFDA # 17.268 2b) State Revenue Code \_\_\_\_\_  
2c) Award # AH-29193-16-60-A-50

3) Purpose of activity:

VTC/CCV are providing an Advanced Manufacturing Apprenticeship Program to create a pathway for underemployed, unemployed and incumbent workers to advance in a career in the manufacturing industry.

*changed by  
DOL 7/18/16*

4a) Proper accounting fund:

Entity Gasb Code 92  
Activity Code 90203

4b) Funding Source

Federal 100%  
State \_\_\_\_\_  
Other: (Name) \_\_\_\_\_

5) Related Grants and their funding sources:

6a) Beginning date:  
7/1/2016

6b) Ending date:  
6/30/2020

6c) Duration:  
4 Years

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

Quarterly 9130 Financial Report and Narrative Report

8a) Funding amount:

\$ 4,000,000.00

8b)

One-time Y or N  
Ongoing funding (indicate timeframe:)

Board Approval Required Y or N

11) President:

*AS*

12) Date to Ch's Ofc:

*7/19/16*

13) Date Board Approved:

VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

VSC Finance and Facilities Committee Business: Consent Agenda

WHEREAS, At its August 24, 2016 meeting the VSC Finance and Facilities Committee discussed the business items outlined below; therefore, be it

RESOLVED, The Committee has voted to approve the items outlined below and recommends them to the full Board:

- Approval of the minutes of the July 20, 2016 meeting
- Approval of the VTC VSTEOP Working Families Grant in the amount of \$4,000,000

September 29, 2016

Item 2:  
Memo from Uniform Guidance Working Group

## MEMORANDUM

TO: VSC Finance & Facilities Committee

FROM: Uniform Guidance Work Group

Christopher Beattie, VTC  
Sharron Scott, JSC  
Nathan Hock, CCV  
Greg Voorheis, CCV

Sheilah Evans, LSC  
Jody Condon, CU  
Steve Wisloski, OC  
Tim Grover, CU

Deb Robinson, OC  
Toby Stewart, JSC  
Dianne Pollok, OC  
David Rubin, OC

DATE: August 16, 2016

SUBJ: Information regarding recommendations for additional VSC policy  
revisions and Uniform Guidance implementation

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### Policy Revision

The UG Work Group has continued to meet regularly and it continues to work toward recommending VSC-level policy revisions in light of 2 CFR 200, the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” As the UG is now required to be fully implemented by the VSC in its administration of federal grant awards, it remains critical that we work to ensure that we are in compliance.

Toward that end and to reiterate, the group has identified and prioritized revising/adding several VSC policies. We anticipate that drafts of the following policies will be vetted and ready for review by the F & F Committee in advance of the September meeting:

- Cash Handling
- Time and Effort Reporting
- Fraud, Abuse and Criminal Conduct
- Equipment
- General HR Policy

It should be noted that the UG Work Group is also drafting Standards and Procedures to complement the policy revisions/additions. These efforts will help standardize business practices across VSC institutions, facilitating collaboration, training/professional development, and implementation of management systems.

### Follow-up on Past Recommendations

**Staffing** – Per the recommendations we submitted in June, we are exploring options for offsetting the costs associated with hiring a post-award administrator through existing and future federal awards. We have reached out to federal partners for assistance in thinking through this strategy.

**Grants Management Software** - The UG Work Group has resolved to postpone our exploration of a system-wide grants management solution until such time as we've refined and standardized our business practices across the system. Only then can we fully understand the functional requirements of such a tool, as well as specifically how, where, and why it can increase efficiencies.

**Training** – Training and ongoing professional development re: VSC policies, standards and procedures, UG, and other topics germane to the administration of federal awards is a current and future priority. We have begun exploring several options to address training, including the possibility of creating training modules, which could be accessed asynchronously on an as-needed basis.

- Respectfully submitted by David Rubin, VSC Grants Coordinator,  
on behalf of the VSC Uniform Guidance Work Group.

Item 3:  
Draft FY2017 Meeting Schedule and Topics

**DRAFT****Finance and Facilities Committee  
Meeting Schedule for Fiscal Year 2017**

Mtg #	Date	Topic Count	JSC-LSC Unification	System Consolidation	FY18 Budget Development	FY19 Tuition, Fees, Room & Board	Quarterly Results**, Metrics	Appropriation Requests	Cash, Investments, Endowment	Debt Management	Capital Planning and Projects***	Facilities Management	Grants and Gifts	Policies and Procedures	Special Topics
1	Wed, Aug 24, 2016	5	Standing Topic/Regular Updates	Standing Topic/Regular Updates					Regular quarterly report (per Policy 404)	Debt "101" discussion		Deferred maintenance update	(as needed)	(as needed)	(as needed)
2	Wed, Sep 28, 2016	* 6	Unification report to BOT due Sep 29	Standing Topic/Regular Updates			Q4 FY16 Results	Discussion if needed (State budget meeting is Fri, Sep 30)		TD Debt Coverage Covenant for FY16	Discussion of Policies 405, 428 and Legislative Report				
3	Wed, Oct 19, 2016	5	Standing Topic/Regular Updates	Standing Topic/Regular Updates				Capital appropriation request due		Presentation of debt issuance request (if any)	Capital Projects list submitted				
4	Wed, Nov 30, 2016	* 7	Standing Topic/Regular Updates	Standing Topic/Regular Updates	Initial discussion informed by Q1 FY17 results		Q1 FY17 Results	Election results known; transition team briefings (if any)	Regular quarterly report (per Policy 404)	Debt issuance vote (if any)					
5	Mon, Jan 9, 2017	4	Standing Topic/Regular Updates	Standing Topic/Regular Updates				Responses to Budget Adjustment Act (if any)			Legislative Report due January 15				
6	Mon, Feb 9, 2017	3	Standing Topic/Regular Updates	Standing Topic/Regular Updates					Regular quarterly report (per Policy 404)						
7	Mon, Mar 13, 2017	* 3	Standing Topic/Regular Updates	Standing Topic/Regular Updates			Q2 FY17 Results								
8	Mon, Apr 10, 2017	4	Standing Topic/Regular Updates	Standing Topic/Regular Updates	Preliminary FY18 Budgets presented	Initial FY19 Tuition discussion									
9	Wed, May 31, 2017	6	Standing Topic/Regular Updates	Standing Topic/Regular Updates	Vote on FY18 Budgets	Preliminary FY19 Tuition request	Q3 FY17 Results		Regular quarterly report, Annual Banking & Investment Resolution (per Policy 404)						
10	Wed, Jun 21, 2017	* 3	Standing Topic/Regular Updates	Standing Topic/Regular Updates		Vote on FY19 Tuition									

\* Last meeting before quarterly Board of Trustees Meeting

\*\* Unification report due September 28 BOT

\*\* Report due to Joint Fiscal Committee during November 2016 on use of \$700,000 "to increase need-based aid for Vermont students"

\*\*\* "Long term strategic plan... for the most effective use of capital funds..." due January 15, 2017 to Institutions Committees (also from UVM)

Item 4:  
Cash Management Summary

**VERMONT STATE COLLEGES**  
**CASH & INVESTMENT REPORT: As of 7/31/2016**

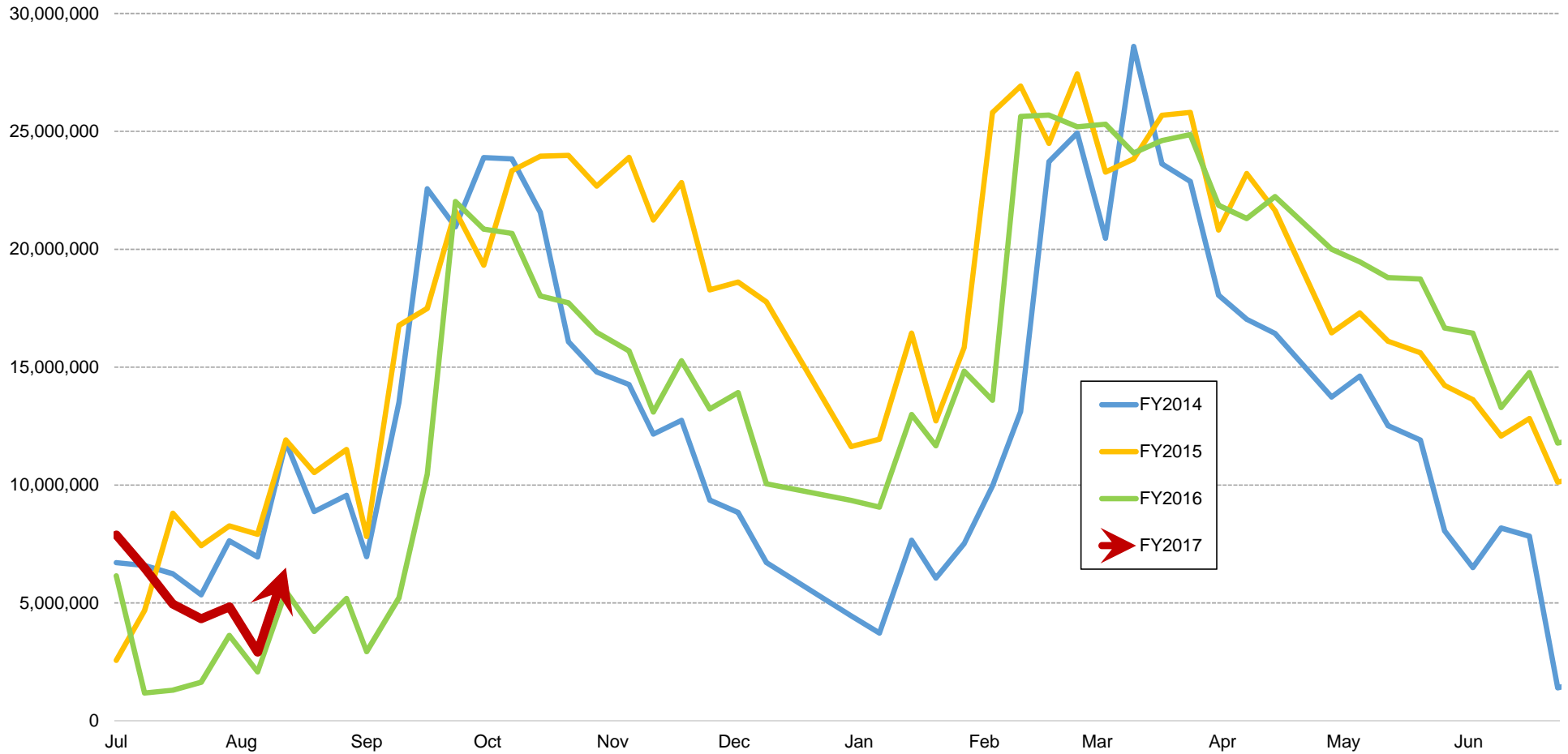
*(Excludes non-operating/non-endowment investments made by VSC capital bond trustees)*

