

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
Michael Pieciak

FROM: Steve Wisloski



DATE: May 25, 2017

SUBJ: Finance & Facilities Committee Meeting on May 31, 2017

The Finance and Facilities Committee of the Board of Trustees will meet from 1:00 p.m. to 4:00 p.m. in Room 101 of the Chancellor's Office.

The agenda and materials for this meeting are attached. The meeting's central purpose will be to review and approve the final System and Institution-level budgets for FY2018, the third step of the Committee's three-step budget development process. The budgets will then be referred to the full Board of Trustees for approval at its meeting on June 21.

The final budgets are updated to incorporate: projected year-end results as of the 3rd quarter of FY2017; the House and Senate approved State appropriation increase of \$3 million; enrollments as of May 15; and a number of items provided by the Chancellor's Office such as health insurance reimbursements, other insurance coverages, interest earnings, costs related to collective bargaining, and allocations of other System-level expenses.

The meeting will also include review and approval of Vermont Tech's proposed sale of its residential property at 44 Water Street, reports on the recently completed debt restructuring and the Investment Subcommittee's March 31 meeting with endowment manager Morgan Stanley, and a review of the proposed Committee meeting calendar for FY2018.

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 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
May 31, 2017**

AGENDA

1. Call to order
2. Approve minutes of May 9, 2017 meeting
3. Review of 3rd quarter FY2017 financial reports
4. Review and approve final FY2018 budgets
5. Review and discuss preliminary FY2019 tuition, fees, room and board table
6. Approve Vermont Tech sale of 44 Water Street
7. Report on debt restructuring results
8. Report on March 31 Morgan Stanley visit
9. Review of FY2018 Committee meeting schedule
10. Other business
11. Public comment
12. Adjourn

MEETING MATERIALS

- | | |
|---|---------------------------------|
| 1. Minutes of the May 9, 2017 meeting | <u>Page 4</u> |
| 2. 3 rd quarter FY2017 financial reports | <u>Page 8</u> |
| 3. Admissions summary as of May 15, 2017 | <u>Page 33</u> |
| 4. Final FY2018 budgets | <u>Page 35</u> |
| 5. Preliminary FY2019 tuition table | <u>Page 45</u> |
| 6. Vermont Tech 44 Water Street information | <u>Page 49</u> |
| 7. Debt restructuring summary | <u>Page 57</u> |
| 8. Morgan Stanley reports | <u>Page 59</u> |
| 9. Draft Committee FY2018 meetings schedule | <u>Page 123</u> |
| 10. Updated Committee FY2017 meetings schedule | <u>Page 125</u> |

Item 1:
Minutes of the May 9, 2017 Meeting

**UNAPPROVED Minutes of the VSC Board of Trustees Finance and Facilities Committee
held Tuesday, May 9, 2017 at the Office of the Chancellor, Montpelier, VT**

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 Tuesday, May 9, 2017 at the Office of the Chancellor, Montpelier, VT.

Committee members present: Jerry Diamond, Church Hinds (Chair), Tim Jerman, Chris Macfarlane (Vice Chair), Linda Milne, Martha O'Connor, Aly Richards

Absent: Bill Lippert

Presidents: Nolan Atkins, Elaine Collins, Joyce Judy, Pat Moulton, Dave Wolk

Chancellor's Office Staff: Tricia Coates, Director of External & Governmental Affairs
Todd Daloz, Associate General Counsel
Sheilah Evans, System Controller & Senior Director of Financial Operations
Jeb Spaulding, Chancellor
Steve Wisloski, Chief Financial Officer
Yasmine Ziesler, Chief Academic Officer

From the Colleges: Scott Dikeman, Dean of Administration, Castleton University
Arielle Ferrell, Student, Castleton University
Loren Loomis Hubbell, Dean of Administration, Lyndon State College
Laura Jakubowski, Director of Finance, Castleton University
Brendan Lalor, Professor of Philosophy, Castleton University
Marty McMahon, Veterans Advisor, Castleton University
Maurice Ouimet, Dean of Enrollment, Castleton University
Frances Ryan, Librarian, Castleton University
Sharron Scott, Dean of Administration, Johnson State College
Lit Tyler, Dean of Administration, Vermont Technical College
Beth Walsh, VSCUP President, Johnson State College

1. Chair Hinds called the meeting to order at 2:45 p.m.

2. Consent agenda

- a. Approve minutes of February 22, 2016 meeting
- b. Grants and Endowments
- c. Annual Banking and Investments Resolution

Chair Hindes reviewed the items on the consent agenda. Trustee Macfarlane moved and Trustee Milne seconded the consent agenda. Trustee Diamond requested that the Annual Banking and Investments Resolution be removed from the agenda for discussion.

Trustee Diamond moved that the resolved clause of the Annual Banking and Investments Resolution be amended to include Northern Vermont University.

The remaining consent agenda items were approved unanimously. The Committee agreed to this amendment. The amended resolution was approved unanimously.

3. Legislative Update

Tricia Coates, Director of External and Governmental Affairs, updated the Committee on legislative activity. The capital budget is set, our unification request is confirmed, and Early College caps will sunset.

4. Review of FY2018 budget format, key assumptions and factors that could change
5. Review of preliminary FY2018 budgets; admissions and enrollments discussion
6. Initial perspectives on FY2019 tuition

Items 4, 5, and 6 were discussed together at length, with each President providing key components driving revenue and expense related assumptions of their initial FY2018 budgets.

7. Presentation by Fossil Free VSC and discussion

Castleton University Professor Brendan Lalor, along with students and staff, presented short music video, and a petition for the VSC Board proposing:

- (1) publicly divesting the fossil fuel investments from the ~\$25M Endowment;
- (2) selecting and publicly moving to a green investment company to replace Morgan Stanley;
- (3) searching out and publicly moving to a bank that can both handle the VSC's size and has a green/justice-friendly commitment; and
- (4) assessing the institutions that hold our debt, and publicly initiating a transition plan

insofar as necessary.

The Committee discussed the presentation, and identified CFO Wisloski as the point of contact to receive further correspondence from Fossil Free VSC.

8. Other business

There was no other business.

9. Public comment

There was no public comment.

Chair Hinds adjourned the meeting at 4:45 p.m.

UNAPPROVED

Item 2: 3rd Quarter FY2017 Financial Reports

[Back to Agenda](#)

Vermont State Colleges

Consolidated Financial Reports

**Period ended
March 31, 2017**

Vermont State Colleges Executive Summary For the Period Ending March 31, 2017

Total Operating Revenues (Dollars in 1,000s):

Third quarter results and projections present enrollments slightly below budget overall; however, student fees are significantly over budget. Waivers are within budget targets, so the overall impact to Net Tuition and Fees revenue is a positive variance to budget of \$26k. Auxiliary revenues are less than budget by approximately \$167k, which equates to a negative student based revenue variance of \$141k. All other categories of operating revenues are expected to produce a positive variance to budget, resulting in a total operating revenue positive variance of \$406k.

Enrollment summary:

	<u>Budgeted</u> FPE	<u>Projected Actual</u> FPE	<u>Variance-Enrollment</u> FPE	<u>Variance Net</u> <u>Tuition</u>
CCV	3,979	4,008	29	\$ 126
CU	1,963	1,977	14	\$ (508)
JSC	1,376	1,312	-64	\$ (473)
LSC	1,179	1,143	-36	\$ (590)
VTC	1,413	1,464	51	\$ 690
TOTALS:	9,910	9,904	-6	\$ (755)
FEES:				\$ 725
WAIVERS:				\$ 56
AUXILIARY:				\$ (167)
STUDENT BASED REVENUE VARIANCE				\$ (141)
NON-STUDENT BASED REVENUE VARIANCE				\$ 547
TOTAL OPERATING REVENUE VARIANCE				\$ 406

Total Operating Expenses (Dollars in 1,000s):

Overall, operating expenses are projected to come in over budget; although the amounts vary considerably by institution. The majority of the colleges are within 1-2% of their expense budgets. The two outliers are attributable to carryforward spending for CCV and a formalized cost cutting measure for LSC. See college narratives for detail.

	<u>Budgeted</u>	<u>Projected Actual</u>	<u>Variance</u>
CCV	27,477	28,372	(\$895)
CU	49,578	50,360	(\$782)
JSC	29,699	29,501	\$198
LSC	30,603	29,377	\$1,226
VTC	35,103	35,404	(\$301)
WFD	1,337	1,337	\$0
OC	-	542	(\$542)
TOTAL EXPENSE VARIANCE			(\$1,096)

Projected Change to Net Assets (Dollars in 1,000s):

Projected financial results vary considerably across the system; however, all colleges/universities are within 2% of their total board approved budgets. The notable exceptions are a 3.2% positive variance for LSC and a 2.5% negative variance for CU.

	Projected Total Year	Total Board Approved Budget	Projection vs Budget Variance
CCV	(325)	243	(\$568)
CU	(1,620)	(400)	(\$1,220)
JSC	(1,160)	(1,180)	\$20
LSC	(947)	(1,913)	\$966
VTC	(130)	(784)	\$654
WFD	-	-	\$0
OC	(542)	-	(\$542)
TOTAL PROJECTED BOT VARIANCE			(\$690)

Statement of Net Assets (Dollars in 1,000s):

The Net Asset position of the system presents no unexpected fluctuations at March 31, 2017. The contribution of prior year operating deficits, depreciation expense, the OPEB accrual and the balance in the medical reserve liability account represent the largest changes year over year.

	FY17	FY16	Variance \$	Variance %
Current Assets	\$ 43,103	\$ 44,725	-1,622	-3.6%
Non-Current Assets	\$ 237,335	\$ 237,660	-325	-0.1%
Total Assets	\$ 280,438	\$ 282,385	-1,947	-0.7%
Current Liabilities	\$ 18,724	\$ 17,011	\$ 1,713	10.1%
Non-Current Liabilities	\$ 194,584	\$ 195,935	\$ (1,351)	-0.7%
Total Liabilities	\$ 213,308	\$ 212,946	\$ 362	0.2%
Net Assets	\$ 67,130	\$ 69,439	\$ (2,309)	-3.3%
Total Liab. & Net Assets	\$ 280,438	\$ 282,385	\$ (1,947)	0.7%

Vermont State Colleges
VSC CONSOLIDATED
For the Quarter Ending March 31, 2017
Budget vs Actual Report
(Amounts rounded to 1,000's)

	Actual thru Mar 2017	Projected Balance of 2017	Projected Total Year 2017	Total Board Approved Budget 2017	Projection vs Budget Variance Fav/(Unfav)	Var > 3%	Total Year 2016 Actual	Variance FY16 Actual to Projected FY17 Fav/(Unfav)
REVENUES								
Tuition and Fees	108,502	2,893	111,395	111,369	26		110,055	1,340
State Appropriations	19,686	6,248	25,934	25,911	23		25,673	261
Room & Board	24,506	198	24,486	24,653	(167)		24,564	(78)
Sales and Services	3,880	1,030	5,128	5,465	(337)	*	5,454	(326)
Gifts	870	563	1,433	1,223	210	*	1,870	(437)
Other Revenue	1,390	403	1,793	1,142	651	*	2,116	(323)
TOTAL REVENUES	158,834	11,335	170,169	169,763	406		169,732	437
EXPENSES								
Employee Wages and Benefits	87,759	25,618	113,377	114,715	1,338		110,397	(2,980)
Services, Supplies and Travel	27,368	7,991	35,359	34,990	(369)		37,088	1,729
Scholarships and Fellowships	10,831	76	10,907	9,304	(1,603)	*	8,663	(2,244)
Utilities	4,181	1,548	5,729	6,125	396	*	6,175	446
Other Expenses	-	-	-	440	440	*	-	-
Debt Service	7,965	2,656	10,621	10,849	228		10,191	(430)
Chancellor's Office	(1,014)	1,014	-	-	-		639	639
Other Transfers	(1,820)	720	(1,100)	(2,627)	(1,527)	*	(108)	992
TOTAL EXPENSES	135,270	39,623	174,893	173,796	(1,097)		173,045	(1,848)
NET REVENUES	23,564	(28,288)	(4,724)	(4,033)	(691)		(3,314)	(1,410)
NON-RECURRING ITEMS								
Carry-Forward	272	53	696	400			1,271	
Strategic Reserve	-	1,219	1,219	1,885			787	
All Other	(23,836)	27,016	2,809	1,748			1,256	
TOTAL (must equal zero)	-	-	-	-			-	

**VERMONT STATE COLLEGES
FY17 TUITION & FEES REVENUE MONITORING REPORT -**

VSC - CONSOLIDATED
3/31/2017

	BUDGETED		ACTUAL/ESTIMATED		VARIANCE	
	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<u>FALL 2016</u>						
Vermont	6,837	\$31,277,105	6,802	\$30,890,184	(36)	(\$386,921)
Non-Vrmtr (o/s)	1,052	\$11,950,846	1,072	\$12,342,919	20	392,074
NEBHE	604	\$6,693,101	563	\$6,035,186	(41)	(657,914)
Other	5	\$260,560	3	\$170,406	(3)	(90,154)
Grad Vermont	176	\$1,027,453	132	\$802,351	(43)	(225,102)
Grad Non- Vermont	29	\$218,880	38	\$306,043	10	87,163
Total	8,703	\$51,427,944	8,609	\$50,547,090	(93)	(\$880,854)
<u>SPRING 2017</u>						
Vermont	6,286	\$28,429,315	6,319	\$28,530,032	34	\$100,717
Non-Vrmtr (o/s)	982	\$11,132,647	1,024	\$11,307,911	41	175,264
NEBHE	544	\$6,013,599	497	\$5,281,608	(47)	(731,991)
Other	6	\$263,116	4	\$232,804	(1)	(30,312)
Grad Vermont	186	\$1,097,114	153	\$994,147	(33)	(102,967)
Grad Non- Vermont	27	\$203,520	30	\$271,605	3	68,085
Total	8,031	\$47,139,311	8,027	\$46,618,107	(4)	(\$521,204)
<u>SUMMER SESSIONS I. (J/Aug)</u>						
Vermont	779	\$2,556,517	805	\$2,733,646	26	\$177,129
Non-Vrmtr (o/s)	60	\$389,047	64	\$425,266	4	36,219
NEBHE	20	\$166,156	24	\$202,333	4	36,177
Grad Vermont	40	\$243,887	62	\$383,735	21	139,848
Grad Non- Vermont	3	\$33,974	8	\$67,889	5	33,915
Total	901	\$3,389,581	962	\$3,812,869	61	\$423,288
<u>SUMMER SESSIONS II> (May/J)</u>						
Vermont	815	\$3,024,675	796	\$2,956,025	(19)	(\$68,650)
Non-Vrmtr (o/s)	31	\$220,685	44	\$408,433	13	187,748
NEBHE	23	\$216,054	26	\$209,301	4	(6,753)
Grad Vermont	26	\$171,025	39	\$255,144	13	84,119
Grad Non- Vermont	(2)	(\$15,170)	8	\$12,418	9	27,588
Total	893	\$3,617,269	913	\$3,841,321	20	\$224,052
<u>FY 2017 TOTAL</u> (Avg)						
Fall & Spring						
Vermont	6,562	\$59,706,420	6,560	\$59,420,216	(1)	(\$286,204)
Non-Vrmtr (o/s)	1,017	\$23,083,493	1,048	\$23,650,830	31	567,338
NEBHE	574	\$12,706,700	530	\$11,316,794	(44)	(1,389,905)
Other	11	\$523,676	3	\$403,210	(7)	(120,466)
Grad Vermont	181	\$2,124,567	143	\$1,796,498	(38)	(328,069)
Grad Non- Vermont	28	\$422,400	34	\$577,648	6	155,248
S/T	8,372	\$98,567,255	8,318	\$97,165,197	(54)	(\$1,402,058)
Summer Sessions (annualized)	1,538	7,006,850	1,584	7,654,190	47	647,339
Total Student Tuition	9,910	\$105,574,105	9,902	\$104,819,386	(7)	(\$754,719)
Plus: Non-credit tuition & seminars		-		266,570		266,570
Student Fees		11,603,520		12,061,655		458,135
Total Tuition and Fees	79,277	\$117,177,626	79,220	\$117,147,611	(57)	(\$30,014)
Less: Waivers		(5,808,374)		(5,752,401)		55,973
Total Net Tuition & Fees		\$111,369,252		\$111,395,210		\$25,958
Auxiliary:						
Room & Board Fall		12,759,955		12,593,177		(166,778)
Room & Board Spring		11,883,064		11,893,336		10,272
Bookstore		10,000		0		(10,000)
Total Auxiliary		24,653,019		24,486,513		(166,506)

* 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, 2017**

Community College of Vermont
March 31, 2017
Narrative Highlights for Budget vs. Actual

Projection vs. Budget

CCV is projecting a balanced budget excluding carry forward spending.