	<b>FY2015</b>			<b>FY2016</b>			<b>FY2017</b>		
	<u>CASH</u> Avg Daily <u>Balance</u>	<u>INV'MT</u> Avg Daily <u>Balance</u>	<u>CASH &amp; INV'MT</u> Avg Daily <u>Balance</u>	<u>CASH</u> Avg Daily <u>Balance</u>	<u>INV'MT</u> Avg Daily <u>Balance</u>	<u>CASH &amp; INV'MT</u> Avg Daily <u>Balance</u>	<u>CASH</u> Avg Daily <u>Balance</u>	<u>INV'MT</u> Avg Daily <u>Balance</u>	<u>CASH &amp; INV'MT</u> Avg Daily <u>Balance</u>
JULY	5,693,454	49,867,648	55,561,102	3,355,541	46,380,924	49,736,465	5,802,598	48,252,972	54,055,570
AUGUST	10,617,091	50,457,909	61,075,000	4,592,608	46,127,004	50,719,612	0	0	0
SEPTEMBER	15,870,921	49,854,030	65,724,951	11,165,432	45,681,768	56,847,200	0	0	0
OCTOBER	23,455,481	50,257,327	73,712,808	20,198,716	46,848,645	67,047,361	0	0	0
NOVEMBER	22,488,791	50,662,244	73,151,035	15,282,537	46,770,232	62,052,769	0	0	0
DECEMBER	16,582,373	50,599,560	67,181,933	11,965,241	46,325,445	58,290,686	0	0	0
JANUARY	13,982,318	50,470,073	64,452,391	12,107,286	45,698,086	57,805,372	0	0	0
FEBRUARY	25,288,139	51,191,635	76,479,774	22,520,132	45,771,201	68,291,333	0	0	0
MARCH	25,813,245	51,040,377	76,853,622	25,540,713	47,312,657	72,853,370	0	0	0
APRIL	33,001,582	51,196,107	84,197,689	22,137,233	47,488,459	69,625,692	0	0	0
MAY	16,613,579	50,630,767	67,244,346	18,899,541	47,627,944	66,527,485	0	0	0
JUNE	12,181,645	50,099,272	62,280,917	14,118,440	47,984,522	62,102,962	0	0	0
Cash & Inv Avg thru 1 month	\$5,693,454	\$49,867,648	\$55,561,102	\$3,355,541	\$46,380,924	\$49,736,465	\$5,802,598	\$48,252,972	\$54,055,570

Summary of July Average Daily Balances

TD Bank Concentration Account	5,261,021
TD Wealth Medical	248,514
TD Bank Enterprise Money Market	4,711,663
TD Wealth Investments	19,716,204
Morgan Stanley (Endowment)	23,825,105
Total Investment	<u>\$53,762,507</u>
Remainder of money at local college banks	<u>\$293,064</u>
	<u>\$54,055,570</u>

**VSC Weekly Concentration Account Balance**  
**July 1, 2013 - August 18, 2016**



Item 5:  
FY2016 Endowment Report

# Quarterly Report - 2Q16

Prepared on July 27, 2016

Prepared For: **VSC All Accounts (Including Operations)**

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**Your Branch:**

105 WEST VIEW RD, 5TH FL  
COLCHESTER, VT 05446

## VSC All Accounts

Prepared on July 27, 2016 | Reporting Currency: USD

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Please review the disclosures and definitions throughout this Document.  
 Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document.

## ACCOUNT(S) INCLUDED IN THIS REPORT

VSC All Accounts

Reporting Currency: USD

## ACCOUNT(S) DETAIL

Account Name and Address	Account Type/Manager Name	Advisory/ Brokerage	Account Number	Date Opened	Date Closed
IRONWOOD PO BOX 7 MONTPELIER	Alternative Investments Advisory	Advisory	383-020918	09/17/14	
SKYBRIDGE PO BOX 7	Alternative Investments Advisory	Advisory	383-020919	09/17/14	
VERMONT STATE COLLEGES	Consulting Group Advisor	Advisory	383-108872	12/20/02	
ATTN STEPHEN WISLOSKI PO BOX 7 MONTPELIER	Delaware Investments - International	Advisory	383-108874	12/20/02	
	AAA	Brokerage	383-108873	12/20/02	
	Anchor Capital - Mid Cap Value	Advisory	383-108918	02/06/03	
	AAA	Advisory	383-108920	02/06/03	
	ClearBridge - Multi Cap Growth	Advisory	383-110533	04/19/06	
	Seix Advisors - High Yield Bond	Advisory	383-110534	04/19/06	
	ThomasPartners	Advisory	383-122584	03/07/12	
		Advisory	999-209262		10/27/10

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY.

All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

	Large Cap Growth	Large Cap Value	Small / Mid Growth	Small / Mid Value	International	International Emerging	Domestic and High Yield Fixed	International Fixed	Alternatives	Cash	Total	% of Total Portfolio
<b>CG Advisor</b>												
I shares Russell 1000 Growth	\$ 2,589,790										\$ 2,589,790	11.0%
I shares Russell 1000 Value		\$ 3,130,966									\$ 3,130,966	13.3%
I shares Trust S&P Mid Cap 400			\$ 28,072								\$ 28,072	0.1%
iShares Russell 2000 ETF			\$ 175,862	\$ 175,862							\$ 351,724	1.5%
William Blair Int Growth					\$ 1,269,968						\$ 1,269,968	5.4%
Oppenheimer Developing Mkts						\$ 471,383					\$ 471,383	2.0%
Dreyfus Standish GLB Fix Inc I								\$ 778,393			\$ 778,393	3.3%
Loomis Bond Fund							\$ 1,083,623				\$ 1,083,623	4.6%
Ishares Dj US Real Estate									\$ 376,522		\$ 376,522	1.6%
Vanguard REIT ETF									\$ 398,306		\$ 398,306	1.7%
Vanguard Sh Tm Inv Gr Inv							\$ 1,105,489				\$ 1,105,489	4.7%
Vanguard Total Bd Mkt Indx Inv							\$ 2,358,917				\$ 2,358,917	10.0%
Lazard Emerging Markets						\$ 479,001					\$ 479,001	2.0%
Money Funds										\$ 403,134	\$ 403,134	1.7%
<b>Ironwood HF</b>									\$ 493,245		\$ 493,245	2.1%
<b>Skybridge HF</b>									\$ 456,655		\$ 456,655	1.9%
<b>Anchor</b>				\$ 749,825							\$ 749,825	3.2%
<b>Delaware</b>					\$ 1,137,934						\$ 1,137,934	4.8%
<b>Clearbridge</b>	\$ 908,903	\$ 295,922	\$ 507,294	\$ 401,608							\$ 2,113,727	9.0%
<b>Seix</b>							\$ 1,443,898				\$ 1,443,898	6.1%
<b>Thomas Partners</b>	\$ 507,405.68	\$ 1,150,724	\$ 90,608	\$ 224,255	\$ 292,211						\$ 2,265,204	9.6%
<b>Total Fund</b>	<b>\$ 4,006,098</b>	<b>\$ 4,577,611</b>	<b>\$ 801,837</b>	<b>\$ 1,551,550</b>	<b>\$ 2,700,113</b>	<b>\$ 950,384</b>	<b>\$ 5,991,927</b>	<b>\$ 778,393</b>	<b>\$ 1,724,728</b>	<b>\$ 403,134</b>	<b>\$ 23,485,773</b>	<b>100.00%</b>
Allocation	17.06%	19.49%	3.41%	6.61%	11.50%	4.05%	25.51%	3.31%	7.34%	1.72%	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%	8.00%	0.00%	100.00%	
By Dollar	\$ 2,818,293	\$ 2,818,293	\$ 1,409,146	\$ 1,409,146	\$ 3,992,581	\$ 1,644,004	\$ 6,576,016	\$ 939,431	\$ 1,878,862	\$ -	\$ 23,485,773	
<b>Current Tactical Allocation</b>	<b>18%</b>	<b>18%</b>	<b>4%</b>	<b>4%</b>	<b>12%</b>	<b>4%</b>	<b>28%</b>	<b>4%</b>	<b>8%</b>	<b>0%</b>	<b>100%</b>	
<b>Revised Tactical a/o 6.30.16</b>	<b>18%</b>	<b>18%</b>	<b>4%</b>	<b>4%</b>	<b>14%</b>	<b>5%</b>	<b>25%</b>	<b>4%</b>	<b>8%</b>	<b>0%</b>	<b>100%</b>	
<b>Operations Account</b>		\$ 90,017.64	(common stock)		\$ 14,624.03	(money funds)					\$ 104,642	
<b>Total All Accounts</b>											<b>\$ 23,590,415</b>	

**Basic Asset Allocation:**

<b>Stocks</b>	<b>62%</b>
<b>Alternatives</b>	<b>7%</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 06.30.16 and is subject to daily market fluctuation.

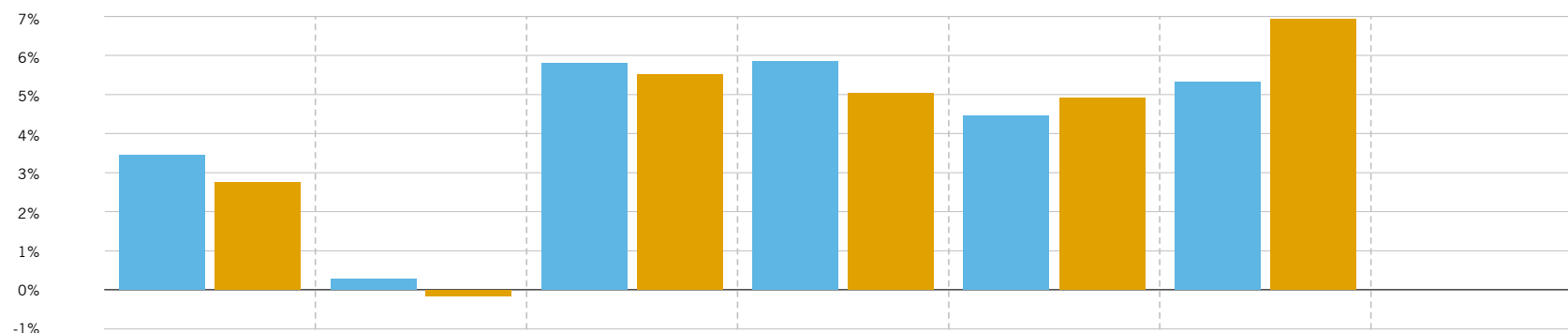
Member SIPC. Prepared by: John O. Myhre, Vice President, Financial Advisor

## TIME WEIGHTED PERFORMANCE SUMMARY

VSC All Accounts

As of June 30, 2016 | Reporting Currency: USD

## RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/15 - 06/30/16	Last 12 Months 06/30/15 - 06/30/16	Last 3 Years 06/30/13 - 06/30/16	Last 5 Years 06/30/11 - 06/30/16	Last 10 Years 06/30/06 - 06/30/16	Performance Inception 12/26/02 - 06/30/16
<b>Beginning Total Value</b>	<b>\$22,808,017.00</b>	<b>\$23,521,823.31</b>	<b>\$20,547,809.49</b>	<b>\$19,246,657.59</b>	<b>\$15,358,254.52</b>	<b>\$5,616,088.35</b>
Net Contributions/Withdrawals	284.30	12,489.46	-696,261.95	-1,672,796.45	-524,356.51	6,718,984.60
Investment Earnings	790,151.08	64,139.60	3,746,904.84	6,024,591.24	8,764,554.37	11,263,379.43
<b>Ending Total Value</b>	<b>\$23,598,452.38</b>	<b>\$23,598,452.38</b>	<b>\$23,598,452.38</b>	<b>\$23,598,452.38</b>	<b>\$23,598,452.38</b>	<b>\$23,598,452.38</b>
<b>Return % (Net of Fees)</b>	<b>3.46</b>	<b>0.27</b>	<b>5.80</b>	<b>5.84</b>	<b>4.46</b>	<b>5.33</b>
<b>65% MSCI AC World/35% Barclays Agg</b>	<b>2.76</b>	<b>-0.16</b>	<b>5.51</b>	<b>5.04</b>	<b>4.92</b>	<b>6.93</b>