FY17 Total Revenue is projected to be higher than budget by \$327k.

FY17 Operating Expenses are projected to be higher than budget by \$568k (excluding a projected \$325k in carry forward spending), due primarily to higher than budget payroll and benefit expenses. Reserves for FY17 are fully funded.

YTD Variance

CCV's FY17 Total Revenue is projected to be a 3% decrease from FY16, as compared to the budgeted 4% decrease from FY16

CCV's FY17 Total Expense is projected to be a 3% decrease from FY16, as compared to the budgeted 6% decrease from FY16.

Vermont State Colleges
Community College of Vermont
For the Quarter Ending March 31, 2017
Budget vs Actual Report
(Amounts rounded to 1,000's)

May 31, 2017

	Actual thru Mar 2017	Projected Balance of 2017	Projected Total Year 2017	Total Board Approved Budget 2017	Projection vs Budget Variance Fav/(Unfav)	Var > 3%	Total Year 2016 Actual	Variance FY16 Actual to Projected FY17 Fav/(Unfav)
REVENUES								
Tuition and Fees	20,955	2,024	22,979	22,555	424		23,972	(993)
State Appropriations	3,686	1,229	4,915	4,915	-		4,775	140
Room & Board	-	-	-	-	-		-	-
Sales and Services	6	9	15	100	(85)	*	77	(62)
Gifts	16	9	25	50	(25)	*	62	(37)
Other Revenue	87	26	113	100	13	*	125	(12)
TOTAL REVENUES	24,750	3,297	28,047	27,720	327		29,011	(964)
EXPENSES								
Employee Wages and Benefits	16,677	4,684	21,361	20,795	(566)		21,644	283
Services, Supplies and Travel	3,467	666	4,133	3,848	(285)	*	4,789	656
Scholarships and Fellowships	136	14	150	185	35	*	138	(12)
Utilities	228	103	331	280	(51)	*	304	(27)
Other Expenses	-	-	-	-	-		-	-
Debt Service	1,456	485	1,941	1,941	-		1,927	(14)
Chancellor's Office	849	571	1,420	1,420	-		1,442	22
Other Transfers	(798)	(166)	(964)	(992)	(28)		(1,020)	(56)
TOTAL EXPENSES	22,015	6,357	28,372	27,477	(895)		29,224	852
NET REVENUES	2,735	(3,060)	(325)	243	(568)		(213)	(112)
NON-RECURRING ITEMS								
Carry-Forward	272	53	325	-			-	
Strategic Reserve	-	-	-	-				
All Other	(3,007)	3,007	-	(243)			213	
TOTAL (must equal zero)	-	-	-	-			-	

**VERMONT STATE COLLEGES
FY17 TUITION & FEES REVENUE MONITORING REPORT -**

**Community College of Vermont
3/31/2017**

	BUDGETED			ACTUAL/ESTIMATED		VARIANCE	
	<u>Rate</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<u>FALL 2016</u>	(Semester)						
Vermont	3,036	2,579	\$7,829,844	2,606	\$7,911,493	27	\$81,649
Non-Vrmtr (o/s)	6,072	143	868,296	126	765,224	(17)	(103,072)
NEBHE	3,036	29	88,044	43	131,611	14	43,567
Other	-	-	-	0	0	0	0
Grad Vermont	-	-	-	-	-	-	-
Grad Non- Vermont	-	-	-	-	-	-	-
Total		2,751	\$8,786,184	2,775	\$8,808,328	24	\$22,144
<u>SPRING 2017</u>	(Semester)						
Vermont	3,036	2,480	\$7,529,280	2,465	\$7,484,711	(15)	(\$44,569)
Non-Vrmtr (o/s)	6,072	136	825,792	142	861,059	6	35,267
NEBHE	3,036	29	88,044	43	129,587	14	41,543
Other	-	-	-	0	0	0	0
Grad Vermont	-	-	-	-	-	-	-
Grad Non- Vermont	-	-	-	-	-	-	-
Total		2,645	\$8,443,116	2,650	\$8,475,357	5	\$32,241
<u>SUMMER SESSIONS I. (J/Aug)</u>	**						
Vermont	2,952	642	\$1,895,184	642	\$1,894,482	(0)	(\$702)
Non-Vrmtr (o/s)	5,904	52	307,008	52	304,661	(0)	(2,347)
NEBHE	5,904	9	53,136	9	55,078	0	1,942
Grad Vermont	-	-	-	-	-	-	-
Grad Non- Vermont	-	-	-	-	-	-	-
Total		703	2,255,328	703	2,254,221	(0)	(1,107)
<u>SUMMER SESSIONS II. (May/J)</u>	**						
Vermont	3,036	550	\$1,669,800	550	\$1,670,000	0	\$200
Non-Vrmtr (o/s)	6,072	24	145,728	33	200,000	9	54,272
NEBHE	3,036	4	12,144	10	30,000	6	17,856
Grad Vermont	-	-	-	-	-	-	-
Grad Non- Vermont	-	-	-	-	-	-	-
Total		578	\$1,827,672	593	\$1,900,000	15	\$72,328
<u>FY 2017 TOTAL</u>	(Acad Yr)	(Avg)					
Fall & Spring							
Vermont	6,072	2,530	\$15,359,124	2,536	\$15,396,204	6	\$37,080
Non-Vrmtr (o/s)	12,144	140	1,694,088	134	1,626,283	(6)	(67,805)
NEBHE	6,072	29	176,088	43	261,198	14	85,110
Other	-	-	-	0	0	0	0
Grad Vermont	-	-	-	-	-	-	-
Grad Non- Vermont	-	-	-	-	-	-	-
S/T		2,698	\$17,229,300	2,713	\$17,283,685	15	\$54,385
Summer Sessions (annualized)		1,281	4,083,000	1,296	4,154,221	7	71,221
Total Student Tuition		3,979	\$21,312,300	4,008	\$21,437,906	29	\$125,606
Plus: Non-credit tuition & seminars			-		266,570		266,570
Student Fees			1,702,700		1,735,000		32,300
Total Tuition and Fees	CP	31,832	\$23,015,000	32,065	\$23,439,476	233	\$424,476
Less: Waivers			(460,000)		(460,000)		0
Total Net Tuition & Fees			\$22,555,000		\$22,979,476		\$424,476
Auxiliary:							
Room & Board Fall			0		0		0
Room & Board Spring			0		0		0
Bookstore			0		0		0
Total Auxiliary			0		0		0

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

** Summer Sessions charge rates utilized in preceeding Academic Year

Castleton University
Q3 Financial Narrative

Revenues:

Total actual revenues are projected to be below budgeted amounts primarily due to approximately 30 fewer students enrolled than anticipated. This has an overall effect on both tuition revenue and room & board categories. There will be some positive offset to this loss in the categories of gifts and other revenues. Primarily attributed to additional donations, bookstore commissions, Sodexo, FISAP Administration allowance and P-card rebates.

Expenditures:

Total actual expenditures are projected to exceed budgeted amounts primarily due to scholarship/discounting category. This is due to the percentage of qualifying students that continues to rise, with a greater yield. We anticipate there will be some positive offset to this overage as a result of the spending freeze that was communicated to our campus on February 1st.

In summary we are anticipating a year end deficit that will be offset with carry forward funds and other one-time undesignated fund balance that have been identified for use.

Vermont State Colleges
Castleton University
For the Quarter Ending March 31, 2017
Budget vs Actual Report
(Amounts rounded to 1,000's)

May 31, 2017

	Actual thru Mar 2017	Projected Balance of 2017	Projected Total Year 2017	Total Board Approved Budget 2017	Projection vs Budget Variance Fav/(Unfav)	Var > 3%	Total Year 2016 Actual	Variance FY16 Actual to Projected FY17 Fav/(Unfav)
REVENUES								
Tuition and Fees	30,346	329	30,675	31,138	(463)		30,376	299
State Appropriations	3,686	1,228	4,914	4,891	23		4,775	139
Room & Board	10,295	(5)	10,290	10,637	(347)	*	10,368	(78)
Sales and Services	1,501	224	1,725	1,750	(25)		1,680	45
Gifts	562	48	610	550	60	*	619	(9)
Other Revenue	407	119	526	212	314	*	703	(177)
TOTAL REVENUES	46,797	1,943	48,740	49,178	(438)		48,521	219
EXPENSES								
Employee Wages and Benefits	23,778	6,382	30,160	30,265	105		28,582	(1,578)
Services, Supplies and Travel	7,630	998	8,628	8,364	(264)	*	9,458	830
Scholarships and Fellowships	4,446	24	4,470	3,400	(1,070)	*	3,590	(880)
Utilities	1,297	403	1,700	2,000	300	*	1,863	163
Other Expenses	-	-	-	440	440	*	-	-
Debt Service	3,080	1,027	4,107	4,107	-		3,959	(148)
Chancellor's Office	594	826	1,420	1,420	-		1,643	223
Other Transfers	365	(490)	(125)	(418)	(293)	*	(395)	(270)
TOTAL EXPENSES	41,190	9,170	50,360	49,578	(782)		48,700	(1,660)
NET REVENUES	5,607	(7,227)	(1,620)	(400)	(1,220)		(179)	(1,441)
NON-RECURRING ITEMS								
Carry-Forward			371	400				
Strategic Reserve			-	-				
All Other	(5,607)	7,227	1,249	-			179	
TOTAL (must equal zero)	-	-	-	-			-	

**VERMONT STATE COLLEGES
FY17 TUITION & FEES REVENUE MONITORING REPORT -**

**Castleton University
3/31/2017**

	BUDGETED			ACTUAL/ESTIMATED		VARIANCE	
	<u>Rate</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<u>FALL 2016</u>	(Semester)						
Vermont	5,124	1,374	\$7,038,392	1,379	\$6,906,950	5	(\$131,442)
Non-Vrmtr (o/s)	12,828	511	6,556,603	551	7,068,355	40	511,752
NEBHE	12,828	50	641,400	3	38,484	(47)	(602,916)
Other	-	-	235,000	-	157,626	0	(77,374)
Grad Vermont	4,950	79	391,201	42	208,883	(37)	(182,318)
Grad Non- Vermont	7,200	24	172,800	31	222,675	7	49,875
Total		2,038	\$15,035,396	2,006	\$14,602,973	(32)	(\$432,423)
<u>SPRING 2017</u>	(Semester)						
Vermont	5,124	1,265	\$6,481,721	1,288	\$6,389,723	23	(\$91,998)
Non-Vrmtr (o/s)	12,828	471	6,043,483	514	6,253,260	43	209,777
NEBHE	12,828	50	641,400	3	38,484	(47)	(602,916)
Other	-	-	235,000	0	211,078	0	(23,922)
Grad Vermont	4,950	79	391,200	38	242,358	(41)	(148,842)
Grad Non- Vermont	7,200	24	172,800	25	211,128	1	38,328
Total		1,889	\$13,965,604	1,869	\$13,346,031	(21)	(\$619,573)
<u>SUMMER SESSIONS I. (J/Aug)</u>	**						
Vermont	4,464	-	\$0	17	\$74,121	17	\$74,121
Non-Vrmtr (o/s)	6,696	-	-	2	12,372	2	12,372
NEBHE	-	-	-	0	0	0	0
Grad Vermont	5,580	-	-	12	65,553	12	65,553
Grad Non- Vermont	8,352	-	-	7	61,600	7	61,600
Total		0	0	38	213,646	38	213,646
<u>SUMMER SESSIONS II> (May/J)</u>	**						
Vermont	4,656	-	\$0	21	\$136,879	21	\$136,879
Non-Vrmtr (o/s)	6,984	-	-	2	107,628	2	107,628
NEBHE	-	-	-	0	-	0	0
Grad Vermont	5,803	-	-	13	85,845	13	85,845
Grad Non- Vermont	8,937	-	-	7	-	7	-
Total		0	\$0	43	\$330,352	43	\$330,352
<u>FY 2017 TOTAL</u>	(Acad Yr)	(Avg)					
Fall & Spring							
Vermont	10,248	1,319	\$13,520,113	1,333	\$13,296,673	14	(\$223,440)
Non-Vrmtr (o/s)	25,656	491	12,600,086	533	13,321,615	42	721,529
NEBHE	25,656	50	1,282,800	3	76,968	(47)	(1,205,832)
Other	-	-	470,000	0	368,704	0	(101,296)
Grad Vermont	9,900	79	782,401	40	451,241	(39)	(331,160)
Grad Non- Vermont	14,400	24	345,600	28	433,803	4	88,203
S/T		1,963	\$29,001,000	1,937	\$27,949,004	(26)	(\$1,051,996)
Summer Sessions (annualized)		0	0	40	543,998	40	543,998
Total Student Tuition		1,963	\$29,001,000	1,978	\$28,493,002	14	(\$507,998)
Student Fees			2,815,000		2,865,923		50,923
Total Tuition and Fees			\$31,816,000		\$31,358,925		(\$457,075)
Less: Waivers			(678,000)		(683,925)		(5,925)
Total Net Tuition & Fees			\$31,138,000		\$30,675,000		(\$463,000)
Auxiliary:							
Room & Board Fall			5,313,500		5,156,000		(157,500)
Room & Board Spring			5,313,500		5,134,000		(179,500)
Bookstore/Arena			10,000		0		(10,000)
Total Auxiliary			10,637,000		10,290,000		(347,000)

* 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 - 3/31/17

Narrative Highlights for Budget vs. Actual

**Projection vs.
Budget**

Based on current enrollment and historical trends Johnson State College is forecasting total year revenue to be \$28.3M as compared to a total year budget of \$28.5M. This revenue forecast is consistent with Q2 with modest favorable improvement. As noted in Q2, Johnson State College is experiencing revenue growth of approximately 3% year over year. However, this increase is slightly lower than budget. In the spring semester, JSC realized improvement in fall to spring campus based undergraduate persistence and stronger than expected graduate, and non-matriculated student enrollment. In addition to the forecasted improvement in tuition, fees, room and board is a reduction in wage and benefits. As mentioned in Q2, vacant positions are being held open or delayed, where possible, and discretionary spending is on hold. Therefore, JSC is now anticipating a total year deficit of \$1.159M versus a budgeted deficit of \$1.180M. This anticipated total year deficit compares favorably to the Q2 forecasted deficit of \$1.293M.