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

## INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

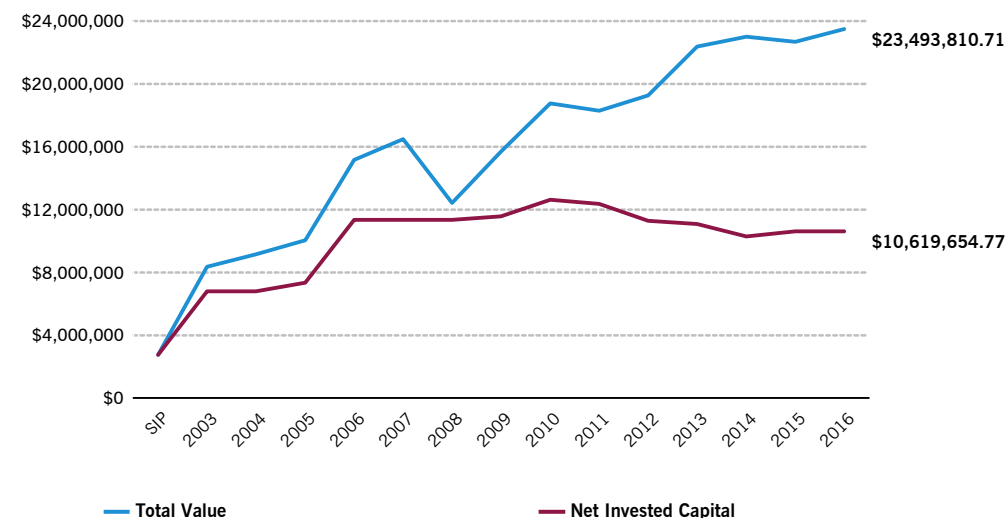
VSC All Accounts

As of June 30, 2016 | Reporting Currency: USD

## CHANGE IN VALUE AND RETURN % (NET OF FEES)

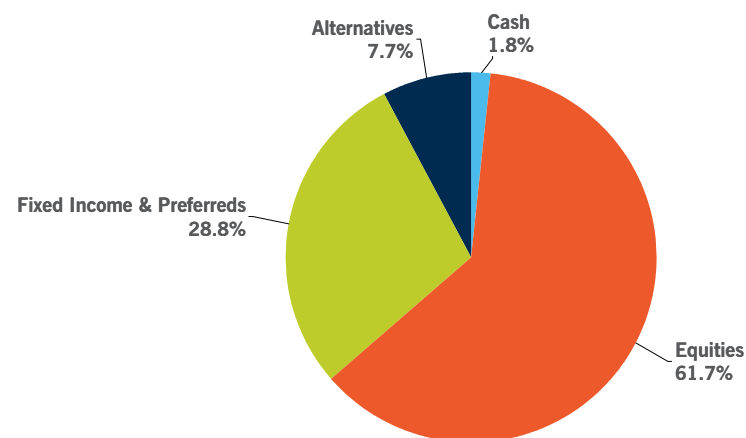
	Year to Date 12/31/15-06/30/16	Last 5 Years 06/30/11-06/30/16	Performance Inception 02/27/03-06/30/16
<b>Beginning Total Value</b>	<b>\$22,687,417.15</b>	<b>\$19,144,884.06</b>	<b>\$2,759,923.00</b>
Net Contributions/Withdrawals	259.15	-1,553,014.21	7,859,731.77
Investment Earnings	806,134.41	5,901,940.86	12,874,155.94
<b>Ending Total Value</b>	<b>\$23,493,810.71</b>	<b>\$23,493,810.71</b>	<b>\$23,493,810.71</b>
<b>DOLLAR WEIGHTED RATE OF RETURN</b>			
Return % (Net of Fees)	3.55%	5.74%	6.37%

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## ASSET ALLOCATION



Does not include Performance Ineligible Assets.

## INCOME SUMMARY

	Year To Date 01/01/16-07/26/16	Projected Remaining Year (Until 12/31) 07/27/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
<b>INCOME BY ASSET CLASS</b>			
Cash	\$76.14	\$0.00	-
Equities	140,721.44	104,355.00	282,599.00
Fixed Income & Preferreds	106,479.26	76,093.00	195,639.00
Alternatives	18,681.59	19,766.00	40,340.00
<b>Total Income</b>	<b>\$265,958.43</b>	<b>\$200,214.00</b>	<b>\$518,578.00</b>
<b>INCOME BY TAX CATEGORY</b>			
Taxable	265,958.43	200,214.00	518,578.00
Non Taxable	-	-	-
Tax Deferred	0.00	-	-
<b>Total Income</b>	<b>\$265,958.43</b>	<b>\$200,214.00</b>	<b>\$518,578.00</b>

Income Summary does not include income from external assets.

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

## INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

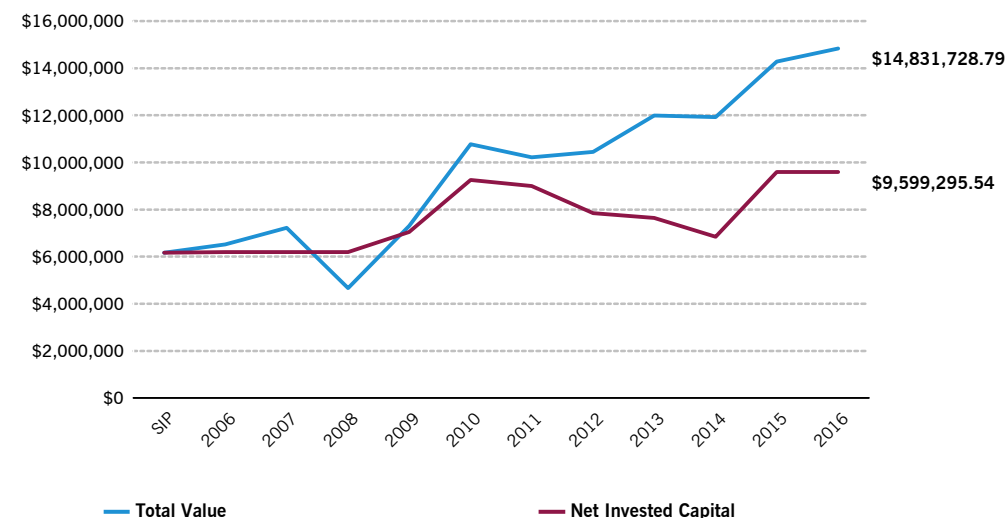
VSC All Accounts-VERMONT STATE COLLEGES 383-108872

As of June 30, 2016 | Reporting Currency: USD

## CHANGE IN VALUE AND RETURN % (NET OF FEES)

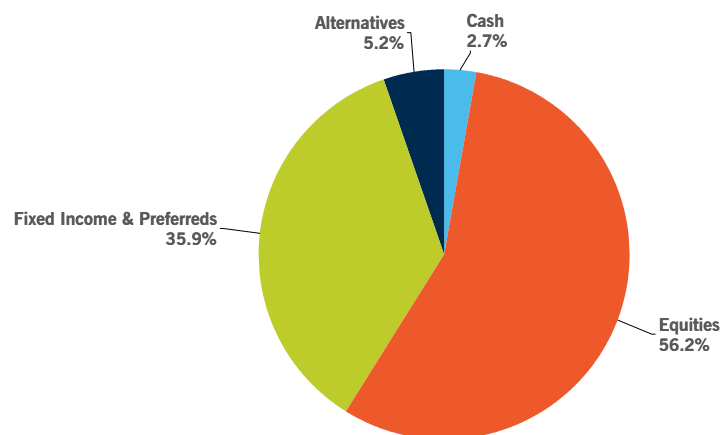
	Year to Date 12/31/15-06/30/16	Last 5 Years 06/30/11-06/30/16	Performance Inception 04/21/06-06/30/16
<b>Beginning Total Value</b>	<b>\$14,276,291.83</b>	<b>\$10,837,905.64</b>	<b>\$6,166,191.00</b>
Net Contributions/Withdrawals	-2,030.81	791,879.01	3,433,104.54
Investment Earnings	557,467.77	3,201,944.14	5,232,433.25
<b>Ending Total Value</b>	<b>\$14,831,728.79</b>	<b>\$14,831,728.79</b>	<b>\$14,831,728.79</b>
<b>DOLLAR WEIGHTED RATE OF RETURN</b>			
Return % (Net of Fees)	3.91%	5.53%	5.35%

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## ASSET ALLOCATION



Does not include Performance Ineligible Assets.

## INCOME SUMMARY

	Year To Date 01/01/16-07/26/16	Projected Remaining Year (Until 12/31) 07/27/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
<b>INCOME BY ASSET CLASS</b>			
Cash	\$23.06	\$0.00	-
Equities	59,817.01	55,299.00	142,383.00
Fixed Income & Preferreds	61,825.73	43,415.00	115,469.00
Alternatives	14,965.02	15,354.00	30,708.00
<b>Total Income</b>	<b>\$136,630.82</b>	<b>\$114,068.00</b>	<b>\$288,560.00</b>
<b>INCOME BY TAX CATEGORY</b>			
Taxable	136,630.82	114,068.00	288,560.00
Non Taxable	-	-	-
Tax Deferred	0.00	-	-
<b>Total Income</b>	<b>\$136,630.82</b>	<b>\$114,068.00</b>	<b>\$288,560.00</b>

Income Summary does not include income from external assets.

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

## INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

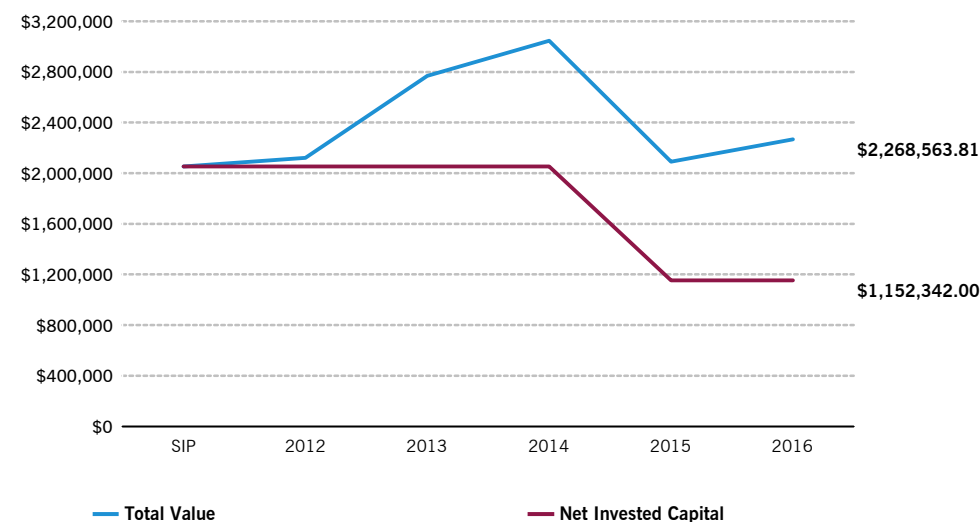
VSC All Accounts-VERMONT STATE COLLEGES 383-122584

As of June 30, 2016 | Reporting Currency: USD

## CHANGE IN VALUE AND RETURN % (NET OF FEES)

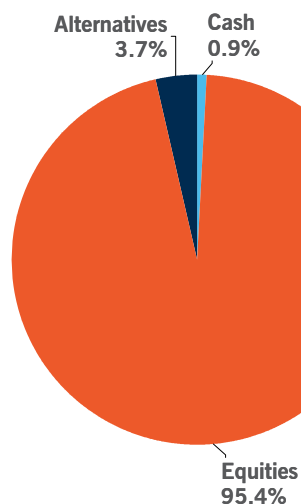
	Year to Date 12/31/15-06/30/16	Last 5 Years 06/30/11-06/30/16	Performance Inception 03/13/12-06/30/16
<b>Beginning Total Value</b>	<b>\$2,092,143.31</b>	-	<b>\$2,052,342.00</b>
Net Contributions/Withdrawals	0.00	-	-900,000.00
Investment Earnings	176,420.50	-	1,116,221.81
<b>Ending Total Value</b>	<b>\$2,268,563.81</b>	-	<b>\$2,268,563.81</b>
<b>DOLLAR WEIGHTED RATE OF RETURN</b>			
Return % (Net of Fees)	8.43%	-	11.59%

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## ASSET ALLOCATION



Does not include Performance Ineligible Assets.

## INCOME SUMMARY

	Year To Date 01/01/16-07/26/16	Projected Remaining Year (Until 12/31) 07/27/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
<b>INCOME BY ASSET CLASS</b>			
Cash	\$22.66	\$0.00	-
Equities	33,234.43	26,210.00	62,375.00
Alternatives	2,187.50	3,790.00	7,580.00
<b>Total Income</b>	<b>\$35,444.59</b>	<b>\$30,000.00</b>	<b>\$69,955.00</b>
<b>INCOME BY TAX CATEGORY</b>			
Taxable	35,444.59	30,000.00	69,955.00
Non Taxable	-	-	-
Tax Deferred	0.00	-	-
<b>Total Income</b>	<b>\$35,444.59</b>	<b>\$30,000.00</b>	<b>\$69,955.00</b>

Income Summary does not include income from external assets.

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

## INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

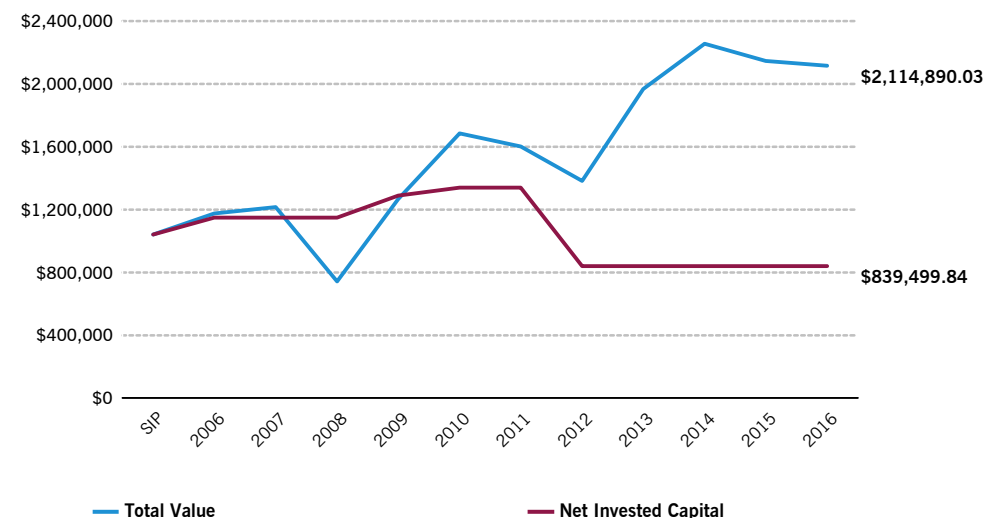
VSC All Accounts-VERMONT STATE COLLEGES 383-110533

As of June 30, 2016 | Reporting Currency: USD

## CHANGE IN VALUE AND RETURN % (NET OF FEES)

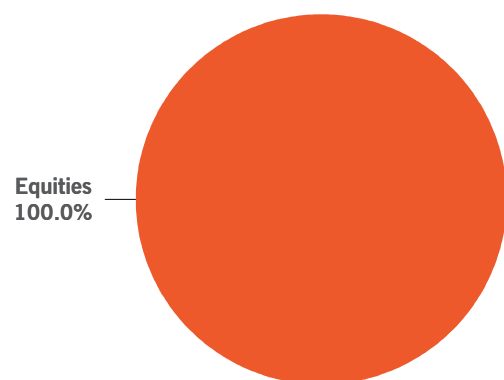
	Year to Date 12/31/15-06/30/16	Last 5 Years 06/30/11-06/30/16	Performance Inception 04/21/06-06/30/16
<b>Beginning Total Value</b>	<b>\$2,146,181.43</b>	<b>\$1,826,972.77</b>	<b>\$1,040,220.00</b>
Net Contributions/Withdrawals	0.00	-500,000.00	-200,720.16
Investment Earnings	-31,291.40	787,917.26	1,275,390.19
<b>Ending Total Value</b>	<b>\$2,114,890.03</b>	<b>\$2,114,890.03</b>	<b>\$2,114,890.03</b>
<b>DOLLAR WEIGHTED RATE OF RETURN</b>			
Return % (Net of Fees)	-1.46%	9.27%	7.87%

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## ASSET ALLOCATION



Does not include Performance Ineligible Assets.

## INCOME SUMMARY

	Year To Date 01/01/16-07/26/16	Projected Remaining Year (Until 12/31) 07/27/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
<b>INCOME BY ASSET CLASS</b>			
Cash	\$13.37	\$0.00	-
Equities	12,383.63	11,366.00	24,364.00
<b>Total Income</b>	<b>\$12,397.00</b>	<b>\$11,366.00</b>	<b>\$24,364.00</b>
<b>INCOME BY TAX CATEGORY</b>			
Taxable	12,397.00	11,366.00	24,364.00
Non Taxable	-	-	-
Tax Deferred	0.00	-	-
<b>Total Income</b>	<b>\$12,397.00</b>	<b>\$11,366.00</b>	<b>\$24,364.00</b>

Income Summary does not include income from external assets.

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

## INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

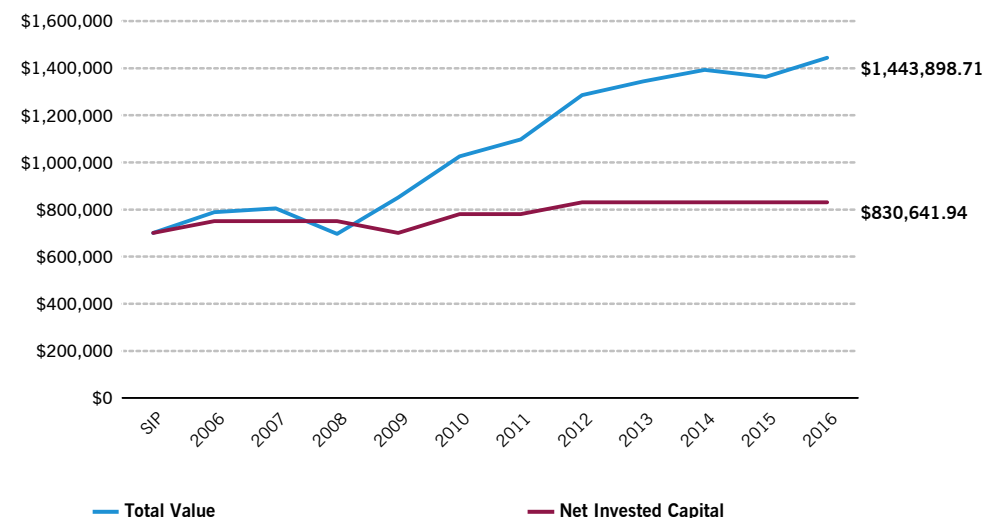
VSC All Accounts-VERMONT STATE COLLEGES 383-110534

As of June 30, 2016 | Reporting Currency: USD

## CHANGE IN VALUE AND RETURN % (NET OF FEES)

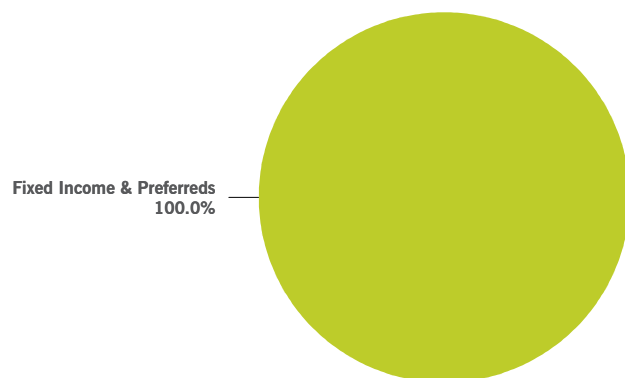
	Year to Date 12/31/15-06/30/16	Last 5 Years 06/30/11-06/30/16	Performance Inception 04/21/06-06/30/16
<b>Beginning Total Value</b>	<b>\$1,363,102.03</b>	<b>\$1,075,732.83</b>	<b>\$700,952.00</b>
Net Contributions/Withdrawals	0.00	50,000.00	129,689.94
Investment Earnings	80,796.68	318,165.88	613,256.77
<b>Ending Total Value</b>	<b>\$1,443,898.71</b>	<b>\$1,443,898.71</b>	<b>\$1,443,898.71</b>
<b>DOLLAR WEIGHTED RATE OF RETURN</b>			
Return % (Net of Fees)	5.93%	5.13%	5.88%

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## ASSET ALLOCATION



Does not include Performance Ineligible Assets.

## INCOME SUMMARY

	Year To Date 01/01/16-07/26/16	Projected Remaining Year (Until 12/31) 07/27/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
<b>INCOME BY ASSET CLASS</b>			
Cash	\$4.20	\$0.00	-
Fixed Income & Preferreds	44,653.53	32,678.00	80,170.00
<b>Total Income</b>	<b>\$44,657.73</b>	<b>\$32,678.00</b>	<b>\$80,170.00</b>
<b>INCOME BY TAX CATEGORY</b>			
Taxable	44,657.73	32,678.00	80,170.00
Non Taxable	-	-	-
Tax Deferred	0.00	-	-
<b>Total Income</b>	<b>\$44,657.73</b>	<b>\$32,678.00</b>	<b>\$80,170.00</b>

Income Summary does not include income from external assets.

## INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

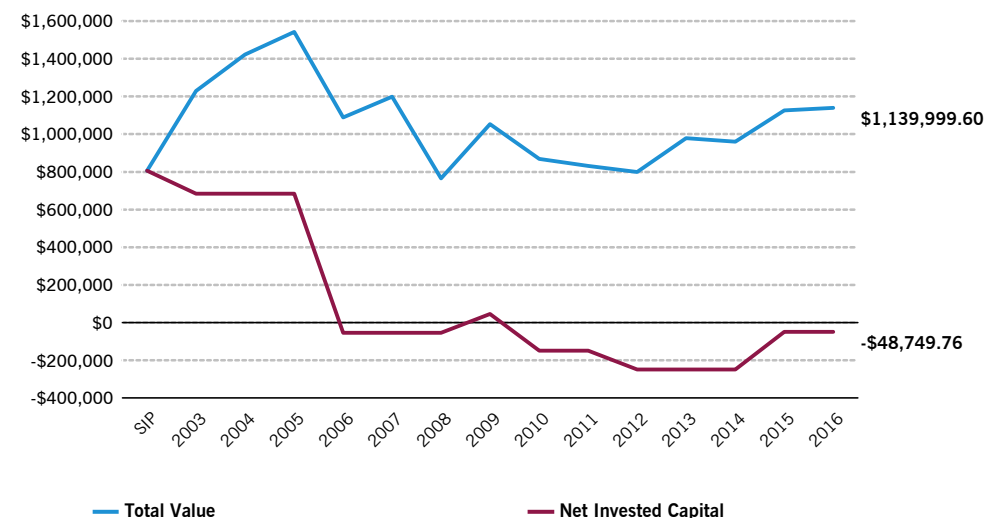
VSC All Accounts-VERMONT STATE COLLEGES 383-108874

As of June 30, 2016 | Reporting Currency: USD

## CHANGE IN VALUE AND RETURN % (NET OF FEES)

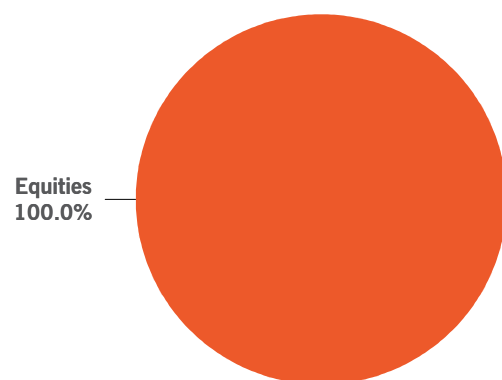
	Year to Date 12/31/15-06/30/16	Last 5 Years 06/30/11-06/30/16	Performance Inception 02/27/03-06/30/16
<b>Beginning Total Value</b>	<b>\$1,126,018.49</b>	<b>\$926,056.50</b>	<b>\$806,021.00</b>
Net Contributions/Withdrawals	0.00	99,990.34	-854,770.76
Investment Earnings	13,981.11	113,952.76	1,188,749.36
<b>Ending Total Value</b>	<b>\$1,139,999.60</b>	<b>\$1,139,999.60</b>	<b>\$1,139,999.60</b>
<b>DOLLAR WEIGHTED RATE OF RETURN</b>			
Return % (Net of Fees)	1.24%	2.41%	14.51%

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## ASSET ALLOCATION



Does not include Performance Ineligible Assets.

## INCOME SUMMARY

	Year To Date 01/01/16-07/26/16	Projected Remaining Year (Until 12/31) 07/27/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
<b>INCOME BY ASSET CLASS</b>			
Cash	\$2.95	\$0.00	-
Equities	27,541.18	5,119.00	38,721.00
<b>Total Income</b>	<b>\$27,544.13</b>	<b>\$5,119.00</b>	<b>\$38,721.00</b>
<b>INCOME BY TAX CATEGORY</b>			
Taxable	27,544.13	5,119.00	38,721.00
Non Taxable	-	-	-
Tax Deferred	0.00	-	-
<b>Total Income</b>	<b>\$27,544.13</b>	<b>\$5,119.00</b>	<b>\$38,721.00</b>

Income Summary does not include income from external assets.

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

## INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

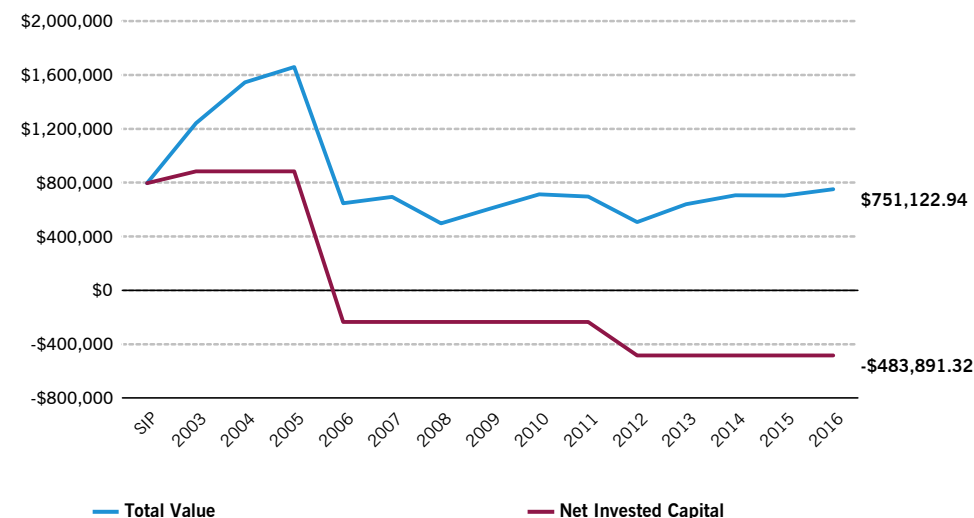
VSC All Accounts-VERMONT STATE COLLEGES 383-108918

As of June 30, 2016 | Reporting Currency: USD

## CHANGE IN VALUE AND RETURN % (NET OF FEES)

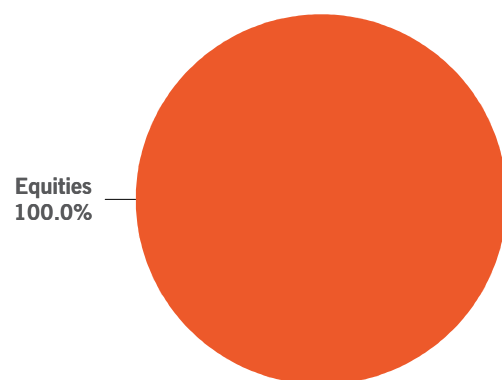
	Year to Date 12/31/15-06/30/16	Last 5 Years 06/30/11-06/30/16	Performance Inception 02/27/03-06/30/16
<b>Beginning Total Value</b>	<b>\$704,073.24</b>	<b>\$729,922.66</b>	<b>\$795,409.00</b>
Net Contributions/Withdrawals	0.00	-250,000.00	-1,279,300.32
Investment Earnings	47,049.70	271,200.28	1,235,014.26
<b>Ending Total Value</b>	<b>\$751,122.94</b>	<b>\$751,122.94</b>	<b>\$751,122.94</b>
<b>DOLLAR WEIGHTED RATE OF RETURN</b>			
Return % (Net of Fees)	6.68%	8.72%	15.56%

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## ASSET ALLOCATION



Does not include Performance Ineligible Assets.

## INCOME SUMMARY

	Year To Date 01/01/16-07/26/16	Projected Remaining Year (Until 12/31) 07/27/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
<b>INCOME BY ASSET CLASS</b>			
Cash	\$8.52	\$0.00	-
Equities	6,828.71	5,445.00	12,924.00
Alternatives	1,529.07	622.00	2,052.00
<b>Total Income</b>	<b>\$8,366.30</b>	<b>\$6,067.00</b>	<b>\$14,976.00</b>
<b>INCOME BY TAX CATEGORY</b>			
Taxable	8,366.30	6,067.00	14,976.00
Non Taxable	-	-	-
Tax Deferred	0.00	-	-
<b>Total Income</b>	<b>\$8,366.30</b>	<b>\$6,067.00</b>	<b>\$14,976.00</b>

Income Summary does not include income from external assets.

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

## INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

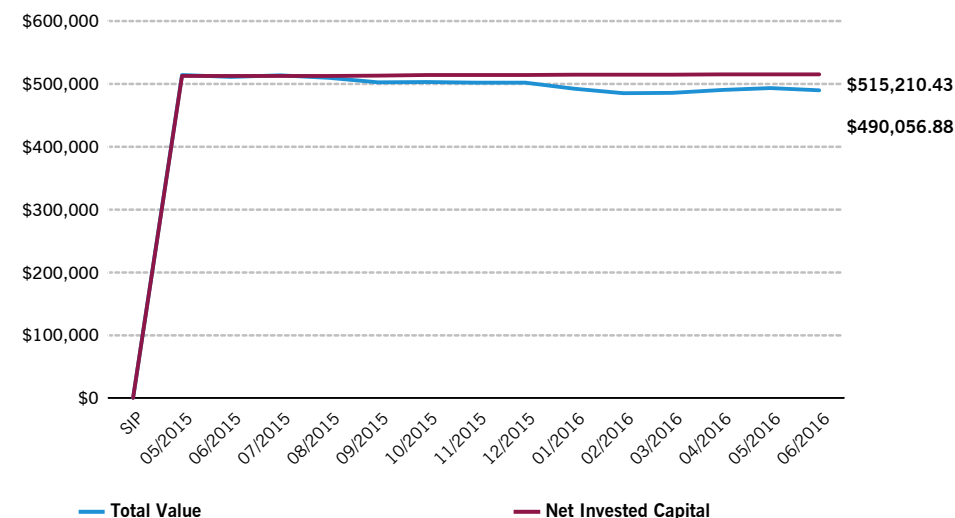
VSC All Accounts-IRONWOOD 383-020918

As of June 30, 2016 | Reporting Currency: USD

## CHANGE IN VALUE AND RETURN % (NET OF FEES)

	Year to Date 12/31/15-06/30/16	Last 5 Years 06/30/11-06/30/16	Performance Inception 05/21/15-06/30/16
<b>Beginning Total Value</b>	<b>\$501,853.14</b>	-	<b>\$0.00</b>
Net Contributions/Withdrawals	1,178.13	-	515,210.43
Investment Earnings	-12,974.40	-	-25,153.55
<b>Ending Total Value</b>	<b>\$490,056.88</b>	-	<b>\$490,056.88</b>
<b>DOLLAR WEIGHTED RATE OF RETURN</b>			
Return % (Net of Fees)	-2.58%	-	-4.40%

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## ASSET ALLOCATION



Does not include Performance Ineligible Assets.

## INCOME SUMMARY

	Year To Date 01/01/16-07/26/16	Projected Remaining Year (Until 12/31) 07/27/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
<b>INCOME BY ASSET CLASS</b>			
Cash	\$0.00	\$0.00	-
Alternatives	0.00	0.00	-
<b>Total Income</b>	<b>\$0.00</b>	-	-
<b>INCOME BY TAX CATEGORY</b>			
Taxable	0.00	-	-
Non Taxable	0.00	-	-
Tax Deferred	0.00	-	-
<b>Total Income</b>	<b>\$0.00</b>	-	-

Income Summary does not include income from external assets.