Toby C. Stewart, Controller

Date

Sharron R. Scott, Dean of Administration

Date

Elaine C. Collins, President

Date

Vermont State Colleges
Johnson State College
For the Quarter Ending March 31, 2017
Budget vs Actual Report
(Amounts rounded to 1,000's)

May 31, 2017

	Actual thru Mar 2017	Projected Balance of 2017	Projected Total Year 2017	Total Board Approved Budget 2017	Projection vs Budget Variance Fav/(Unfav)	Var > 3%	Total Year 2016 Actual	Variance FY16 Actual to Projected FY17 Fav/(Unfav)
REVENUES								
Tuition and Fees	17,113	390	17,503	17,545	(42)		16,771	732
State Appropriations	3,686	1,229	4,915	4,915	-		4,775	140
Room & Board	4,917	-	4,917	4,895	22		4,782	135
Sales and Services	324	125	449	510	(61)	*	522	(73)
Gifts	200	63	263	350	(87)	*	314	(51)
Other Revenue	237	57	294	304	(10)	*	310	(16)
TOTAL REVENUES	26,477	1,864	28,341	28,519	(178)		27,474	867
EXPENSES								
Employee Wages and Benefits	13,834	3,824	17,658	18,246	588	*	17,229	(429)
Services, Supplies and Travel	3,551	1,292	4,843	4,992	149		4,523	(320)
Scholarships and Fellowships	2,820	8	2,828	2,353	(475)	*	2,213	(615)
Utilities	991	367	1,358	1,175	(183)	*	1,371	13
Other Expenses	-	-	-	-	-		-	-
Debt Service	997	332	1,329	1,329	-		1,233	(96)
Chancellor's Office	935	485	1,420	1,420	-		1,639	219
Other Transfers	13	52	65	184	119	*	356	291
TOTAL EXPENSES	23,141	6,360	29,501	29,699	198		28,564	(937)
NET REVENUES	3,336	(4,496)	(1,160)	(1,180)	20		(1,091)	(69)
NON-RECURRING ITEMS								
Carry-Forward			-	-			187	
Strategic Reserve		272	272	272			787	
All Other	(3,336)	4,224	888	908			117	
TOTAL (must equal zero)	-	-	-	-			-	

**VERMONT STATE COLLEGES
FY17 TUITION & FEES REVENUE MONITORING REPORT -**

**Johnson State College
3/31/2017**

	BUDGETED			ACTUAL/ESTIMATED		VARIANCE	
	<u>Rate</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<u>FALL 2016</u>	(Semester)						
Vermonter	5,112	1,032	\$5,273,065	967	\$4,942,953	(65)	(\$330,112)
Non-Vrmtr (o/s)	11,340	101	1,143,979	119	\$1,346,485	18	\$202,506
NEBHE (\$6,696 net)	11,340	113	1,284,822	97	\$1,100,728	(16)	(\$184,094)
Other						0	\$0
Grad Vermont	6,600	80	525,888	76	\$499,281	(4)	(\$26,607)
Grad Non- Vermont	9,600	5	46,080	4	\$42,400	(0)	(\$3,680)
Total		1,330	\$8,273,835	1,263	7,931,848	(67)	(341,987)
<u>SPRING 2017</u>	(Semester)						
Vermonter	5,112	915	\$4,676,115	879	\$4,491,799	(36)	(\$184,316)
Non-Vrmtr (o/s)	11,340	93	1,055,981	117	\$1,325,864	24	\$269,883
NEBHE (\$6,984 net)	11,340	93	1,051,218	96	\$1,092,141	4	\$40,923
Other						0	\$0
Grad Vermont	6,600	86	569,712	80	\$524,955	(7)	(\$44,757)
Grad Non- Vermont	9,600	3	30,720	4	\$36,579	1	\$5,859
Total		1,190	\$7,383,745	1,175	\$7,471,338	(15)	\$87,593
<u>SUMMER SESSIONS I. (J/Aug)</u>	**						
Vermonter	4,992	96	\$445,477	79	\$393,602	(17)	(\$51,875)
Non-Vrmtr (o/s)	7,488	3	28,579	2	\$13,546	(1)	(\$15,033)
NEBHE	7,488	4	38,176	3	\$19,832	(1)	(\$18,344)
Grad Vermont	6,444	31	186,863	25	\$163,449	(6)	(\$23,414)
Grad Non- Vermont	9,204	3	33,974	1	\$6,289	(2)	(\$27,685)
Total		136	733,069	109	596,717	(27)	(136,351)
<u>SUMMER SESSIONS II> (May/J)</u>	**						
Vermonter	5,112	74	\$377,939	49	\$251,690	(25)	(\$126,249)
Non-Vrmtr (o/s)	11,340	1	9,221	3	\$34,894	2	\$25,673
NEBHE	11,340	1	7,292	0	\$0	(1)	(\$7,292)
Grad Vermont	6,600	22	145,057	23	\$151,885	1	\$6,828
Grad Non- Vermont	9,600	(2)	(15,170)	0	\$3,745	2	\$18,915
Total		96	\$524,339	76	\$442,214	(20)	(\$82,125)
<u>FY 2017 TOTAL</u>	(Acad Yr)	(Avg)					
Fall & Spring							
Vermonter	10,224	973	\$9,949,180	923	\$9,434,752	(50)	(\$514,428)
Non-Vrmtr (o/s)	22,680	97	2,199,960	118	\$2,672,349	21	\$472,389
NEBHE	22,680	103	2,336,040	97	\$2,192,869	(6)	(\$143,171)
Other						0	\$0
Grad Vermont	13,200	83	1,095,600	78	\$1,024,236	(5)	(\$71,364)
Grad Non- Vermont	19,200	4	76,800	4	\$78,979	0	\$2,179
S/T		1,260	\$15,657,580	1,219	\$15,403,186	(41)	(\$254,394)
Summer Sessions (annualized)		116	1,257,408	93	\$1,038,931	(23)	(218,477)
Total Student Tuition		1,376	\$16,914,988	1,312	\$16,442,117	(64)	(\$472,871)
Student Fees			1,513,025		1,910,970		397,945
Total Tuition and Fees			\$18,428,013		\$18,353,087		(\$74,926)
Less: Waivers			(883,013)		(850,139)		32,874
Total Net Tuition & Fees			\$17,545,000		\$17,502,948		(\$42,052)
Auxiliary:							
Room & Board Fall			2,612,315		2,583,215		(29,100)
Room & Board Spring			2,282,685		2,333,809		51,124
Bookstore							
Total Auxiliary			4,895,000		4,917,024		22,024

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

** Summer Sessions charge rates utilized in preceeding Academic Year

Lyndon State College Q3 Variance Analysis, 3/31/17

Narrative - Budget vs. Actual

Lyndon forecasts a bottom line of -\$0.95 to -\$1.2 million at the end of FY17. This represents an improvement against the budgeted deficit of -\$1.913 million. The savings thus generated will remain in reserves for future needs.

The narrative of a tuition shortfall against budget remains though with a slightly stronger spring semester than foreseen with the December report, somewhat offset by a softer May/June enrollment to date than expected. Net net, we anticipate closing the year with tuition and fee revenues of \$16.7 million, down \$515 thousand from the budget of \$17.2 million.

Auxiliary revenues continue to perform strongly against budget and we are forecasting ending the year \$213 thousand above budget. This amount is slightly less than previous forecasts but nonetheless continues to be a strong positive force.

While revenues will be less than budget, expense savings (planned and anticipated) should reduce expenses to a significantly greater extent. The work of the \$1 million committee, discussed in previous reports, is responsible for much of the savings with the balance coming from normal year to year variation and unspent contingency funds.

Lyndon budgeted to fully expend the strategic reserve (\$1,613k) in support of the deficit, plus another \$300 from the capital fee reserve, for a total budgeted use of reserves equal to \$1,913k. At this time, despite the negative impact of tuition shortfalls, we expect to utilize a lower amount in the \$950k to \$1,200k range. This will preserve \$700k to \$960k of reserves for future use. The Board required 2.5% reserve will not be tapped to cover the operating deficit.

Dean of Administration
Loren Loomis Hubbell

Vermont State Colleges
Lyndon State College
For the Quarter Ending March 31, 2017
Budget vs Actual Report
(Amounts rounded to 1,000's)

May 31, 2017

	Actual thru Mar 2017	Projected Balance of 2017	Projected Total Year 2017	Total Board Approved Budget 2017	Projection vs Budget Variance Fav/(Unfav)	Var > 3%	Total Year 2016 Actual	Variance FY16 Actual to Projected FY17 Fav/(Unfav)
REVENUES								
Tuition and Fees	16,560	162	16,722	17,237	(515)		16,850	(128)
State Appropriations	3,686	1,229	4,915	4,915	-		4,775	140
Room & Board	5,425	206	5,413	5,200	213	*	5,406	7
Sales and Services	684	(12)	890	894	(4)		1,036	(146)
Gifts	179	21	200	208	(8)	*	139	61
Other Revenue	251	39	290	236	54	*	322	(32)
TOTAL REVENUES	26,785	1,645	28,430	28,690	(260)		28,528	(98)
EXPENSES								
Employee Wages and Benefits	12,643	4,048	16,691	17,804	1,113	*	17,310	619
Services, Supplies and Travel	4,321	1,574	5,895	6,326	431	*	5,945	50
Scholarships and Fellowships	2,266	-	2,266	2,307	41		1,803	(463)
Utilities	795	355	1,150	1,452	302	*	1,230	80
Other Expenses	-	-	-	-	-		-	-
Debt Service	1,298	433	1,731	1,731	-		1,597	(134)
Chancellor's Office	1,065	355	1,420	1,420	-		1,584	164
Other Transfers	(464)	688	224	(437)	(661)	*	399	175
TOTAL EXPENSES	21,924	7,453	29,377	30,603	1,226		29,868	491
NET REVENUES	4,861	(5,808)	(947)	(1,913)	966		(1,340)	393
NON-RECURRING ITEMS								
Carry-Forward	-	-	-	-			1,084	
Strategic Reserve	-	947	947	1,613				
All Other	(4,861)	4,861	-	300			256	
TOTAL (must equal zero)	-	-	-	-			-	

**VERMONT STATE COLLEGES
FY17 TUITION & FEES REVENUE MONITORING REPORT -**

**Lyndon State College
3/31/2017**

	BUDGETED			ACTUAL/ESTIMATED		VARIANCE	
	<u>Rate</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>	<u>FPE*</u>	<u>Revenue</u>
<u>FALL 2016</u>	(Semester)						
Vermont	5,112	638	\$3,261,456	628	3,208,500	(10)	(\$52,956)
Non-Vrmtr (O/S)	10,956	210	2,300,760	181	1,982,119	(29)	(\$318,641)
NEBHE	10,956	292	3,199,152	300	3,281,986	8	\$82,834
OTHER -NECC	5,112	5	25,560	3	12,780	(3)	(\$12,780)
Grad Vermont	6,492	17	110,364	15	94,187	(2)	(\$16,177)
Grad Non- Vermont	13,656	-	-	3	40,968	3	\$40,968
Total		1,162	\$8,897,292	1,128	8,620,541	(34)	(\$276,751)
<u>SPRING 2017</u>	(Semester)						
Vermont	5,112	581	\$2,968,845	563	2,876,325	(18)	(\$92,520)
Non-Vrmtr (O/S)	10,956	199	2,180,244	163	1,788,846	(36)	(\$391,398)
NEBHE	10,956	266	2,914,296	261	2,858,232	(5)	(\$56,064)
OTHER -NECC	5,112	6	28,116	4	21,726	(1)	(\$6,390)
Grad Vermont	6,492	21	136,202	35	226,834	14	\$90,632
Grad Non- Vermont	13,656	-	-	2	23,898	2	\$23,898
Total		1,072	\$8,227,703	1,028	7,795,861	(44)	(\$431,842)
<u>SUMMER SESSIONS I. (J/Aug)</u>	**						
Vermont	4,992	31	\$155,196	40	197,401	8	\$42,205
Non-Vrmtr (O/S)	10,692	5	53,460	6	66,825	1	\$13,365
NEBHE	10,692	7	74,844	11	119,856	4	\$45,012
Grad Vermont	6,336	9	57,024	24	154,733	15	\$97,709
Grad Non- Vermont	13,656	-	-	0	0	0	\$0
Total		52	340,524	81	538,816	29	198,292
<u>SUMMER SESSIONS II> (May/J)</u>							
Vermont	5,112	40	\$206,525	32	\$162,504	(9)	(\$44,021)
Non-Vrmtr (O/S)	10,956	6	65,736	5	54,137	(1)	(\$11,599)
NEBHE	10,956	10	109,560	8	85,660	(2)	(\$23,900)
Grad Vermont	6,492	4	25,968	3	17,414	(1)	(\$8,554)
Grad Non- Vermont	13,656	-	-	1	8,673	1	\$8,673
Total		60	\$407,789	48	\$328,388	(13)	(\$79,401)
<u>FY 2017 TOTAL</u>	(Acad Yr)						
Fall & Spring							
Vermont	10,224	609	\$6,230,301	595	\$6,084,825	(14)	(\$145,476)
Non-Vrmtr (o/s)	21,912	205	4,481,004	172	\$3,770,965	(32)	(\$710,039)
NEBHE	21,912	279	6,113,448	280	\$6,140,218	1	\$26,770
Other-NECC	5,112	11	53,676	3	\$34,506	(7)	(\$19,170)
Grad Vermont	12,984	19	246,566	25	\$321,021	6	\$74,455
Grad Non- Vermont	27,312	-	-	2	\$64,866	2	\$64,866
S/T		1,122	\$17,124,995	1,078	\$16,416,402	(44)	(\$708,593)
Summer Sessions (annualized)		56	748,313	65	\$867,204	8	118,891
Total Student Tuition		1,179	\$17,873,308	1,143	\$17,283,606	(36)	(\$589,702)
NEKSDC Tuition & Misc			50,000		0		(50,000)
Student Fees		11,005	1,895,717		2,020,000		124,283
Total Tuition and Fees			\$19,819,025		\$19,303,606		(\$515,419)
Less: Waivers			(2,581,965)		(2,581,674)		291
Total Net Tuition & Fees			\$17,237,060		\$16,721,932		(\$515,128)
Auxiliary:							
Room & Board Fall			2,756,122		2,838,623		82,501
Room & Board Spring			2,444,108		2,574,603		130,495
Bookstore							
Total Auxiliary			5,200,230		5,413,226		212,996

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

** Summer Sessions charge rates utilized in preceeding Academic Year

VTC FY17 Third Quarter Budget Narrative

May 5th, 2017

Entering FY 2017 with an approved budgetary loss of \$685k, Vermont Technical College's third quarter position continues to appear comparably strong. Enrollment in Nursing and Allied Health majors has increased by more than 10%, largely due to continued growth in our on-line Nursing BS which is now enrolling 80 students, and our Dental Hygiene program, which is now enrolling 76 students. Overall tuition & fee revenue is up 6.5% from FY16. Residential enrollment, particularly in Randolph Center, continues to be a challenge, with Auxiliary Revenue down 3.5% from FY16.

In aggregate VTC is projecting a \$132k deficit for the year, improving on budget by more than \$500k. The improvement is largely due to strong enrollment.

28
Vermont State Colleges
Vermont Technical College
For the Quarter Ending March 31, 2017
Budget vs Actual Report
(Amounts rounded to 1,000's)

May 31, 2017

	Actual thru Mar 2017	Projected Balance of 2017	Projected Total Year 2017	Total Board Approved Budget 2017	Projection vs Budget Variance Fav/(Unfav)	Var > 3%	Total Year 2016 Actual	Variance FY16 Actual to Projected FY17 Fav/(Unfav)
REVENUES								
Tuition and Fees	23,528	(12)	23,516	22,894	622		22,086	1,430
State Appropriations	4,621	1,226	5,847	5,847	-		6,146	(299)
Room & Board	3,869	(3)	3,866	3,921	(55)		4,008	(142)
Sales and Services	920	223	1,143	1,302	(159)	*	1,438	(295)
Gifts	(87)	422	335	65	270	*	321	14
Other Revenue	403	164	567	290	277	*	656	(89)
TOTAL REVENUES	33,254	2,020	35,274	34,319	955		34,655	619
EXPENSES								
Employee Wages and Benefits	17,265	4,867	22,132	22,558	426		20,855	(1,277)
Services, Supplies and Travel	5,169	2,601	7,770	7,551	(219)		7,781	11
Scholarships and Fellowships	1,163	30	1,193	1,059	(134)	*	919	(274)
Utilities	816	314	1,130	1,192	62	*	1,339	209
Other Expenses	-	-	-	-	-		-	-
Debt Service	1,134	379	1,513	1,741	228	*	1,475	(38)
Chancellor's Office	868	552	1,420	1,420	-		1,226	(194)
Other Transfers	(536)	782	246	(418)	(664)	*	1,047	801
TOTAL EXPENSES	25,879	9,525	35,404	35,103	(301)		34,642	(762)
NET REVENUES	7,375	(7,505)	(130)	(784)	654		13	(143)
NON-RECURRING ITEMS								
Carry-Forward			-					
Strategic Reserve			-					
All Other	(7,375)	7,505	130	784			(13)	
TOTAL (must equal zero)	-	-	-	-			-	

Vermont State Colleges
VTC_Workforce Development
For the Quarter Ending March 31, 2017
Budget vs Actual Report
(Amounts rounded to 1,000's)

May 31, 2017

	Actual thru Mar 2017	Projected Balance of 2017	Projected Total Year 2017	Total Board Approved Budget 2017	Projection vs Budget Variance Fav/(Unfav)	Var > 3%	Total Year 2016 Actual	Variance FY16 Actual to Projected FY17 Fav/(Unfav)
REVENUES								
Tuition and Fees			-	-	-		-	-
State Appropriations	321	107	428	428	-		428	-
Room & Board			-	-	-		-	-
Sales and Services	445	461	906	909	(3)		701	205
Gifts	-		-	-	-		415	(415)
Other Revenue	5	(2)	3	-	3		-	3
TOTAL REVENUES	771	566	1,337	1,337	-		1,544	(207)
EXPENSES								
Employee Wages and Benefits	682	481	1,163	1,163	-		938	(225)
Services, Supplies and Travel	375	345	720	720	-		1,086	366
Scholarships and Fellowships	-		-	-	-		-	-
Utilities	-		-	-	-		-	-
Other Expenses	-		-	-	-		-	-
Debt Service	-		-	-	-		-	-
Chancellor's Office	-		-	-	-		-	-
Other Transfers	(400)	(146)	(546)	(546)	-		(495)	51
TOTAL EXPENSES	657	680	1,337	1,337	-		1,529	192
NET REVENUES	114	(114)	-	-	-		15	(15)
NON-RECURRING ITEMS								
Carry-Forward			-					
Strategic Reserve			-					
All Other	(114)	114	-	-			(15)	
TOTAL (must equal zero)	-	-	-	-			-	

**Vermont State Colleges
Office of the Chancellor
Period Ending Date 3/31/17
Narrative Highlights for Budget vs. Actual**

The Office of the Chancellor expects to be over budget by \$542k. Approximately half of this amount, or \$265k, is due to a change in methodology for tuition waiver benefit for OC employees to better reflect the categorization of the expense; \$150k is an unbudgeted expense for the current year, and \$115k is a correction for a prior year entry.