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

## INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

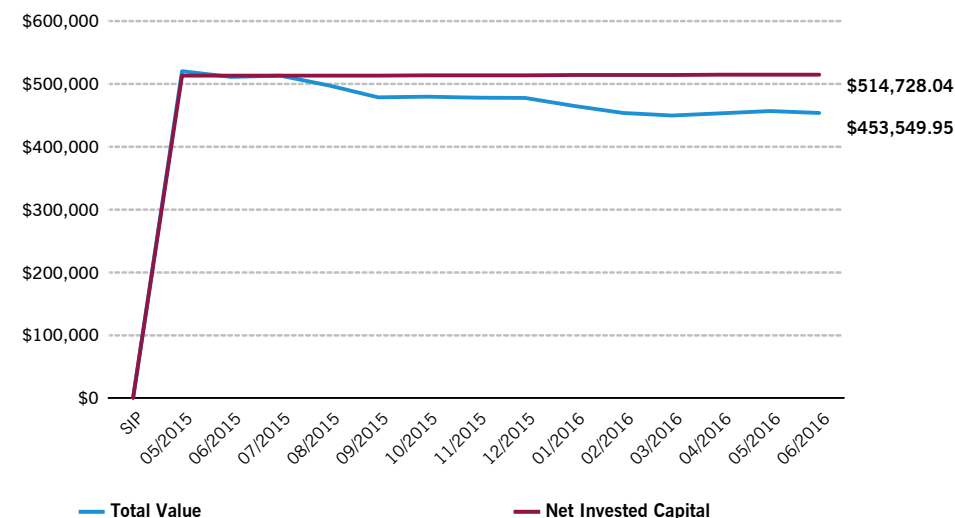
VSC All Accounts-SKYBRIDGE 383-020919

As of June 30, 2016 | Reporting Currency: USD

## CHANGE IN VALUE AND RETURN % (NET OF FEES)

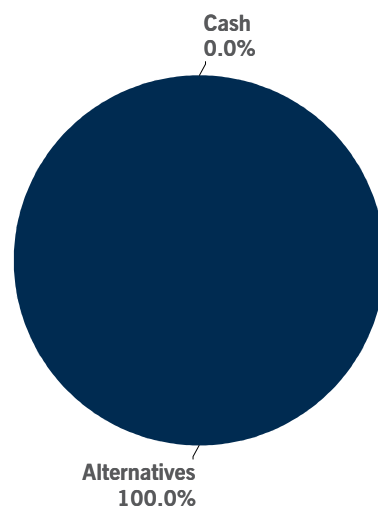
	Year to Date 12/31/15-06/30/16	Last 5 Years 06/30/11-06/30/16	Performance Inception 05/21/15-06/30/16
<b>Beginning Total Value</b>	<b>\$477,753.67</b>	-	<b>\$0.00</b>
Net Contributions/Withdrawals	1,111.83	-	514,728.04
Investment Earnings	-25,315.55	-	-61,178.09
<b>Ending Total Value</b>	<b>\$453,549.95</b>	-	<b>\$453,549.95</b>
<b>DOLLAR WEIGHTED RATE OF RETURN</b>			
Return % (Net of Fees)	-5.29%	-	-10.83%

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## ASSET ALLOCATION



Does not include Performance Ineligible Assets.

## INCOME SUMMARY

	Year To Date 01/01/16-07/26/16	Projected Remaining Year (Until 12/31) 07/27/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
<b>INCOME BY ASSET CLASS</b>			
Cash	\$0.00	\$0.00	-
Alternatives	0.00	0.00	-
<b>Total Income</b>	<b>\$0.00</b>	-	-
<b>INCOME BY TAX CATEGORY</b>			
Taxable	0.00	-	-
Non Taxable	0.00	-	-
Tax Deferred	0.00	-	-
<b>Total Income</b>	<b>\$0.00</b>	-	-

Income Summary does not include income from external assets.

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change.

This exhibit is not applicable for this portfolio

## INVESTMENT SUMMARY DOLLAR WEIGHTED RETURNS - ADVISORY ASSETS ONLY

VSC All Accounts-VERMONT STATE COLLEGES 383-108920

As of June 30, 2016 | Reporting Currency: USD

## CHANGE IN VALUE AND RETURN % (NET OF FEES)

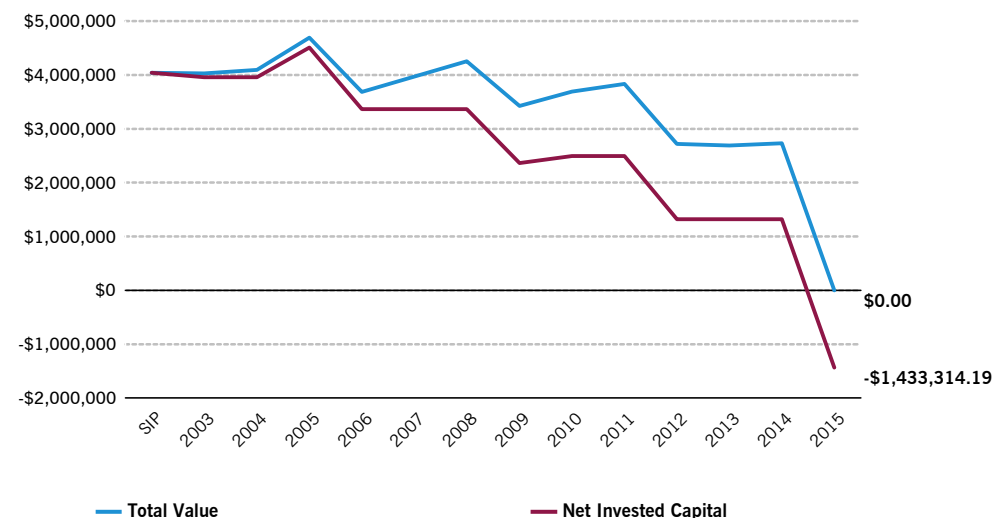
	Year to Date 12/31/15-06/30/16	Last 5 Years 06/30/11-06/30/16	Performance Inception 02/28/03-06/30/16
<b>Beginning Total Value</b>	-	-	-
Net Contributions/Withdrawals	-	-	-
Investment Earnings	-	-	-
<b>Ending Total Value</b>	-	-	-
<b>DOLLAR WEIGHTED RATE OF RETURN</b>			
Return % (Net of Fees)	-	-	-

Does not include Performance Ineligible Assets.

## ASSET ALLOCATION

This exhibit is not applicable for this portfolio

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## INCOME SUMMARY

	Year To Date 01/01/16-07/26/16	Projected Remaining Year (Until 12/31) 07/27/16-12/31/16	Projected Next 12 Months 08/01/16-07/31/17
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## INCOME BY ASSET CLASS

<b>Total Income</b>	-	-	-
---------------------	---	---	---

## INCOME BY TAX CATEGORY

<b>Total Income</b>	-	-	-
---------------------	---	---	---

Income Summary does not include income from external assets.

## DISCLOSURES

**Explanatory Notes and Disclosures:** This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us. Furthermore, the information included in this document may not include all asset classes/securities held by you at the firm. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor.

This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

The information in this document is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. Although the statements of fact and data in this document have been obtained from, and are based upon sources that we believe to be reliable, we do not guarantee their accuracy, or timeliness, and any such information may be incomplete or condensed. Percentage values shown in this document are subject to rounding, which may impact total values. The values of securities and other investments not actively traded may be estimated or may not be available.

This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

**Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY.**

**Additional information about your Floating Rate Notes:** 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.

**Important Information About Auction Rate Securities:** For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

**Important Pricing Information:** Prices of securities not actively traded may not be available, and are indicated by a dash "-".

**Asset Classification:** We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. Asset allocations may differ from product allocations.

The Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

**Performance:** Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, and dividends, interest and income. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up to date performance information. Past performance is not a guarantee of future results.

Market values used for performance calculation do not include performance ineligible assets and thus may differ from asset allocation market values. Common examples of performance ineligible assets include life insurance, some annuities and assets held externally. Unless otherwise indicated, performance is a composite calculation on the entire portfolio and may include brokerage and investment advisory accounts, as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and

## VSC All Accounts

Prepared on July 27, 2016 | Reporting Currency: USD

strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

Performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney Form ADV Part 2 or applicable disclosure brochure and any applicable account statement for more information on transaction costs, fees and expenses. Your Financial Advisor will provide those documents to you upon request. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

**Indices:** Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

**Projected 12 Month Income:** Projected 12 Month Income includes cash income such as interest, cash dividends and partnership distributions. It is based on current yields and does not include income from external accounts. These are projections and the actual income may be lower or higher than the projections.

**Additional information about your Alternative Investments:** An alternative investment is any non-traditional asset beyond stocks, bonds, and cash, and may include derivatives such as options and futures, leveraged equity or bonds, private equity, currencies, commodities, less common types of stocks such as natural resources stocks, master limited partnerships (MLPs), and real estate investment trusts (REITs), or even collectibles such as paintings or other works of art, or luxury items such as wine and spirits. Many of these alternative investments typically have eligibility requirements that cannot be met by the average investor and are therefore not appropriate for all investors. Typical alternative investment vehicles are generally private offerings and can include hedge funds and funds of hedge funds, managed futures funds, and other vehicles. They utilize alternative strategies and investing techniques such as long/short, hedged equity and event driven, to name just a few. Often, alternative strategies seek to provide competitive returns relative to a given benchmark, while at the same time limiting downside risk in the event of a market downturn, although objectives vary widely depending on the type of strategy. In recent years, certain open-end mutual funds can now be classified as another type of alternative investment vehicle as they seek alternative-like exposure and these may be included in the Alternative Investments category. They are publicly offered and more accessible by a larger number of investors. Both types of alternative investment vehicles often seek investment returns that have lower correlation to traditional markets and increased diversification in an overall portfolio. However, unlike hedge funds, open-end mutual funds that seek alternative-like exposure do not require investor pre-qualifications, enable efficient tax reporting, are subject to lower investment minimums and lower fees, provide greater portfolio transparency, daily liquidity, and are required to provide daily NAV pricing. While alternative mutual funds offer some advantages, generally they must utilize a more limited investment universe and, therefore, will have relatively higher correlation with traditional market returns. Additionally, open-end mutual funds are statutorily limited in their use of leverage, short sales, and the use of derivative instruments as compared to hedge funds.

Potential benefits to hedge funds include greater flexibility in terms of seeking enhanced returns through the use of leverage, exposure to less liquid investments, and the more flexible use of complex instruments such as derivatives. Because of the differences noted above, performance for a mutual fund that seeks alternative-like exposure and its portfolio characteristics may vary from a hedge fund that is seeking a similar investment objective. Historically, hedge funds in certain categories have enjoyed a performance advantage relative to their mutual fund counterparts.

It is important to note in this report that Morgan Stanley categorizes both types of alternative investment vehicles under the category "Alternatives" in the asset classification based view and under the category "Other" in a Product based view. This differs from your official Morgan Stanley account statement, which assigns alternative mutual funds under the category of "Mutual Funds" and typical alternative investment vehicles such as hedge funds, under the category "Alternatives".

Please note that no formal trading markets exist for private alternative investments. They are generally illiquid and may not be currently priced and values may not necessarily have been reduced to reflect prior distributions. If values and prices are assigned to the investments, they are estimates, based on information typically received from the funds' general partners, managing members, sponsors, administrators, or advisors of the funds and/or underlying funds, are typically subject to change and are as-of a date prior to the date of this report. Where applicable, see the particular fund statement for the final prices. Values and prices may not be realized upon the sale or ultimate disposition of the securities. For investment in funds valued in non-US Dollar currencies, the valuations

## VSC All Accounts

Prepared on July 27, 2016 | Reporting Currency: USD

received have been converted to US Dollars using then prevailing foreign exchange rates. If index values are illustrated in the report, they may be more up to date than the data for the alternative investments illustrated. Private Alternative Investments listed in this report may not be in our possession, and are included solely as a service to the client, are not covered by the Securities Investor Protection Corporation (SIPC), and information contained herein is derived from an external service for which we are not responsible. If you have any questions regarding these investments, please contact your Financial Advisor.

## GENERAL DEFINITIONS

**Total Value:** Total Value represents the Market Value of the portfolio or of a given Asset Class inclusive of interest and dividend accruals. Total Value for Asset Allocation before January 2014 does not include accruals.

**Dollar-Weighted Return (Internal Rate of Return):** A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

**Time-Weighted Return:** A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

**Net of Fees:** Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

**Net Contributions/Withdrawals:** The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

**Performance ineligible assets:** Performance returns are not calculated for certain assets because accurate valuations and transaction data for these assets are not processed or maintained by us. Common examples of these include life insurance, some annuities and some assets held externally.

**Investment Earnings:** A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

## BENCHMARK DEFINITIONS

**65% MSCI AC World/35% Barclays Agg:** The current allocation is comprised of 65.00% MSCI AC World Net, 35.00% Barclays Aggregate.

**Barclays Aggregate:** The Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

**MSCI AC World Net:** The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, 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 indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and United Arab Emirates (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. For historical return purposes the AC World gross returns are being used from 1/31/1988 to 12/31/1998 and the net returns begin as of 1/31/1999.

Item 6:  
Debt Management Summary



# **Vermont State Colleges** **Summary of Debt Outstanding as of June 30, 2016**

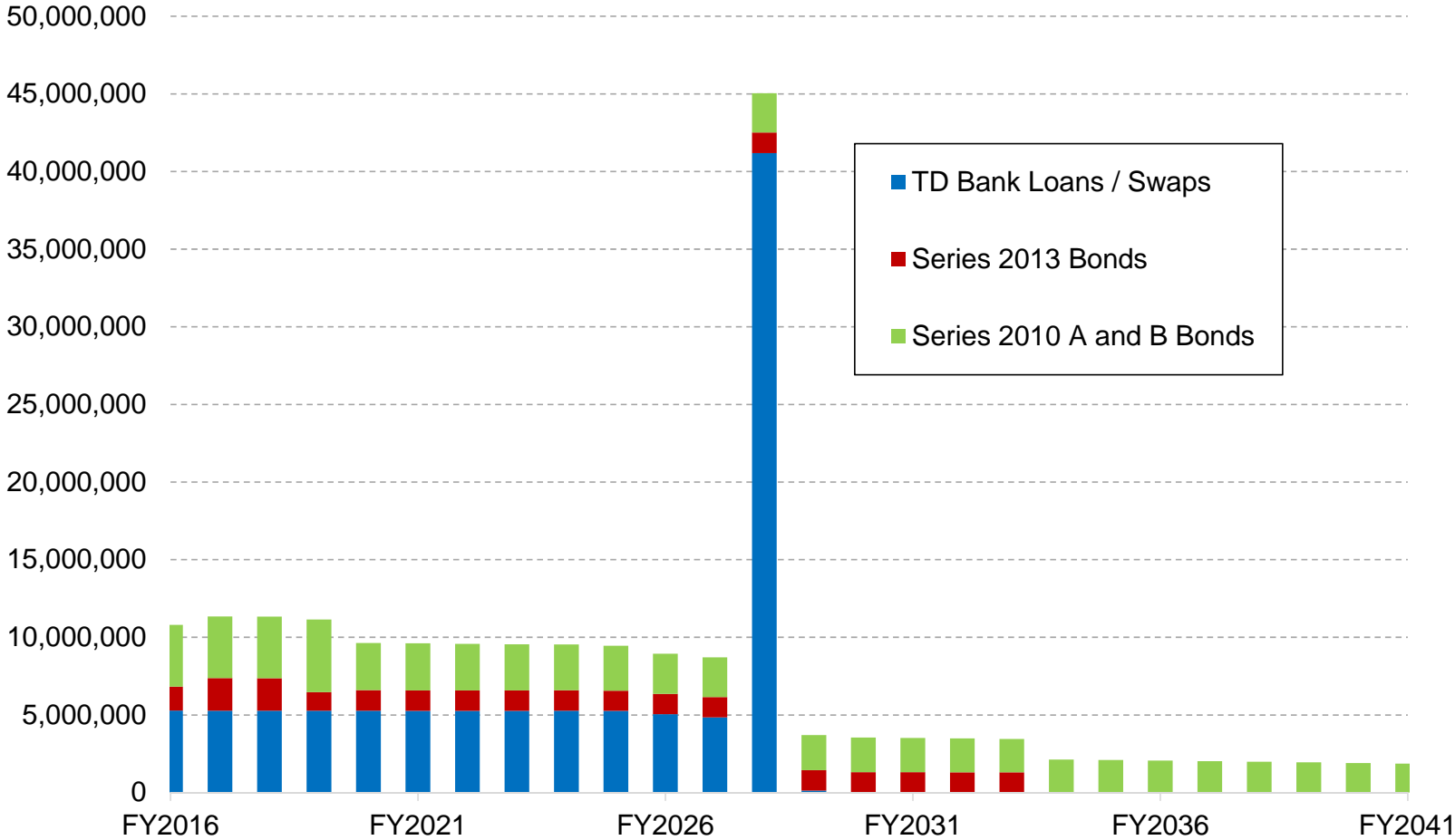
<b>Date Issued</b>	<b>Final Maturity</b>	<b>Name</b>	<b>Description</b>	<b>Amount Issued</b>	<b>Amount Outstanding*</b>	<b>Swap Termination Cost</b>	<b>Rate or Coupon</b>
12/16/2005	12/16/2025	TD Bank Loan	Privately-Placed Note with Fixed Rate Swap	5,200,000	3,113,764	459,283	4.97%
5/15/2008	5/15/2028	TD Bank Loan	Privately-Placed Note with Fixed Rate Swap	72,000,000	63,179,580	14,328,670	4.63%
1/9/2009	1/15/2029	TD Bank Loan	Privately-Placed Note with Fixed Rate Swap	2,750,000	2,038,984	175,310	5.25%
12/8/2010	7/1/2018	Revenue Bonds, Series 2010A	Tax-Exempt Fixed Rate Bonds	11,085,000	4,840,000	N/A	5.91%
12/8/2010	7/1/2040	Revenue Bonds, Series 2010B	Taxable Fixed Rate "Build America Bonds"	30,265,000	30,265,000	N/A	5.91%
4/2/2013	7/1/2032	Revenue Refunding Bonds, Series 2013	Tax-Exempt Fixed Rate Bonds	18,165,000	17,355,000	N/A	4.13%
				<b>139,465,000</b>	<b>120,792,328</b>	<b>14,963,264</b>	

\* Unaudited financial statements report \$122,514,996, which includes \$1,722,668 of unamortized bond original issue premium.

Vermont State Colleges  
Debt by College at June 30, 2016

Years ending June 30,	VSC Principal	VSC Interest	CCV Principal	CCV Interest	CU Principal	CU Interest	JSC Principal	JSC Interest	LSC Principal	LSC Interest	VTC Principal	VTC Interest
2017	\$5,422,083	\$5,325,744	\$888,813	\$1,096,161	\$2,080,864	\$2,052,427	\$759,843	\$594,536	\$880,893	\$874,742	\$811,670	\$707,878
2018	\$5,647,584	\$5,078,704	\$929,215	\$1,047,819	\$2,166,669	\$1,955,575	\$790,822	\$569,656	\$916,759	\$830,576	\$844,119	\$675,078
2019	\$5,707,937	\$4,854,637	\$1,028,013	\$1,003,559	\$2,235,777	\$1,868,967	\$671,522	\$543,745	\$964,154	\$796,304	\$808,471	\$642,062
2020	\$4,384,276	\$4,678,926	\$687,207	\$970,834	\$2,002,502	\$1,787,723	\$479,292	\$547,571	\$506,652	\$762,958	\$708,623	\$609,840
2021-2025	\$24,874,187	\$20,254,413	\$5,147,666	\$4,218,645	\$10,013,813	\$7,664,975	\$2,584,927	\$2,280,489	\$4,154,253	\$3,391,150	\$2,973,528	\$2,699,154
2026-2030	\$56,827,823	\$10,937,003	\$13,340,485	\$2,069,245	\$20,541,298	\$4,180,189	\$6,603,021	\$1,241,312	\$10,493,202	\$1,746,798	\$5,849,817	\$1,699,459
2031-2035	\$10,051,106	\$3,147,112	\$1,513,481	\$322,199	\$4,068,092	\$1,305,280	\$803,756	\$375,015	\$2,042,030	\$291,527	\$1,623,747	\$853,091
2036-2040	\$7,805,000	\$1,250,264	\$2,682,931	\$86,223	\$2,468,136	\$574,160	\$662,375	\$144,280	\$267,848	\$49,146	\$1,723,710	\$396,455
2041	\$1,795,000	\$0	\$39,153	\$0	\$991,800	\$0	\$152,502	\$0	\$133,764	\$0	\$477,781	\$0
	\$122,514,996	\$55,526,803	\$26,256,964	\$10,814,685	\$46,568,951	\$21,389,296	\$13,508,060	\$6,296,604	\$20,359,555	\$8,743,201	\$15,821,466	\$8,283,017
	100%	100%	21%	19%	38%	39%	11%	11%	17%	16%	13%	15%