The remaining amount is a combination of (1) increased salaries and benefits as part of the system-wide consolidation efforts, net of IT personnel vacancies, totaling \$63k, and (2) an increase in services, supplies and travel related to IT and legal services, totaling \$180k. Utilities are also over budget by \$34k.

Vermont State Colleges
Office of the Chancellor
For the Quarter Ending March 31, 2017
Budget vs Actual Report
(Amounts rounded to 1,000's)

May 31, 2017

	Actual thru Mar 2017	Projected Balance of 2017	Projected Total Year 2017	Total Board Approved Budget 2017	Projection vs Budget Variance Fav/(Unfav)	Var > 3%	Total Year 2016 Actual	Variance FY16 Actual to Projected FY17 Fav/(Unfav)
REVENUES								
Tuition and Fees			-	-	-		-	-
State Appropriations			-		-		-	-
Room & Board			-	-	-		-	-
Sales and Services			-		-		-	-
Gifts	-		-	-	-		-	-
Other Revenue	-		-	-	-		-	-
TOTAL REVENUES	-	-	-	-	-		-	-
EXPENSES								
Employee Wages and Benefits	2,880	1,332	4,212	3,884	(328) *		3,839	(373)
Services, Supplies and Travel	2,855	515	3,370	3,190	(180) *		3,506	136
Scholarships and Fellowships	-	-		-	-		-	-
Utilities	54	6	60	26	(34) *		68	8
Other Expenses				-	-		-	-
Debt Service	-			-	-		-	-
Chancellor's Office	(5,325)	(1,775)	(7,100)	(7,100)	-		(6,895)	205
Other Transfers			-	-	-		-	-
TOTAL EXPENSES	464	78	542	-	(542)		518	(24)
NET REVENUES	(464)	(78)	(542)	-	(542)		(518)	(24)
NON-RECURRING ITEMS								
Carry-Forward			-					
Strategic Reserve			-					
All Other	464	78	542	-			518	
TOTAL (must equal zero)	-	-	-	-			-	

37
Vermont State Colleges
JSC & LSC (Informational Only)
For the Quarter Ending March 31, 2017
Budget vs Actual Report
(Amounts rounded to 1,000's)

May 31, 2017

	Actual thru Mar 2017	Projected Balance of 2017	Projected Total Year 2017	Total Board Approved Budget 2017	Projection vs Budget Variance Fav/(Unfav)	Var > 3%	Total Year 2016 Actual	Variance FY16 Actual to Projected FY17 Fav/(Unfav)
REVENUES								
Tuition and Fees	33,673	552	34,225	34,782	(557)		33,621	604
State Appropriations	7,372	2,458	9,830	9,830	-		9,550	280
Room & Board	10,342	206	10,548	10,095	453	*	10,188	360
Sales and Services	1,008	113	1,121	1,404	(283)	*	1,558	(437)
Gifts	379	84	463	558	(95)	*	453	10
Other Revenue	488	96	584	540	44	*	632	(48)
TOTAL REVENUES	53,262	3,509	56,771	57,209	(438)		56,002	769
EXPENSES								
Employee Wages and Benefits	26,477	7,872	34,349	36,050	1,701	*	34,539	190
Services, Supplies and Travel	7,872	2,866	10,738	11,318	580	*	10,468	(270)
Scholarships and Fellowships	5,086	8	5,094	4,660	(434)	*	4,016	(1,078)
Utilities	1,786	722	2,508	2,627	119	*	2,601	93
Other Expenses	-	-	-	-	-		-	-
Debt Service	2,295	765	3,060	3,060	-		2,830	(230)
Chancellor's Office	2,000	840	2,840	2,840	-		3,223	383
Other Transfers	(451)	740	289	(253)	(542)	*	755	466
TOTAL EXPENSES	45,065	13,813	58,878	60,302	1,424		58,432	(446)
NET REVENUES	8,197	(10,304)	(2,107)	(3,093)	986		(2,431)	324
NON-RECURRING ITEMS								
Carry-Forward	-	-	-	-			1,271	
Strategic Reserve	-	1,219	1,219	1,885				
All Other	(8,197)	9,085	888	1,208			1,160	
TOTAL (must equal zero)	-	-	-	-			-	

Item 3:
Admissions Summary as of May 15, 2017



Vermont State Colleges Comparative Admissions Summary Report May 15, 2017 vs. Prior Year

	Fall 2017 from 5/15/17	Fall 2016 from 5/15/16	% Change
Applications			
Castleton University	2,501	2,718	-8%
Northern Vermont University	2,741	2,753	0%
Johnson State College	1,279	1,296	-1%
Lyndon State College	1,462	1,457	0%
Vermont Technical College	1,531	1,411	9%
Total	9,514	9,635	-1%

Acceptances			
Castleton University	1,996	2,129	-6%
Northern Vermont University	2,189	2,296	-5%
Johnson State College	1,034	1,091	-5%
Lyndon State College	1,155	1,205	-4%
Vermont Technical College	779	729	7%
Total	7,153	7,450	-4%

Deposits			
Castleton University	428	543	-21%
Northern Vermont University	560	592	-5%
Johnson State College	281	283	-1%
Lyndon State College	279	309	-10%
Vermont Technical College	467	450	4%
Total	2,015	2,177	-7%

	Summer 2017 from 5/15/17	Summer 2016 from 5/15/16	% Change
Community College of Vermont			
Applications	2,176	2,376	-8%
Acceptances	1,532	1,673	-8%
Enrollments	1,046	1,146	-9%

Item 4: Final FY2018 Budgets

[Back to Agenda](#)

Unrestricted Revenues and Expenses
FINAL FY2018 Budget
Vermont State Colleges System
(Amounts rounded to \$1,000)

	<u>FY2017</u> <u>Projection</u>	<u>FY2018</u> <u>Budget</u>	<u>\$ Variance</u>	<u>Var</u> <u>> +3%</u>	<u>Notes</u>
REVENUES					
Tuition and Fees	111,395	111,462	67		FY18 System-average increase of 4% as approved by BOT in July 2016; varies by College
State Appropriation	25,934	28,933	3,000	*	+\$2.75mm to base (\$3mm less \$250k OC hold-back), \$700k from FY17 moved to base, \$1.157mm VTC for allied h
Room and Board	24,486	24,744	258		FY18 increase of 3% as approved by BOT
Sales and Services	5,128	4,937	(191)	*	Provided by College
Gifts	1,433	1,413	(20)		Provided by College
Other Revenue	<u>1,793</u>	<u>1,260</u>	<u>(533)</u>	*	Provided by College
TOTAL REVENUES	170,169	172,749	2,581		
EXPENSES					
Salaries and Benefits	113,377	114,691	1,314		As per labor contracts, NO medical premium increase
Services, Supplies and Travel	35,359	35,471	112		Provided by College
Scholarships and Fellowships	10,907	11,748	841	*	Provided by College
Utilities	5,729	6,464	735	*	Provided by College
Other Expenses	-	437	437		Provided by College
Debt Service	10,621	8,217	(2,404)	*	Provided by OC, includes reduction from debt restructuring of \$2.6mm, less VTC \$240k System loan payment
Chancellor's Office	-	-	-		Split evenly at 20% or \$1.48mm per College, 4.2% increase over FY17
Other Transfers	<u>(1,100)</u>	<u>(2,545)</u>	<u>(1,445)</u>	*	Includes return of additional FY17 medical reserve of \$2mm
TOTAL EXPENSES	174,893	174,482	(411)		
NET REVENUES/(DEFICIT)	<u>(4,724)</u>	<u>(1,733)</u>	<u>2,992</u>	*	
ONE-TIME FUNDS					
Carry-forward	696	-	(696)	*	Provided by College
Strategic Reserve	1,219	1,451	232	*	Provided by College
All Other	<u>2,809</u>	<u>282</u>	<u>(2,527)</u>	*	Provided by College
TOTAL ONE-TIME FUNDS	4,724	1,733	(2,991)	*	
TOTAL OPERATING RESULT	<u>-</u>	<u>(0)</u>	<u>0</u>		

(must sum to zero; postive net revenue must be absorbed by one or more one-time fund lines)

Unrestricted Revenues and Expenses
FINAL FY2018 Budget
Chancellor's Office
(Amounts rounded to \$1,000)

	<u>FY2017</u> <u>Projection</u>	<u>FY2018</u> <u>Budget</u>	<u>\$ Variance</u>	<u>Var</u> <u>> ±3%</u>	<u>Notes</u>
REVENUES					
Tuition and Fees	-	-	-		
State Appropriation	-	250	250		\$250k hold-back for System-wide revenue generating initiatives
Room and Board	-	-	-		
Sales and Services	-	-	-		
Gifts	-	-	-		
Other Revenue	-	-	-		
TOTAL REVENUES	-	250	250		
EXPENSES					
Salaries and Benefits	4,212	4,267	55		Salaries increase 2.95%; level healthcare cost.
Services, Supplies and Travel	3,370	3,070	(300)	*	
Scholarships and Fellowships		-	-		
Utilities	60	63	3	*	
Other Expenses		250	250		System-wide revenue generating initiatives
Debt Service		-	-		
Chancellor's Office	(7,100)	(7,400)	(300)	*	4.2% increase over FY17 budget, includes \$150k adjustment for tuition waiver expense
Other Transfers	-	-	-		
TOTAL EXPENSES	542	250	(292)	*	
NET REVENUES/(DEFICIT)	<u>(542)</u>	<u>-</u>	<u>542</u>	*	
ONE-TIME FUNDS					
Carry-forward	-	-	-		
Strategic Reserve	-	-	-		
All Other	542	-	(542)	*	
TOTAL ONE-TIME FUNDS	542	-	(542)	*	
TOTAL OPERATING RESULT	<u>-</u>	<u>-</u>	<u>-</u>		
(must sum to zero; positive net revenue must be absorbed by one or more one-time fund lines)					

Unrestricted Revenues and Expenses
FINAL FY2018 Budget
Castleton University
(Amounts rounded to \$1,000)

	<u>FY2017</u> <u>Projection</u>	<u>FY2018</u> <u>Budget</u>	<u>\$ Variance</u>	<u>Var</u> <u>> ±3%</u>	<u>Notes</u>
REVENUES					
Tuition and Fees	30,675	30,535	(140)		Given the uncertainty about NY free tuition effect and other challenges, a calculated best guess student count by category with appropriate % Increases on tuition rate
State Appropriation	4,914	5,464	550	*	+\$550k to base (\$600k less \$50k OC hold-back), \$140k from FY17 moved to base
Room and Board	10,290	10,355	65		Assume room and board increases of 3%
Sales and Services	1,725	1,500	(225)	*	Conservative estimate
Gifts	610	900	290	*	New fundraising efforts
Other Revenue	<u>526</u>	<u>440</u>	<u>(86)</u>	*	Conservative estimate
TOTAL REVENUES	48,740	49,194	454		
EXPENSES					
Salaries and Benefits	30,160	30,620	460		Group insurance 0%, salaries as per bargaining contracts, includes reduction in overall staff
Services, Supplies and Travel	8,628	8,615	(13)		Supply budget decreases
Scholarships and Fellowships	4,470	5,125	655	*	Amount provided by Admissions
Utilities	1,700	2,028	328	*	Includes an increase of .43 cent per gallon oil cost
Other Expenses	-	-	-		Reclass to Serv,Sup,and Travel
Debt Service	4,107	3,032	(1,075)	*	Reflects post-restructuring FY18 debt service
Chancellor's Office	1,420	1,480	60	*	Includes 4.2% increase to Chancellors Office allocation
Other Transfers	<u>(125)</u>	<u>(540)</u>	<u>(415)</u>	*	Net result of CO anticipated transfers, includes additional FY17 medical reserve of \$540k
TOTAL EXPENSES	50,360	50,360	-		
NET REVENUES/(DEFICIT)	<u>(1,620)</u>	<u>(1,166)</u>	<u>454</u>	*	
ONE-TIME FUNDS					
Carry-forward	371	-	(371)	*	
Strategic Reserve	-	766	766		
All Other*	<u>1,249</u>	<u>400</u>	<u>(849)</u>	*	
TOTAL ONE-TIME FUNDS	1,620	1,166	(454)	*	
TOTAL OPERATING RESULT	<u>-</u>	<u>-</u>	<u>-</u>		
(must sum to zero; positive net revenue must be absorbed by one or more one-time fund lines)					

* For FY17 All Other includes utilizing undesignated one-time cumulative fund balances such as Center for Schools, Golf Tournament, and Annual Fund.

Unrestricted Revenues and Expenses
FINAL FY2018 Budget
Community College of Vermont
(Amounts rounded to \$1,000)

	<u>FY2017</u> <u>Projection</u>	<u>FY2018</u> <u>Budget</u>	<u>\$ Variance</u>	<u>Var</u> <u>> ±3%</u>	<u>Notes</u>
REVENUES					
Tuition and Fees	22,979	22,044	(935)	*	BOT-approved tuition increase of 3.2% in State and out-of-State
State Appropriation	4,915	5,465	550	*	+\$550k to base (\$600k less \$50k OC hold-back), \$140k from FY17 moved to base
Room and Board	-	-	-		
Sales and Services	15	200	185	*	Ending of TAACCCT grant, increase in un-restricted activity
Gifts	25	50	25	*	
Other Revenue	<u>113</u>	<u>101</u>	<u>(12)</u>	*	
TOTAL REVENUES	28,047	27,860	(187)		
EXPENSES					
Salaries and Benefits	21,361	20,881	(480)		Group insurance flat, salaries and wages adjusted
Services, Supplies and Travel	4,133	4,116	(17)		Reduction in expenses reflecting budgeted enrollment
Scholarships and Fellowships	150	150	-		
Utilities	331	280	(51)	*	Upgraded control systems
Other Expenses	-	187	187		
Debt Service	1,941	1,276	(665)	*	Reflects post-restructuring FY18 debt service
Chancellor's Office	1,420	1,480	60	*	Includes 4.2% increase to Chancellors Office allocation
Other Transfers	<u>(964)</u>	<u>(1,070)</u>	<u>(106)</u>	*	Includes OPEB transfer FY16, Contracts and budgeted enrollment reduce expected transfers FY17
TOTAL EXPENSES	28,372	27,300	(1,072)	*	Variance includes one time medical reserve return
NET REVENUES/(DEFICIT)	<u><u>(325)</u></u>	<u><u>560</u></u>	<u><u>885</u></u>	*	Additional FY17 medical reserve of \$280k
ONE-TIME FUNDS					
Carry-forward	325	-	(325)	*	Classroom technology
Strategic Reserve	-	-	-		
All Other	<u>-</u>	<u>(560)</u>	<u>(560)</u>		Returned of medical reserve for special projects
TOTAL ONE-TIME FUNDS	325	(560)	(885)	*	Balanced operating budget, use of carry forward funds
TOTAL OPERATING RESULT	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>		
(must sum to zero; positive net revenue must be absorbed by one or more one-time fund lines)					

Unrestricted Revenues and Expenses
FINAL FY2018 Budget
Northern Vermont University
(Amounts rounded to \$1,000)

	<u>FY2017</u> <u>Projection</u>	<u>FY2018</u> <u>Budget</u>	<u>\$ Variance</u>	<u>Var</u> <u>> ±3%</u>	<u>Notes</u>
REVENUES					
Tuition and Fees	34,225	34,075	(150)		4% increase in Undergraduate Tuition less budgeted decline in enrollment
State Appropriation	9,830	10,930	1,100	*	Approved increase in state appropriation
Room and Board	10,330	10,588	258		3% increase in room and board less budgeted decline in participation
Sales and Services	1,339	1,334	(5)		
Gifts	463	363	(100)	*	
Other Revenue	<u>584</u>	<u>322</u>	<u>(262)</u>	*	Adjusts for FY17 activity that will not be repeated including loss of interest income
TOTAL REVENUES	56,771	57,612	841		
EXPENSES					
Salaries and Benefits	34,349	34,591	242		Group insurance flat, salaries as per bargaining contracts, unification related savings
Services, Supplies and Travel	10,738	11,353	615	*	Reflects spending at budgeted FY17 levels
Scholarships and Fellowships	5,094	5,375	281	*	5.5% increase in institutional aid reflecting increased competition
Utilities	2,508	2,798	290	*	11.5% increase in projected utility costs
Other Expenses	-	-	-		
Debt Service	3,060	2,393	(667)	*	
Chancellor's Office	2,840	2,960	120	*	Increased costs related to consolidation activities
Other Transfers	<u>289</u>	<u>(400)</u>	<u>(689)</u>	*	Add'l \$617K in medical reserve, less \$150K in CCV transfers, less \$196K in unification transfers
TOTAL EXPENSES	58,878	59,069	191		
NET REVENUES/(DEFICIT)	<u>(2,107)</u>	<u>(1,457)</u>	<u>650</u>	*	
ONE-TIME FUNDS					
Carry-forward	-	-	-		
Strategic Reserve	1,219	1,015	(204)	*	
All Other	<u>888</u>	<u>442</u>	<u>(446)</u>	*	
TOTAL ONE-TIME FUNDS	2,107	1,457	(650)	*	
TOTAL OPERATING RESULT	<u>-</u>	<u>-</u>	<u>-</u>		
(must sum to zero; positive net revenue must be absorbed by one or more one-time fund lines)					

Unrestricted Revenues and Expenses
FINAL FY2018 Budget
Vermont Technical College
(Amounts rounded to \$1,000)

	<u>FY2017</u> <u>Projection</u>	<u>FY2018</u> <u>Budget</u>	<u>\$ Variance</u>	<u>Var</u> <u>> +3%</u>	<u>Notes</u>
REVENUES					
Tuition and Fees	23,516	24,808	1,292	*	BOT-approved undergraduate tuition increase of 4.2% in and out-of-State. 0.9% enrollment increase.
State Appropriation	5,847	6,397	550	*	+\$550k to base (\$600k less \$50k OC hold-back), \$140k from FY17 moved to base, \$1.157mm for allied health
Room and Board	3,866	3,801	(65)	*	BOT-approved room and board increases of 3%. Anticipated 5% residential decline.
Sales and Services	1,143	1,178	35	*	
Gifts	335	100	(235)	*	
Other Revenue	<u>567</u>	<u>397</u>	<u>(170)</u>	*	
TOTAL REVENUES	35,274	36,681	1,407	*	
EXPENSES					
Salaries and Benefits	22,132	23,356	1,224	*	Group insurance flat, salaries as per bargaining contracts
Services, Supplies and Travel	7,770	7,646	(124)	*	
Scholarships and Fellowships	1,193	1,098	(95)	*	Removing \$142k of previously earmarked scholarships
Utilities	1,130	1,295	165	*	FY17 Q2 projection a bit high
Other Expenses	-	-	-	*	
Debt Service	1,513	1,516	3	*	\$1,295,309 of debt service. \$220,000 estimated system loan repayment--pending VIT accounting.
Chancellor's Office	1,420	1,480	60	*	Includes 4.2% increase to Chancellors Office allocation
Other Transfers	<u>246</u>	<u>(40)</u>	<u>(286)</u>	*	Changing how we plan for I.T. equipment replacement (including telepresence). FY18 will include ~\$200k transf
TOTAL EXPENSES	35,404	36,350	946	*	Includes additional \$440k FY17 medical reserve
NET REVENUES/(DEFICIT)	<u>(130)</u>	<u>330</u>	<u>460</u>	*	
ONE-TIME FUNDS					
Carry-forward	-	-	-	*	
Strategic Reserve	-	(330)	(330)	*	Reflects debt restructuring savings of approx. \$200k, as well as "additional" approp. increase.
All Other	<u>130</u>	<u>-</u>	<u>(130)</u>	*	
TOTAL ONE-TIME FUNDS	130	(330)	(460)	*	
TOTAL OPERATING RESULT	<u>-</u>	<u>-</u>	<u>-</u>		
(must sum to zero; postive net revenue must be absorbed by one or more one-time fund lines)					

Unrestricted Revenues and Expenses
FINAL FY2018 Budget
Workforce Development
(Amounts rounded to \$1,000)

	<u>FY2017</u> <u>Projection</u>	<u>FY2018</u> <u>Budget</u>	<u>\$ Variance</u>	<u>Var</u> <u>> ±3%</u>	<u>Notes</u>
REVENUES					
Tuition and Fees	-	-	-		
State Appropriation	428	428	(0)		Assumes no increase.
Room and Board	-	-	-		
Sales and Services	906	725	(181)	*	
Gifts	-	-	-		
Other Revenue	<u>3</u>	<u>-</u>	<u>(3)</u>	*	
TOTAL REVENUES	1,337	1,152	(185)	*	
EXPENSES					
Salaries and Benefits	1,163	976	(187)	*	
Services, Supplies and Travel	720	671	(49)	*	
Scholarships and Fellowships	-	-	-		
Utilities	-	-	-		
Other Expenses	-	-	-		
Debt Service	-	-	-		
Chancellor's Office	-	-	-		
Other Transfers	<u>(546)</u>	<u>(495)</u>	<u>51</u>	*	
TOTAL EXPENSES	1,337	1,152	(185)	*	
NET REVENUES/(DEFICIT)	<u>-</u>	<u>0</u>	<u>0</u>		
ONE-TIME FUNDS					
Carry-forward	-	-	-		
Strategic Reserve	-	-	-		
All Other	<u>-</u>	<u>-</u>	<u>-</u>		
TOTAL ONE-TIME FUNDS	-	-	-		
TOTAL OPERATING RESULT	<u>-</u>	<u>-</u>	<u>-</u>		
(must sum to zero; positive net revenue must be absorbed by one or more one-time fund lines)					

Unrestricted Revenues and Expenses
FINAL FY2018 Budget
Johnson State College
(Amounts rounded to \$1,000)

	<u>FY2017</u> <u>Projection</u>	<u>FY2018</u> <u>Budget</u>	<u>\$ Variance</u>	Var > ±3%	<u>Notes</u>
REVENUES					
Tuition and Fees	17,503	17,907	404		Undergraduate tuition increase of 4% less a 2.5% budgeted decline in enrollment
State Appropriation	4,915	5,465	550	*	\$550K increase in state appropriation
Room and Board	4,917	4,996	79		3% increase in room and board less a 2.5% budgeted decline in housing starts
Sales and Services	449	496	47	*	Reflects planned increase in sales
Gifts	263	224	(39)	*	Historical contributions
Other Revenue	<u>294</u>	<u>178</u>	<u>(116)</u>	*	Removes one-time revenue sources and all interest income
TOTAL REVENUES	28,341	29,266	925	*	
EXPENSES					
Salaries and Benefits	17,658	18,007	349		Group insurance flat, salaries as per bargaining contracts, unification related savings
Services, Supplies and Travel	4,843	4,999	156	*	Spending for FY18 increased to budgeted FY17 leveles
Scholarships and Fellowships	2,828	2,969	141	*	Reflects tuition increase and changes in enrollment
Utilities	1,358	1,473	115	*	8.5% increase in utilities overall -- 15% increase in fuel oil costs
Other Expenses	-	-	-		
Debt Service	1,329	1,059	(270)	*	
Chancellor's Office	1,420	1,480	60	*	Increased costs due to system consolidation
Other Transfers	<u>65</u>	<u>(7)</u>	<u>(72)</u>	*	\$290K change in medical reserve, offset by \$196K in one-time unification transfers
TOTAL EXPENSES	29,501	29,980	479		
NET REVENUES/(DEFICIT)	<u>(1,160)</u>	<u>(714)</u>	<u>446</u>	*	
ONE-TIME FUNDS					
Carry-forward	-	-	-		
Strategic Reserve	272	272	-		
All Other	<u>888</u>	<u>442</u>	<u>(446)</u>	*	
TOTAL ONE-TIME FUNDS	1,160	714	(446)	*	
TOTAL OPERATING RESULT	<u>-</u>	<u>-</u>	<u>-</u>		
(must sum to zero; postive net revenue must be absorbed by one or more one-time fund lines)					

Unrestricted Revenues and Expenses
FINAL FY2018 Budget
Lyndon State College
(Amounts rounded to \$1,000)

	<u>FY2017</u> <u>Projection</u>	<u>FY2018</u> <u>Budget</u>	<u>\$ Variance</u>	<u>Var</u> <u>> ±3%</u>	<u>Notes</u>
REVENUES					
Tuition and Fees	16,722	16,168	(554)	*	Undergraduate tuition increase of 4% less a 4.6% budgeted decline in enrollment
State Appropriation	4,915	5,465	550	*	\$550K increase in state appropriation
Room and Board	5,413	5,592	179	*	3% increase in room and board less a 4.6% budgeted decline in housing starts
Sales and Services	890	838	(52)	*	Adjusted to accommodate one-time FY17 sales
Gifts	200	139	(61)	*	Historical contributions
Other Revenue	<u>290</u>	<u>144</u>	<u>(146)</u>	*	Removes one-time revenue sources and all interest income
TOTAL REVENUES	28,430	28,346	(84)		
EXPENSES					
Salaries and Benefits	16,691	16,584	(107)		Group insurance flat, salaries as per bargaining contracts, unification related savings
Services, Supplies and Travel	5,895	6,354	459	*	Spending for FY18 increased to budgeted FY17 leveles
Scholarships and Fellowships	2,266	2,406	140	*	Reflects tuition increase and changes in enrollment
Utilities	1,150	1,325	175	*	15.2% increase in utilities overall
Other Expenses	-	-	-		
Debt Service	1,731	1,334	(397)	*	
Chancellor's Office	1,420	1,480	60	*	Increased costs due to system consolidation
Other Transfers	<u>224</u>	<u>(393)</u>	<u>(617)</u>	*	\$326K change in medical reserve, offset by \$150K in CCV transfers and intra-entity transfers
TOTAL EXPENSES	29,377	29,089	(288)		
NET REVENUES/(DEFICIT)	<u>(947)</u>	<u>(743)</u>	<u>204</u>	*	
ONE-TIME FUNDS					
Carry-forward	-	-	-		
Strategic Reserve	947	743	(204)	*	
All Other	<u>-</u>	<u>-</u>	<u>-</u>		
TOTAL ONE-TIME FUNDS	947	743	(204)	*	
TOTAL OPERATING RESULT	<u>-</u>	<u>-</u>	<u>-</u>		
(must sum to zero; postive net revenue must be absorbed by one or more one-time fund lines)					

Item 5: Preliminary FY2019 Tuition Table

[Back to Agenda](#)

VERMONT STATE COLLEGES
FY2019 Proposed Tuition, Fees, Room & Board

Maximum Full Time Graduate Tuition

	Proposed FY2019	\$ Change	% Change	FY2018
<u>Castleton University</u>				
Vermont	14,832	432	3.0%	14,400
Non-Vermont	14,832	432	3.0%	14,400
<u>Johnson State College</u>				
Vermont	10,602	306	3.0%	10,296
Non-Vermont	15,426	450	3.0%	14,976
<u>Lyndon State College</u>				
Vermont	10,602	468	4.6%	10,134
Non-Vermont	15,426	(5,886)	-27.6%	21,312
<u>Vermont Technical College</u>				
Vermont	13,050	378	3.0%	12,672
Non-Vermont	24,966	738	3.0%	24,228
International	28,674	846	3.0%	27,828

Notes

1. Per credit and summer rates are full time divided by 18.
2. Non-Vermont includes students who do not meet VT residency requirements, except for those in special programs with individually identified rates.
3. New England Board of Higher Education Board (NEBHE) rate is 150% of Vermont rate.
4. Credits in excess of 12 per term will be charged at the per credit rate
5. Summer rates are billed per credit and billed at the course college rate.

VERMONT STATE COLLEGES
FY2019 Proposed Tuition, Fees, Room & Board

Fees, Room & Board

	Proposed FY2019	\$ Change	% Change	FY2018
<u>Individual Service Fees:</u>				
<u>Set by Board</u>				
Application	53	2	3.9% all	51
Graduation	101	3	3.1% all	98
Late Registration	66	2	3.1% all	64
Student Activity Fee	287	9	3.2% /yr	278
Change of Program or Course (after normal drop/add period)	26	1	4.0% all	25
Facilities Fee	845	25	3.0% /yr	820
<u>Set by Colleges</u>				
Orientation/Basic Skills Testing/Assessment			(can be adjusted for inflation as necessary)	
Course Fees				
Partial Payment				
Penalty Fees				
<u>Room Rates:</u>				
Double Room	6,312	184	3.0% /yr	6,128
Premium for a Single Room	1,684	50	3.1% /yr	1,634
Reduction for Tripling	(645)	(19)	3.0% /yr	(626)
Single Room Suite	8,795	257	3.0% /yr	8,538
<u>Board Rates:</u>				
Gold Plan/unlimited meals with \$100,	4,287	125	3.0% /yr	4,162
Base plan/12 meals/wk with \$150/yr	4,129	121	3.0% /yr	4,008
8 meals/wk with \$220/yr in DB	3,970	116	3.0% /yr	3,854

Item 6:
Vermont Tech – 44 Water Street Information




Office of the President
PO Box 500
Randolph Center, Vermont 05061

Tel: 802 728 1252
Email: president@vtc.edu

MEMORANDUM

TO: Jeb Spaulding, Chancellor, Vermont State Colleges

CC: Stephen Wisloski, Chief Financial Officer, Vermont State Colleges
Littleton Tyler, Dean of Administration, Vermont Technical College

FROM: Patricia Moulton, President, Vermont Technical College 

DATE: May 16, 2017

SUBJECT: Permission to sell 44 Water Street House, Randolph Center, VT

Vermont Technical College requests permission from the Board of Trustees to sell real estate we own at 44 Water Street in Randolph Center. The property is a residential property with 7 bedrooms, three living rooms, three bathrooms and one kitchen. It was used as a student housing for many years. With excess dorm space, we no longer need it for residential housing. It has been vacant since 2015.

The house is in a residential area on Water Street which is across from the main campus, on the way to the farm. It is on municipal water and sewer. It has a washer, dryer, range and refrigerator which would be sold with the house. There is no garage but it has a storage shed. It could be converted to three apartments so could make a great investment property.

The college has considered using it for married student housing but with Old Dorm vacant, we do not see a need. We considered converting it to three apartments but again, with plenty of dorm space, including Old Dorm which we have used for older students and married students, we do not have a need.