Vermont State Colleges Debt Service by Fiscal Year



VERMONT STATE COLLEGES

BOARD OF TRUSTEES

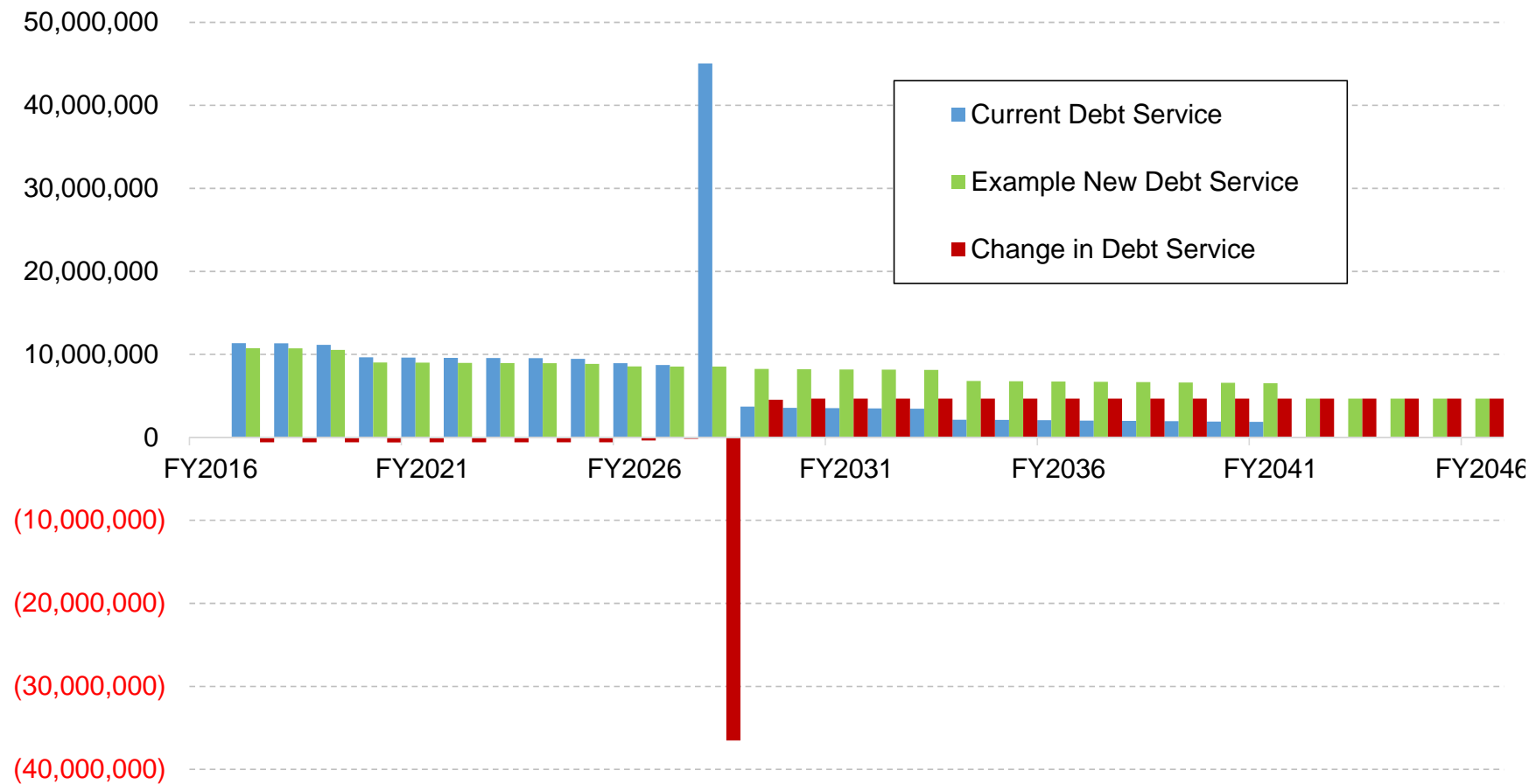
RESOLUTION

VSC Authorization to Refinance the \$72,000,026 TD SWAP Loan

- WHEREAS, During FY2008 the VSC entered into a 20 year SWAP loan agreement with a 30 year amortization with TD Bank for \$72,026,000; and
- WHEREAS, During that time period the longest financing term available to the VSC was a 20 year term loan with a balloon payment due in the 20<sup>th</sup> year (2028); and
- WHEREAS, The credit markets are beginning to open up enough where 30 year financing is becoming an option; and
- WHEREAS, By refinancing the current loan to a 30 year loan the VSC can do away with the balloon payment in the 20<sup>th</sup> year, while keeping the payments generally the same amount; and
- WHEREAS, The VSC would like to authorization to seek and secure the refinance of the TD Bank loan at the time when it is most financially advantageous to do so; therefore be it
- RESOLVED, That the Vermont State Colleges Board of Trustees hereby authorizes the Chancellor to seek an secure the refinance of the \$72,026,000 TD Bank SWAP loan agreement when it is most advantageous for the VSC.

June 3, 2010

**Example Restructuring of TD Loans / Swaps Assuming  
30-Year Level Tax-Exempt Debt Service with a 3.50% Interest Rate**



Item 7:  
Deferred Maintenance

8/17/2016

## VSC Campus Fact Sheet

Campus	Founded	Acres	Buildings	Square Footage	Academic/ Administrative	Student Life	* Facilities Staff	* Deferred Maintenance	Bond Debt
<b>Castleton University</b>	1787	165	31	676,904	36%	64%	43	\$8,824,950	\$46,568,951
Sparten Arena		1	1	42,256	0%	100%	0		
<b>Vermont Tech</b>								\$9,594,350	\$15,821,466
Randolph Center	1866	75	30	439,256	53%	47%	18		
VTC Farmstead		525	6	30,403	100%	0%	0		
Williston		12	7	66,000	74%	26%	0		
Norwich Farm		350	9	31,000	92%	8%	0		
<b>Lyndon</b>	1866	200	27	496,010	66%	34%	25.5	\$15,726,030	\$20,359,555
<b>Johnson</b>	1866	380	39	440,079	59%	41%	27.5	\$23,717,700	\$13,508,060
<b>CCV</b>	1970							\$600,000	\$26,256,964
St Albans		2.5	1	9,900	100%	0%	0		
Upper Valley		2	1	15,000	100%	0%	0		
Montpelier		8.3	1	34,000	100%	0%	1		
Winooski		1.5	1	65,000	100%	0%	0		
<b>Totals</b>		<b>1,722.3</b>	<b>154</b>	<b>2,345,808</b>			<b>115</b>	<b>\$58,463,030</b>	<b>\$122,514,996</b>

\* Deferred Maintenance lists from campus 2/16/2016

\* Includes Facilities Administrative Staff

## **August 2016 VSC Finance & Facilities Meeting**

### **CCV St Albans HVAC Equipment Replacement:**

The CCV site located in St Albans has been struggling with HVAC issues throughout the past year. The existing HVAC system is original equipment, installed in 1992 and has outlived its design life. This project was bid and has been awarded to Alliance Mechanical for \$95,000. The equipment has been ordered and installation will begin upon its arrival. The completion date for this project is mid-September.

### **Castleton University Projects:**

- a) In mid-March the Haskell heating and sprinkler projects were bid. Alliance Mechanical was awarded a contract for \$193,300 and Quick Response Sprinkler Company's was contracted for \$64,860. Upon the end of the spring semester construction began and both projects were completed by August 1<sup>st</sup>.
- b) Coolidge Library Window replacement, this project was bid in early spring and was awarded to Portland Glass for \$78,610. All the exterior frames and windows were replaced with energy efficient low E glass. Construction started in early May and was completed in mid-June.
- c) The Leavenworth Elevator was upgraded this past summer. Baystate Elevator Services completed this project for \$106,300 and this elevator is now equipped with new controls, hydraulic pump and cylinder.

### **Lyndon Projects:**

- a) Work on the Science Lab Renovation Project began in early June and completed in early August. The lab was rearranged to accommodate student research projects, received new HVAC for improved ventilation, new utility services and finishes were installed. The final cost for this project will be approximately \$125,000.
- b) The Stevens Roof Replacement project was bid in February and was awarded to Clemons Construction for \$114,850. Construction began in mid-May and was completed in early July.
- c) ADA restroom upgrades were completed in Stevens Dining Hall and Vail Academic Center. The Restrooms were rearranged to provide proper ADA clearances and they also received new finishes and fixtures. This project was managed by LSC and was completed for \$123,500.

d) Improvements to the Library Pond were completed this past summer. A new fountain was installed, a decorative concrete retaining wall was installed adjacent to the Library and the walkway bridge was upgraded. The final cost for this project was \$52,850.

### **Johnson Projects:**

a) Governors Electrical Upgrade Project was bid in late January and awarded to Omega Electric for \$122,350. This project upgraded the building main distribution and service electrical panels. Construction started in mid-May and was completed July 1<sup>st</sup>.

b) The Dibden Theater chiller replacement project is in its final stages of design and will be out bid in early fall. It is anticipated that this project will be completed by December and the estimated cost of the project is \$100,000.

c) The JSC tennis courts were resurfaced this past summer. The resurfacing was completed by July 1<sup>st</sup> for a cost of \$44,000.

d) JSC has completed the construction documents for the Dewey Window project. The estimated cost for the replacement windows, frames and entrance systems is approximately \$126,000. This project will move forward when funding becomes available.

e) JSC is also completing the construction documents for the Campus Walkway project. The scope of this project calls for the reconstruction of the core campus walkways. When funding becomes available the scope of the project will be adjusted to match the available funds.

### **Vermont Tech Projects:**

a) As part of a 2 year lab renovation project of the Mechanical Engineering labs in Morrill Hall a number of areas were renovated this summer. New equipment was purchased, existing equipment refurbished, lab space reconfigured and finishes were upgraded. This project was managed by VTC, for a construction cost of \$200,000 and will be completed before the start of the fall semester.

b) VTC also renovated the space vacated by VIT in Morrill Hall. The space was converted to additional lab space for the Veterinary Technology program. The renovated space received all new finishes, casework and included the construction of an area to house small animals. The cost of this project was \$90,000.

c) In late April the Morrill Hall roofing project was released for bidding and A.C. Hathorne was selected as our contractor. The cost to re-roof the entire Morrill Hall was \$168,116. Hathorne started work on the roof in May and was completed by the end of June.

d) VTC also upgraded one of the residences at the Norwich Farm to house student for the fall semester. A number of fire safety upgrades were completed as well as a new septic system, general building repairs and re-roofing. The project cost was approximately \$120,000.

e) Phase III of the campus site lighting replacement project was completed this summer. This project replaced all the underground conduit, wire, light poles and fixtures on approximately 30 site lights. At this time, 75 of the original site lights remain and will be replaced in future phases. The cost for this project was \$80,000.

## VSC Infrastructure Information

Each of the college campuses is made up of a number of systems that perform their functions very quietly and mostly without issues. These systems provide the electricity, water, heat, waste disposal for the buildings. Most of these systems are underground, unseen and unthought-of by most students, employees and visitors to the campuses but have a real impact on all these individuals when one of the systems fail. With the exception of infrastructure installed to support new construction a majority of the systems are 25 to 50 years old and have been operating with only minor issues. These systems do not operate forever and in the event of a major failure the campuses could possibly be faced with an extended interruption of services that would affect the daily operations. We are fortunate that most system failures can be repaired without extend interruptions but this is not always the case. For example, if we experience a failure of the underground high voltage electrical system in the vicinity of the interconnection point of the local utility there would not be any feasible work around to the failure short of repairing the failure. Equipment and contractor availability will determine the length of the outage.

1) Campus **Underground electrical systems**: (2,400 to 12,500 volts depending upon the campus) many sections of underground and equipment are 25 to as much as 40 years old. A campus electrical system is made up of underground conduit and cables, high voltage switches and transformers. The cables and cable connections are most prone to failure. Cables degrade over time and eventually short to ground causing damage to conduits and equipment in the vicinity of the failure. These electrical systems should be evaluated, sections of underground critical to the campus operations should be scheduled for replacement as needed.

2) The **steam distribution systems** found on our campuses are constructed of insulated steel piping and valves, all installed in concrete vaults and tunnels. A majority of these systems were installed during the early to mid-80's because of premature failures of the original systems. These networks of piping move steam from the heating plants to the building where in most cases it is used to make hot water that is circulated around the building for heat purposes. The environmental conditions in which these streamlines exist is less than ideal for promoting longevity. A portion of the year the tunnels are excessively hot and possibly moist and during the times when the system has been shut down they subject to the moist air from ground water infiltration into the tunnels, thus causing corrosion both in and outside of the piping. The planned replacement of these systems should be part of the VSC long range plans.

3) The Campus **water and sewer mains** were installed during the late 60's and 70's and 45-50 years old. With the exception of new lines installed as part of new construction the majority of the water mains were installed using ductile iron pipe and transite piping. Much of the older

drainage lines are transite piping. A typical waterline system consists of piping and underground shutoff valves and a sewer system consist of piping and manholes. The interior of ductile piping in both systems, will over time either corrode or wear through from the movement of liquids and solids moving along the bottom of the pipe. The underground shutoff valves and the exterior of the piping will also corrode from being in contact with the corrosive elements found in ground water. The transite piping will typically fail due to ground movement which causes the pipe to break or collapse. Both systems should be evaluated, a replacement scheduled developed with priority given to the sections critical to the operation of the campuses.

4) Our college campuses have a number of **other systems** such as communications, site lighting, stormwater, all very important but not as critical to the operations as the ones listed above. We all understand that funds are limited and investments in updating buildings is very important to attract students but planned replacement of our campus infrastructure needs to be part of the VSC long range planning.