The Town has it listed as a "three apartment house." An appraisal conducted in 2015 appraised it at \$193,000. (Attached) It is not generating any income for us now. We could lease it but that is not our core business so we would like to sell it. There are no additional costs associated with preparing it for sale. We have a realtor ready to list it. The only costs would be the realtor fee. At this time I do not have a suggested sale price. I would anticipate we could achieve the 2015 appraisal in a sale. The proceeds of the sale would be placed in our strategic reserves for now with the possibility of using the proceeds to assist with analysis and/or expansion of the Williston campus.

We are seeking a Finance and Facilities Committee recommendation to the Board of Trustees enabling us to list this property for sale. If possible, we would like this considered at the May 31, 2017 Committee meeting.

Please let me know if you need additional information.

ERIC BENSON APPRAISAL COMPANY
Residential Real Estate Appraisers

File No. E15155

APPRAISAL OF



A THREE FAMILY RESIDENCE

LOCATED AT:

44 Water Street
Randolph Center, VT 05061

CLIENT:

Vermont Technical College
P. O. Box 500
Randolph Center, VT 05061

AS OF:

May 21, 2015

BY:

Eric Benson
Certified Residential Appraiser

ERIC BENSON APPRAISAL COMPANY
Residential Real Estate Appraisers

File No. E15155

June 5, 2015

Ted Manazier
Vermont Technical College
P. O. Box 500
Randolph Center, VT 05061

File Number: E15155

Dear Client;

In accordance with your request, I have appraised the real property at:

44 Water Street
Randolph Center, VT 05061

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of May 21, 2015 is:

\$193,000
One Hundred Ninety-Three Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Sincerely,



Eric Benson
Certified Residential Appraiser

epb

Summary
Small Residential Income Property Appraisal Report

File No. E15155

PURPOSE

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User	Vermont Technical College	E-mail	
Client Address	P. O. Box 500	City	Randolph Center
		State	VT
		Zip	05061
Additional Intended User(s)	None		

Intended Use To assist in establishing the current estimated market value of the subject property with the highest and best use as a 3 family residential property.

SUBJECT

Property Address	44 Water Street	City	Randolph Center	State	VT	Zip	05061
Owner of Public Record	Vermont State Colleges			County	Orange		
Legal Description	Per Randolph Town Records: Book 175, Page 633.						
Assessor's Parcel #	117008	Tax Year	2015	R.E. Taxes \$	N/A		
Neighborhood Name	Randolph Village	Map Reference	25-20-008	Census Tract	MC-50-017045		
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						

SALES HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: Date None Price N/A Source(s) Town Records

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) The subject has not sold in the prior 36 months. No prior sale of the comparables within the previous 12 months.

Offerings, options and contracts as of the effective date of the appraisal The subject is not currently listed for sale on the open market and no offerings, options or contracts on the property are known by the appraiser.

NEIGHBORHOOD

Neighborhood Characteristics			2-4 Unit Housing Trends			2-4 Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	60% %		
Built-Up	<input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	25% %		
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	150 Low	30	Multi-Family	1% %		
Neighborhood Boundaries	The subject neighborhood is loosely defined as the village of Randolph Center.			350 High	150	Commercial	10% %		
Neighborhood Description	See Attached Addendum.			Mixed Pred.	100	Other Vacant	4% %		

Market Conditions (including support for the above conclusions) The market is currently rather slow for income properties in general, however, income producing homes in areas of college influence appear to still be accepted in the market.

SITE

Dimensions	Not Recorded	Area	.38 Acre Per Town	Shape	Rectangular	View	Local/Average
Specific Zoning Classification	Residential 2-20	Zoning Description	20,000 SF Minimum				
Zoning Compliance	<input type="checkbox"/> Legal <input checked="" type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. Note: Grandfathered properties can be rebuilt within 1 year if destroyed.							
Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street Paved	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	None	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>
Site Comments	The lot is typical for the neighborhood with adequate lawn area and rear yard with a privacy fence for rear yard privacy. There has also been extensive curtain and perimeter foundation drains installed around the dwelling. The front of the lot has been enhanced with stone walls.						

IMPROVEMENTS

GENERAL DESCRIPTION			FOUNDATION		EXTERIOR DESCRIPTION			INTERIOR	
Units	<input type="checkbox"/> Two <input checked="" type="checkbox"/> Three <input type="checkbox"/> Four		<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space		Foundation Walls	Concrete	Floors	SW/WW/Lin. Tile	
Accessory Unit (describe below)			<input type="checkbox"/> Full Basement <input checked="" type="checkbox"/> Partial Basement		Exterior Walls	WoodClpbd/T-111	Walls	Drywall	
# of Stories	2	# of bldgs. 1	Basement Area	779 sq. ft.	Roof Surface	Metal	Trim/Finish	Softwood	
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit		Basement Finish	0 %	Gutters & Downspouts	None	Bath Floor	Vinyl/Lin Tile	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.			<input checked="" type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type	Mixed	Bath Wainscot	Fiberglass	
Design (Style)	Cape		Evidence of <input type="checkbox"/> Infestation		Storm Sash/Insulated	Insul/Some Strms	Car Storage		
Year Built	1900 +/-		<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens	Yes	<input type="checkbox"/> None		
Effective Age (Yrs)	20		Heating/Cooling		Amenities		<input checked="" type="checkbox"/> Driveway	# of Cars 3	
Attic	<input type="checkbox"/> None		<input type="checkbox"/> FWA <input checked="" type="checkbox"/> HW <input type="checkbox"/> Radiant		<input type="checkbox"/> Fireplace(s) # 0 <input type="checkbox"/> WoodStove(s) #0		Driveway Surface	Gravel	
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs		<input type="checkbox"/> Other Fuel Oil		<input type="checkbox"/> Patio/Deck 0 <input checked="" type="checkbox"/> Fence Privacy		<input type="checkbox"/> Garage	# of Cars 0	
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Scuttle		<input type="checkbox"/> Central Air Conditioning		<input type="checkbox"/> Pool 0 <input checked="" type="checkbox"/> Porch Small		<input type="checkbox"/> Carport	# of Cars 0	
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated		<input type="checkbox"/> Individual <input type="checkbox"/> Other		<input checked="" type="checkbox"/> Other Shed		<input type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in	
# of Appliances	Refrigerator 3	Range/Oven 3	Dishwasher 1	Disposal	Microwave 1	Washer/Dryer 1	Other (describe)		
Unit # 1 contains:	4 Rooms	2 Bedroom(s)	1. Bath(s)	698	Square feet of Gross Living Area				
Unit # 2 contains:	3 Rooms	1 Bedroom(s)	1 Bath(s)	418	Square feet of Gross Living Area				
Unit # 3 contains:	6 Rooms	3 Bedroom(s)	2 Bath(s)	1,482	Square feet of Gross Living Area				
Unit # 4 contains:	Rooms	Bedroom(s)	Bath(s)		Square feet of Gross Living Area				
Additional features	Detached storage shed; partially finished basement; whirlpool tub in second bath in unit 3; roof windows in several second floor rooms; bay window with storage area and exposed ceiling beams in unit 3 kitchen/dining room; Large mudroom entry to unit 3.								
Comments on the Improvements	The subject property is an older traditional style dwelling with 3 rental units that have been updated. The original stone foundation has been replaced with poured concrete walls and floor. A small storage room in the basement has also been finished with a drop ceiling. The walls have been insulated and finished on the interior with drywall. The subject is within walking distance to the VTC College Campus. The subject is a pre-1978 structure and still may contain some areas of lead paint. If more information is required, it is suggested that an inspection be completed by a qualified individual. The property was most recently utilized as a "dorm" facility for housing VTC students. Some minor reconfiguring of doorways and kitchens will be required prior to returning the dwelling to a 3 unit income property.								

Client: Vermont Technical College	File No.: E15155
Property Address: 44 Water Street	Case No.:
City: Randolph Center	State: VT Zip: 05061



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: May 21, 2015
Appraised Value: \$ 193,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

Client: Vermont Technical College		File No.: E15155
Property Address: 44 Water Street		Case No.:
City: Randolph Center	State: VT	Zip: 05061



Storage Shed



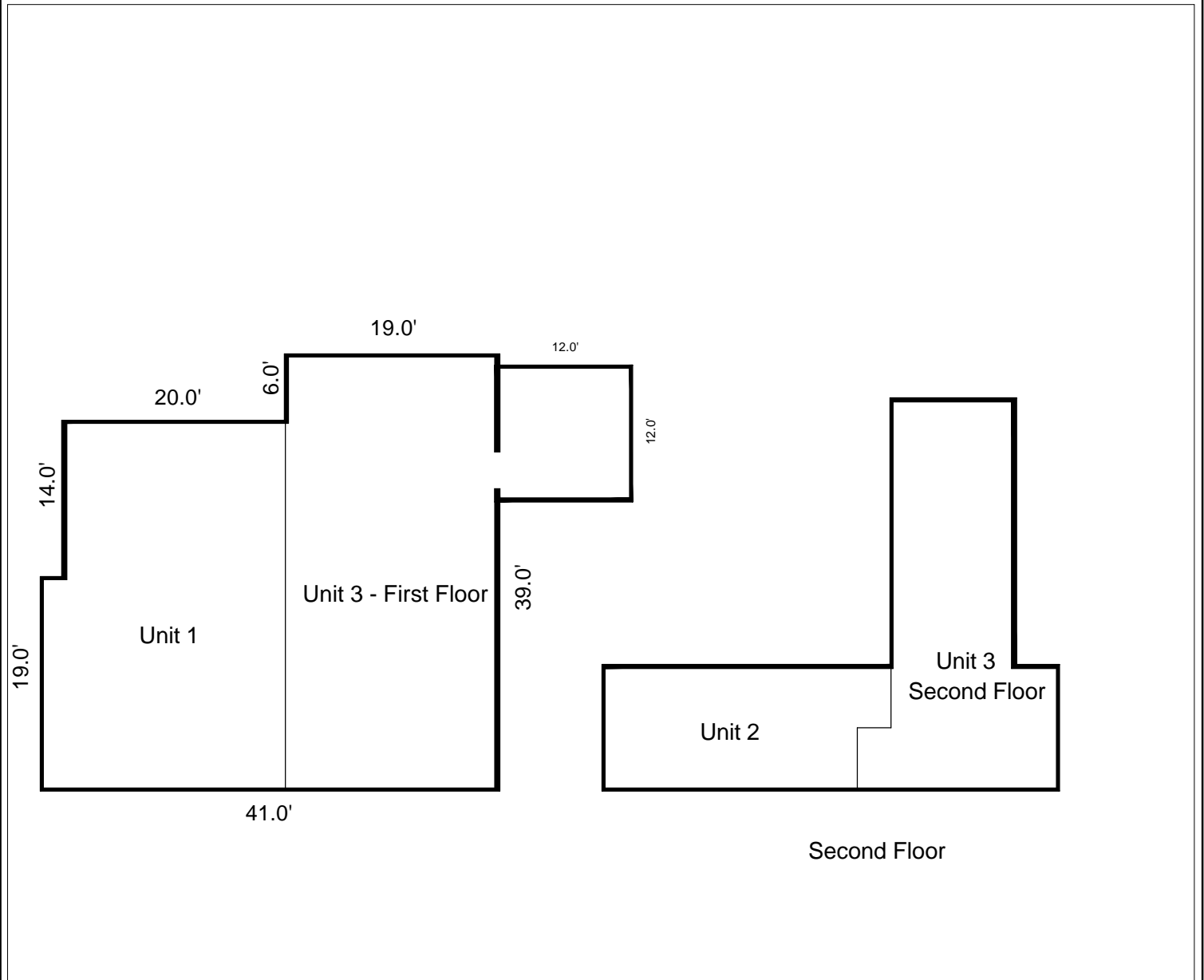
Additional Front View



Additional Rear View

FLOORPLAN SKETCH

Client: Vermont Technical College		File No.: E15155	
Property Address: 44 Water Street		Case No.:	
City: Randolph Center		State: VT	Zip: 05061



Sketch by Apex IV Windows™

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	First Floor	1439.00	
	First Floor	144.00	1583.00
GLA2	Second Floor	715.00	715.00
TOTAL LIVABLE (rounded)			2298

LIVING AREA BREAKDOWN		Subtotals
Breakdown		
First Floor		
33.0 x	39.0	1287.00
2.0 x	19.0	38.00
6.0 x	19.0	114.00
12.0 x	12.0	144.00
Second Floor		
11.0 x	24.0	264.00
11.0 x	41.0	451.00
6 Areas Total (rounded)		2298

Item 7: Debt Restructuring Summary

[Back to Agenda](#)



**Vermont State Colleges System
Change in Debt Service by Fiscal Year**

Fiscal Year	CCV	Castleton	Johnson	Lyndon	VT Tech	Total
2018	(675,072)	(1,065,077)	(275,508)	(387,201)	(199,557)	(2,602,416)
2019	(558,291)	(893,387)	(220,269)	(309,568)	(159,546)	(2,141,062)
2020	(559,817)	(895,924)	(221,071)	(310,694)	(160,127)	(2,147,632)
2021	(557,321)	(892,708)	(219,997)	(309,185)	(159,349)	(2,138,560)
2022	87,751	57,099	85,488	120,146	61,921	412,405
2023	88,515	57,807	85,745	120,507	62,107	414,682
2024	87,198	55,554	84,996	119,454	61,565	408,767
2025	89,873	58,913	86,164	121,095	62,411	418,456
2026	90,284	268,444	86,236	121,196	62,463	628,622
2027	91,227	473,554	86,555	121,645	62,694	835,675
2028	(8,692,170)	(12,363,695)	(4,556,224)	(6,403,341)	(3,300,184)	(35,315,614)
2029	1,306,957	2,112,937	679,514	954,993	492,189	5,546,590
2030	1,434,354	2,112,844	679,484	954,951	492,167	5,673,800
2031	1,434,354	2,112,844	679,484	954,951	492,167	5,673,800
2032	1,435,523	2,114,566	680,038	955,729	492,568	5,678,425
2033	1,435,207	2,114,101	679,888	955,519	492,460	5,677,175
2034	1,434,404	2,112,918	679,508	954,985	492,184	5,674,000
2035	1,434,784	2,113,477	679,688	955,237	492,314	5,675,500
2036	1,434,430	2,112,956	679,520	955,001	492,193	5,674,100
2037	1,434,531	2,113,105	679,568	955,069	492,228	5,674,500
2038	1,434,986	2,113,775	679,784	955,372	492,384	5,676,300
	3,711,706	5,994,102	1,818,593	2,555,860	1,317,251	15,397,513

Item 8: Morgan Stanley Reports

[Back to Agenda](#)

Morgan Stanley

Vermont State Colleges

March 31, 2017

4:30PM

Proposed Agenda

1. Morgan Stanley
 - a. Local Team
 - b. Investment Process
 - i. Consulting Group
 - ii. Global Investment Committee
2. Investment Policy
3. Portfolio Review
 - a. Asset Allocation
 - b. Holdings
 - c. Performance
 - d. Current Recommendations
4. Advisory Fees
5. Relationship Management
 - a. Sub Committee?
6. Other Topics

1st Quarter 2017

Prepared on April 19, 2017

Prepared For: **VSC Advised Accounts**

VERMONT STATE COLLEGES
ATTN: STEPHEN WISLOSKI
PO BOX 7
MONTPELIER VT 05601-0007

Danielle Hogan

Financial Advisor
Vice President
Tel: +1 802 652-6002
Danielle.A.Hogan@morganstanley.com

John Myhre

Financial Advisor
Vice President
Tel: +1 802 652-6040
John.O.Myhre@morganstanley.com

Brian Pelkey

Financial Advisor
Senior Vice President
Tel: +1 802 652-6035
Brian.A.Pelkey@morganstanley.com
<http://www.morganstanleyfa.com/pelkey>

Your Branch:

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

VSC Managed Accounts

Prepared on April 19, 2017 | Reporting Currency: USD

TABLE OF CONTENTS

Account(s) Included In This Report	3
Morgan Stanley Team and Services	4
Asset Allocation - Revised Tactical Allocation	16
Asset Allocation	17
Equities Asset And Sector Allocation	20
Equities Asset Allocation	21
Fixed Income & Preferreds Asset Allocation	22
Alternatives Asset Allocation	23
Asset Allocation Over Time	24
Projected 12 Month Income Summary	25
Time Weighted Performance Summary - Advisory Assets Only	
VSC Managed Accounts	26
VERMONT STATE COLLEGES 383-108872	27
VERMONT STATE COLLEGES 383-110533	28
VERMONT STATE COLLEGES 383-122584	29
VERMONT STATE COLLEGES 383-108874	30
VERMONT STATE COLLEGES 383-108918	31
IRONWOOD 383-020918	32
SKYBRIDGE 383-020919	33
VERMONT STATE COLLEGES 383-108920	34
VERMONT STATE COLLEGES 383-110534	35
Morgan Stanley - Advisory Fee	36
Wealth Management Perspectives	37
Disclosures	57

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.

WEALTH MANAGEMENT

ACCOUNT(S) INCLUDED IN THIS REPORT

VSC Managed 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 Intl ADR -London	Advisory	383-108874	12/20/02	
	Anchor Mid Cap Value	Advisory	383-108918	02/06/03	
	AAA	Advisory	383-108920	02/06/03	01/25/17
	ClearBridge Multi Growth	Advisory	383-110533	04/19/06	
	AAA	Advisory	383-110534	04/19/06	
	ThomasPartners	Advisory	383-122584	03/07/12	

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. Closed Accounts listed above are included for historical performance.



Review of Morgan Stanley Team and Services

Brian A. Pelkey, Senior Vice President
Financial Advisor
Government Entity Associate
Morgan Stanley Wealth Management
802.652.6035
brian.a.pelkey@morganstanley.com

John O. Myhre, Vice President
Financial Advisor
Government Entity Associate
Morgan Stanley Wealth Management
802.652.6040
john.o.myhre@morganstanley.com

Morgan Stanley

SUPPORTING BRIAN AND JOHN

In addition to Brian and John, we collaborate with a larger team for research, discussion, feedback and perspective.

There is much overlap in disciplines between the team members. John is the lead contact person and focuses on fiduciary process and investment policy. Brian leads the discussion on asset allocation and investment selection. Danielle is the primary administrative contact and focusses on decision implementation, communications, portfolio reporting and cash management. Other, in-house individuals offer enhanced research capabilities and administrative support.

Morgan Stanley

REGIONAL PRESENCE

Regionally, Brian Pelkey, John Myhre & Danielle Hogan, as part of the Northern States Complex...

- Serve approximately 30 larger nonprofit or trustee directed plan clients
- With assets totaling over \$415,000,000
- With an average relationship size of approximately \$14,000,000
- Have added assets of over \$110,000,000 over the past 3 years

Morgan Stanley

THE CONSULTING GROUP

The Consulting Group is an independent division of Morgan Stanley intended exclusively to assist teams like ours in serving our clients. This group is unique in our industry and a direct partner for all that we do. The primary function of the Consulting Group is to provide independent due diligence of investment managers and products. If a manager or product is brought into our usable “universe” they will fall into a category of Approved List, Focused List or the Tactical Opportunities List. They tap into all of the other resources of Morgan Stanley to assist in this process.

Morgan Stanley

THE CONSULTING GROUP OVERVIEW

The **Consulting Group** is an independent arm of Morgan Stanley with a long history of providing investment consulting advice and services to institutional and High Net Worth individual clients.

Leveraging resources from across the firm, they provide access to advice and investment manager analysis while bringing clients a personalized and local perspective.

KEY BENEFITS

- **Over 40 years** of experience in the industry advising clients on portfolio solutions
- **Dedicated team** of 60+ professionals focused exclusively on due diligence and investment manager selection for the firm's investment advisory platform
- **Process-driven approach** that seeks quality managers and strategies designed to optimize portfolio return potential in various market environments
- **This extensive** third-party manager due diligence , including comprehensive quantitative and qualitative tools used for all manager assessments
- **Uses insight** from the firm's **Global Investment Committee**, to integrate asset allocation and thought leadership into advisory programs

TRADITIONAL MANAGER ANALYSIS: THREE LEVELS OF CONVICTION

The team conducts rigorous qualitative and quantitative evaluations to develop opinion-based analysis that is substantiated by conviction level.

Approved List

- Responsive to client needs and industry trends
- Information on a broad universe of investment managers and products
- Meets GIMA's qualitative and quantitative standards

Focus List

- Higher level of conviction
- Explicit focus on identifying potential to add value over time
- Intensive due diligence process, generally including on-site visits, business reviews, etc.
- Detailed reporting, including portfolio and performance analysis

Tactical Opportunities List

- Draws from both the Focus and Approved Lists
- Leverages manager analysis capabilities, as well as capital markets analysis by the Global Investment Committee (GIC)
- Based on potential short-term performance



Morgan Stanley

THE GLOBAL INVESTMENT COMMITTEE (GIC)

The GIC leads the firm in providing capital market analysis, forecasts and portfolio models. As our partner they indicate their opinion as to proper asset allocation between stocks, bonds, cash and alternative investment (when used). They also recommend the balance between large cap and small cap, domestic and international stocks, longer and shorter duration bonds and passive (indexed) and actively managed approaches. These “model” portfolios are sensitive to differing levels of risk as well as the size of a portfolio. Additionally, the recommendations are tailored for longer termed based portfolios (strategic allocations) or shorter term portfolios (tactical allocations). Slides 9 and 10 introduce you more to the Global Investment Committee and how they and the Consulting Group works with the other resources of the firm.

Morgan Stanley

GLOBAL INVESTMENT COMMITTEE (GIC)



The Global Investment Committee is a group of seasoned investment professionals who meet regularly to discuss the global economy and markets. The committee determines the investment outlook that guides our advice to clients. They continually monitor developing economic and market conditions, review tactical outlooks and recommend model portfolio weightings, as well as produce a suite of strategy, research, analysis, commentary, portfolio positioning suggestions and other reports and broadcasts.

Morgan Stanley

GLOBAL INVESTMENT COMMITTEE (GIC)



Morgan Stanley

LAYERS OF MARKET INTELLIGENCE



All information as of May 2015 and subject to change.

¹Includes all strategists and analysts within Wealth Management Investment Resources

Morgan Stanley

CUSTOMIZED FOR OUR CLIENTS

Ultimately, neither the work of the Consulting Group nor the GIC is specifically intended for the use and implementation of portfolios. It is, instead, the quantitative input we use as we then blend in our understanding of the unique goals, spending needs, risk tolerances, time horizon, comfort with changes, investment history and unique board and family history and circumstances of our clients. So, it is the combination of the investment resources of our firm combined with our knowledge of the client which shape our recommendations.

Our Advice Adds Incremental Value in Distinct Ways

In addition to leveraging the recommendations of the Global Investment Committee and our deep bench of analysts and economists, we add incremental value through the utilization of distinct investment strategies





VERMONT STATE COLLEGES
PORTFOLIO SUMMARY - ASSET ALLOCATION
March 30, 2017

	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
CG Advisor												
I shares Russell 1000 Growth	\$ 2,938,157										\$ 2,938,157	11.4%
I shares Russell 1000 Value		\$ 3,496,139									\$ 3,496,139	13.6%
I shares Trust S&P Mid Cap 400			\$ 31,673								\$ 31,673	0.1%
iShares Russell 2000			\$ 209,939	\$ 209,939							\$ 419,878	1.6%
William Blair Int Growth					\$ 1,378,191						\$ 1,378,191	5.3%
Oppenheimer Developing Mkts						\$ 596,937					\$ 596,937	2.3%
I shares MSCI EAFE						\$ 433,603					\$ 433,603	1.7%
Dreyfus Standish GLB Fix Inc I								\$ 779,607			\$ 779,607	3.0%
Loomis Bond Fund							\$ 1,109,120				\$ 1,109,120	4.3%
Ishares Dj US Real Estate									\$ 357,008		\$ 357,008	1.4%
Vanguard REIT ETF									\$ 368,793		\$ 368,793	1.4%
Vanguard Sh Tm Invt Gr Inv							\$ 1,309,500				\$ 1,309,500	5.1%
Vanguard Total Bd Mkt Indx Inv							\$ 2,307,923				\$ 2,307,923	9.0%
Lazard Emerging Markets						\$ 619,467					\$ 619,467	2.4%
Money Funds										\$ 70,044	\$ 70,044	0.3%
Ironwood HF									\$ 521,815		\$ 521,815	2.0%
Skybridge HF									\$ 484,370		\$ 484,370	1.9%
Anchor				\$ 828,247							\$ 828,247	3.2%
Delaware					\$ 1,181,602						\$ 1,181,602	4.6%
Clearbridge	\$ 876,097	\$ 669,956	\$ 592,654	\$ 412,281	\$ -					\$ 25,768	\$ 2,576,755	10.0%
Seix							\$ 1,494,431				\$ 1,494,431	5.8%
Thomas Partners	\$ 531,259	\$ 1,250,312	\$ 74,129	\$ 321,226	\$ 247,097					\$ 46,948	\$ 2,470,972	9.6%
Total Fund	\$ 4,345,513	\$ 5,416,407	\$ 908,395	\$ 1,771,694	\$ 2,806,890	\$ 1,650,008	\$ 6,220,974	\$ 779,607	\$ 1,731,986	\$ 142,760	\$ 25,774,233	100.00%
Allocation	16.86%	21.01%	3.52%	6.87%	10.89%	6.40%	24.14%	3.02%	6.72%	0.55%	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	\$ 3,092,908	\$ 3,092,908	\$ 1,546,454	\$ 1,546,454	\$ 4,381,620	\$ 1,804,196	\$ 7,216,785	\$ 1,030,969	\$ 2,061,939	\$ -	\$ 25,774,233	
Current Tactical Allocation	18%	18%	4%	4%	12%	4%	28%	4%	8%	0%	100%	
Revised Tactical a/o 3.30.2017	18%	18%	4%	6%	15%	6%	24%	3%	6%	0%	100%	
Operations Account		\$ 105,994	(common stock)		\$ 15,633	(money funds)					\$ 121,628	
Total All Accounts											\$ 25,895,861	

Basic Asset Allocation:

Stocks	66%
Alternatives	7%
Fixed Income/Cash	28%

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 3/30/17 and is subject to daily market fluctuation.

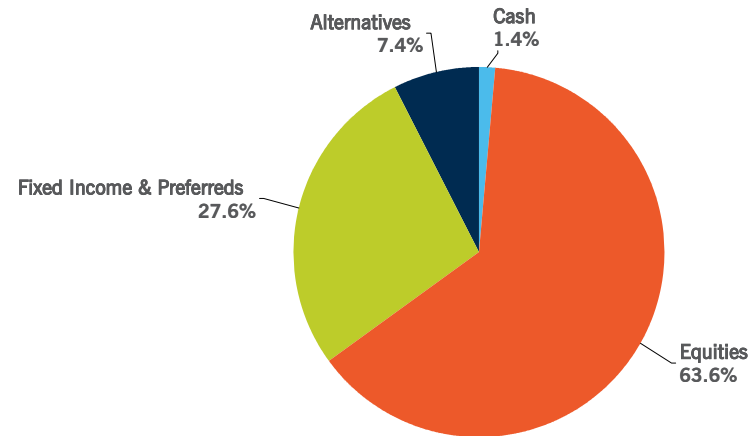
Morgan Stanley Smith Barney, LLC. Member SIPC. Prepared by: John O. Myhre, Vice President, Financial Advisor

WEALTH MANAGEMENT
ASSET ALLOCATION

VSC Managed Accounts

As of April 18, 2017 | Reporting Currency: USD

ASSET ALLOCATION - ASSET CLASS



ASSET ALLOCATION

	Total Value 04/18/17	% of Portfolio 04/18/17
Cash		
Global Cash		
Global Cash	351,191.76	1.4
Global Cash Total	\$351,191.76	1.4%
Cash Total	\$351,191.76	1.4%
Equities		
US Equities		
US Large Cap Growth	4,253,767.40	16.6
US Large Cap Value	4,846,498.88	18.9
US Mid Cap Growth	808,443.31	3.1
US Mid Cap Value	766,555.82	3.0
US Small Cap Growth	317,089.51	1.2

Total Value and % of Portfolio are based on US Dollar values.

WEALTH MANAGEMENT
ASSET ALLOCATION

VSC Managed Accounts

As of April 18, 2017 | Reporting Currency: USD

ASSET ALLOCATION

	Total Value 04/18/17	% of Portfolio 04/18/17
US Small Cap Value	279,004.27	1.1
US Equities Total	\$11,271,359.19	43.9%
International Equities		
Canadian Equities	66,592.78	0.3
European Equities	1,577,124.41	6.1
Japan Equities	168,376.69	0.7
Asia Pac ex Jpn Equities	227,161.16	0.9
Intl Equities Other	1,801,184.39	7.0
International Equities Total	\$3,840,439.43	14.9%
Emerging & Frontier Mkt		
Asia Equities	35,763.75	0.1
Latin America Equities	7,752.00	0.0
Emerging Mkt Equities Oth	1,200,955.69	4.7
Emerging & Frontier Mkt Total	\$1,244,471.44	4.8%
Equities Total	\$16,356,270.06	63.7%
Fixed Income & Preferreds		
Short Term Fixed Income		
Short Term Govt/Corp	988,546.55	3.8
Short Term Securitized	329,515.52	1.3
Short Term Fixed Income Total	\$1,318,062.07	5.1%
US Fixed Income Taxable		
Intermed Term Govt/Corp	1,177,408.19	4.6
US Taxable Core	2,499,428.62	9.7
US Fixed Income Taxable Total	\$3,676,836.81	14.3%
Intl Fixed Income		
Intl Core Fixed Income	565,740.29	2.2
Intl Fixed Income Total	\$565,740.29	2.2%
High Yield Fixed Income		
High Yield Fixed Income	1,523,000.00	5.9
High Yield Fixed Income Total	\$1,523,000.00	5.9%

Total Value and % of Portfolio are based on US Dollar values.

WEALTH MANAGEMENT
ASSET ALLOCATION

VSC Managed Accounts

As of April 18, 2017 | Reporting Currency: USD

ASSET ALLOCATION

	Total Value 04/18/17	% of Portfolio 04/18/17
Fixed Income & Preferreds Total	\$7,083,639.17	27.6%
Alternatives		
Real Assets		
REITs	804,493.06	3.1
MLP/Energy Infrastructure	91,756.95	0.4
Real Assets Total	\$896,250.01	3.5%
Absolute Return Assets		
Non-Directional MMgr/FoF	521,811.12	2.0
Absolute Return Assets Total	\$521,811.12	2.0%
Equity Hedge Assets		
Multi-Manager/FoF	484,739.86	1.9
Equity Hedge Assets Total	\$484,739.86	1.9%
Alternatives Total	\$1,902,800.99	7.4%
Total Portfolio	\$25,693,901.98	100.0%

Total Value and % of Portfolio are based on US Dollar values.

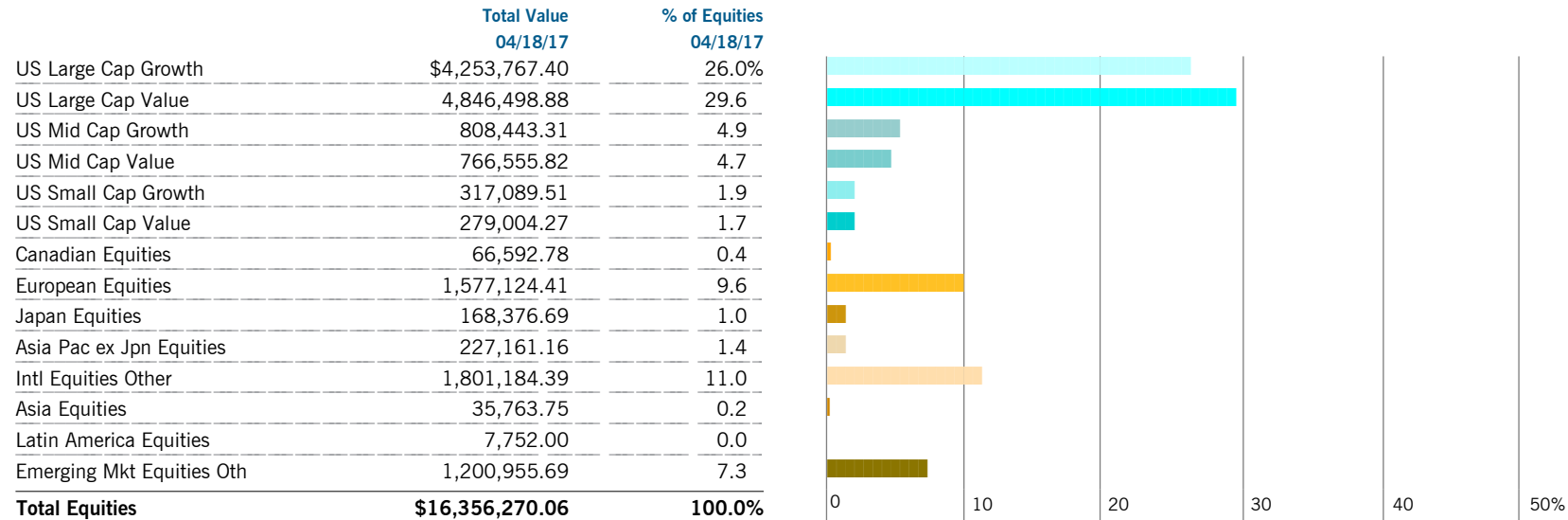
WEALTH MANAGEMENT

EQUITIES ASSET AND SECTOR ALLOCATION

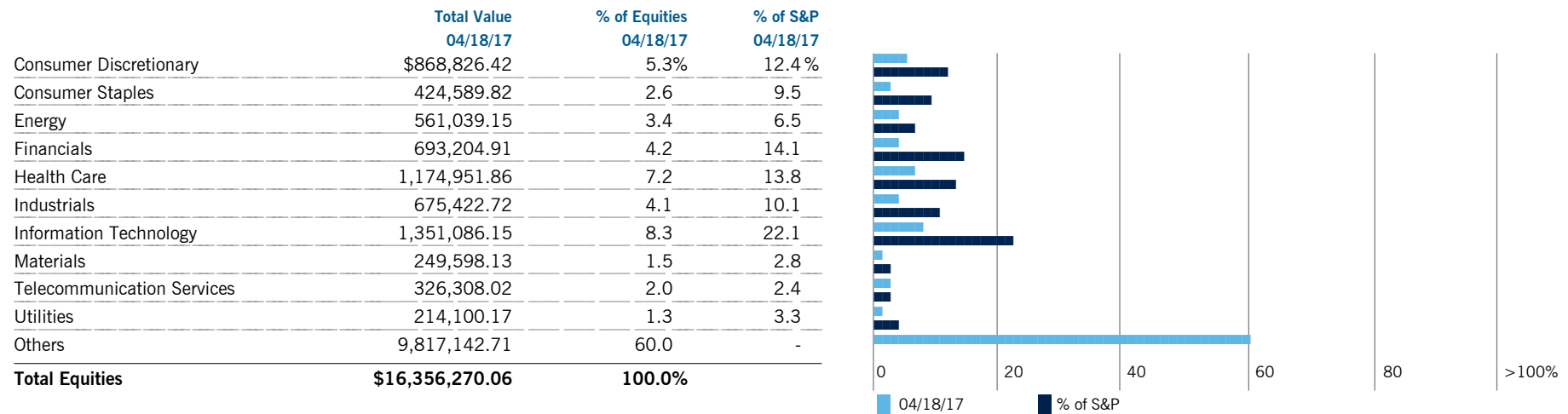
VSC Managed Accounts

As of April 18, 2017 | Reporting Currency: USD

EQUITIES ASSET ALLOCATION



EQUITIES SECTOR DISTRIBUTION



WEALTH MANAGEMENT

EQUITIES ASSET ALLOCATION

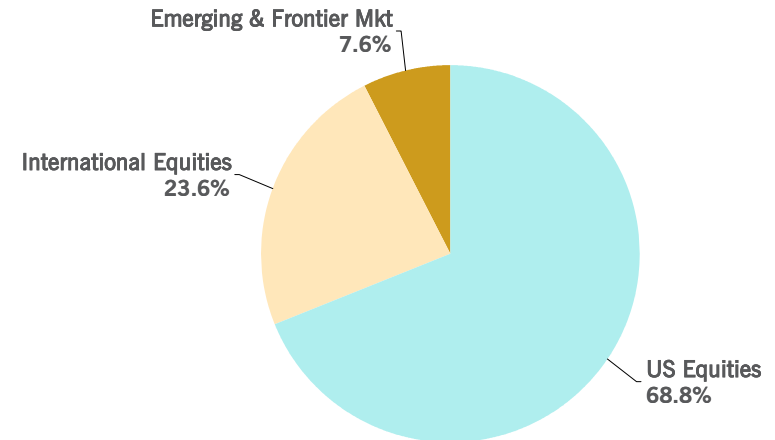
VSC Managed Accounts

As of March 31, 2017 | Reporting Currency: USD

TOP EQUITY POSITIONS BASED ON TOTAL VALUE

	Total Value 03/31/17	% of Equities
ISHARES RUSSELL 1000 VALUE ETF	\$3,486,130.20	21.1%
ISHARES RUSSELL 1000 GRW ETF	2,936,609.00	17.8
WILLIAM BLAIR INTL GROWTH I	1,375,034.53	8.3
LAZARD EMERGING MKTS EQ I	612,514.95	3.7
OPPENHEIMER DEVELOPING MKTS Y	592,431.49	3.6
ISHARES MSCI EAFE ETF	432,977.79	2.6
ISHARES RUSSELL 2000 ETF	420,551.32	2.5
UNITEDHEALTH GP INC	221,577.51	1.3
COMCAST CORP (NEW) CLASS A	197,272.32	1.2
ALLERGAN PLC SHS	129,733.56	0.8
Top Equity Positions	\$10,404,832.67	63.0%
Other Equity Positions	\$6,122,704.73	37.0%
Total Equities	\$16,527,537.40	100.0%

ASSET ALLOCATION - EQUITIES



ASSET ALLOCATION - EQUITIES

	Total Value 03/31/17	% of Equities 03/31/17	% of Portfolio 03/31/17
US Equities	\$11,380,348.20	68.9%	44.1%
International Equities	3,897,290.77	23.6	15.1
Emerging & Frontier Mkt	1,249,898.44	7.6	4.8
Total Equities	\$16,527,537.40	100.0%	64.1%

WEALTH MANAGEMENT

FIXED INCOME & PREFERRED ASSET ALLOCATION

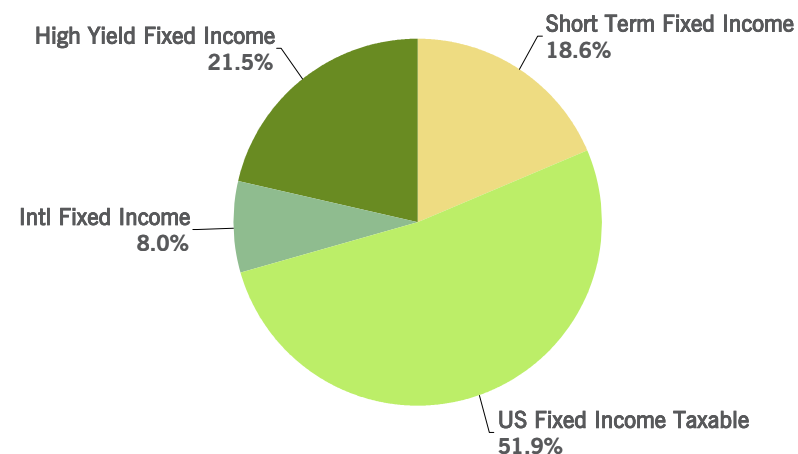
VSC Managed Accounts

As of April 18, 2017 | Reporting Currency: USD

TOP FIXED INCOME & PREFERRED POSITIONS BASED ON TOTAL VALUE

	Total Value 04/18/17	% of Fixed Income & Preferreds
BLACKROCK HI YIELD BD PTF INST	\$1,523,000.00	21.5%
VANGUARD SH TM INVT GR INV	1,318,062.07	18.6
VANGUARD TOTAL BD MKT INDX INV	1,177,408.19	16.6
GUGGENHEIM TOTAL RETURN BD I	1,165,517.96	16.5
LOOMIS SAYLES BOND INST	1,113,900.55	15.7
DREYFUS STANDISH GLB FIX INC I	785,750.40	11.1
Top Fixed Income & Preferred Positions	\$7,083,639.17	100.0%
Other Fixed Income & Preferred Positions	-	-
Total Fixed Income & Preferreds	\$7,083,639.17	100.0%

ASSET ALLOCATION - FIXED INCOME & PREFERREDS



ASSET ALLOCATION - FIXED INCOME & PREFERREDS

	Total Value 04/18/17	% of Fixed Income & Preferreds 04/18/17	% of Portfolio 04/18/17
Short Term Fixed Income	\$1,318,062.07	18.6%	5.1%
Short Term Govt/Corp	988,546.55	14.0	3.8
Short Term Securitized	329,515.52	4.7	1.3
US Fixed Income Taxable	3,676,836.81	51.9	14.3
Intermed Term Govt/Corp	1,177,408.19	16.6	4.6
US Taxable Core	2,499,428.62	35.3	9.7
Intl Fixed Income	565,740.29	8.0	2.2
Intl Core Fixed Income	565,740.29	8.0	2.2
High Yield Fixed Income	1,523,000.00	21.5	5.9
High Yield Fixed Income	1,523,000.00	21.5	5.9
Total Fixed Income & Preferreds	\$7,083,639.17	100.0%	27.6%

WEALTH MANAGEMENT

ALTERNATIVES ASSET ALLOCATION

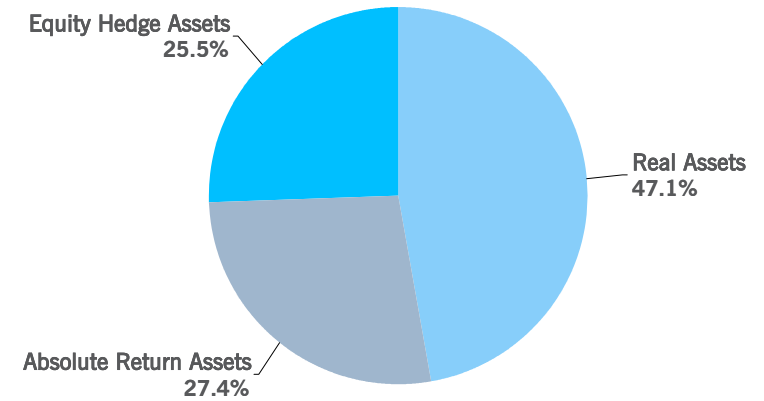
VSC Managed Accounts

As of April 18, 2017 | Reporting Currency: USD

TOP ALTERNATIVE POSITIONS BASED ON TOTAL VALUE

	Total Value 04/18/17	% of Alternatives
IRONWOOD INSTIT MS LLC	\$521,811.12	27.4%
SKYBRIDGE MUL-AD SER G ADV	484,739.86	25.5
VANGUARD REIT ETF	384,155.84	20.2
ISHARES US REAL ESTATE ETF	370,078.60	19.4
ALERIAN MLP ETF	91,756.95	4.8
SUN COMMUNITIES INC	21,369.60	1.1
CORECIVIC INC	19,460.54	1.0
WELLTOWER INC	9,428.48	0.5
Top Alternative Positions	\$1,902,800.99	100.0%
Other Alternative Positions	-	-
Total Alternatives	\$1,902,800.99	100.0%

ASSET ALLOCATION - ALTERNATIVES



ASSET ALLOCATION - ALTERNATIVES

	Total Value 04/18/17	% of Alternatives 04/18/17	% of Portfolio 04/18/17
Real Assets	\$896,250.01	47.1%	3.5%
Absolute Return Assets	521,811.12	27.4	2.0
Equity Hedge Assets	484,739.86	25.5	1.9
Total Alternatives	\$1,902,800.99	100.0%	7.4%

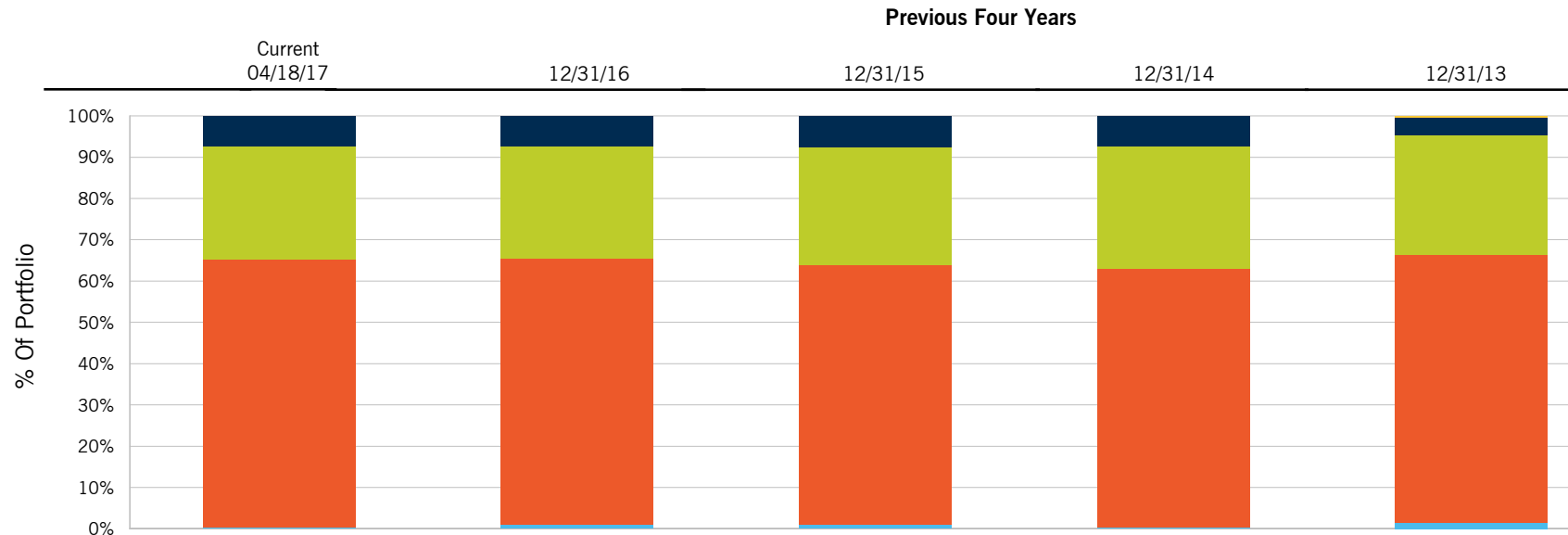
WEALTH MANAGEMENT

ASSET ALLOCATION OVER TIME

VSC Managed Accounts

As of April 18, 2017 | Reporting Currency: USD

HISTORICAL ALLOCATION



% OF PORTFOLIO

Cash	0.4%	1.1%	1.1%	0.4%	1.4%
Equities	64.8	64.3	62.9	62.5	65.0
Fixed Income & Preferreds	27.6	27.3	28.4	29.8	29.0
Alternatives	7.2	7.3	7.5	7.3	4.3
Other	-	-	-	-	0.3
% of Portfolio	100.0%	100.0%	100.0%	100.0%	100.0%

TOTAL VALUE

Cash	\$101,355.95	\$277,910.66	\$254,589.42	\$106,084.82	\$306,417.74
Equities	16,656,363.32	15,816,288.51	14,265,615.90	14,992,590.65	14,551,953.38
Fixed Income & Preferreds	7,083,639.17	6,723,896.53	6,442,297.37	7,153,477.63	6,500,836.58
Alternatives	1,852,542.37	1,791,147.80	1,711,441.43	1,754,743.77	956,740.37
Other	-	-	-	-	64,295.35
Total Value	\$25,693,900.81	\$24,609,243.49	\$22,673,944.12	\$24,006,896.87	\$22,380,243.42

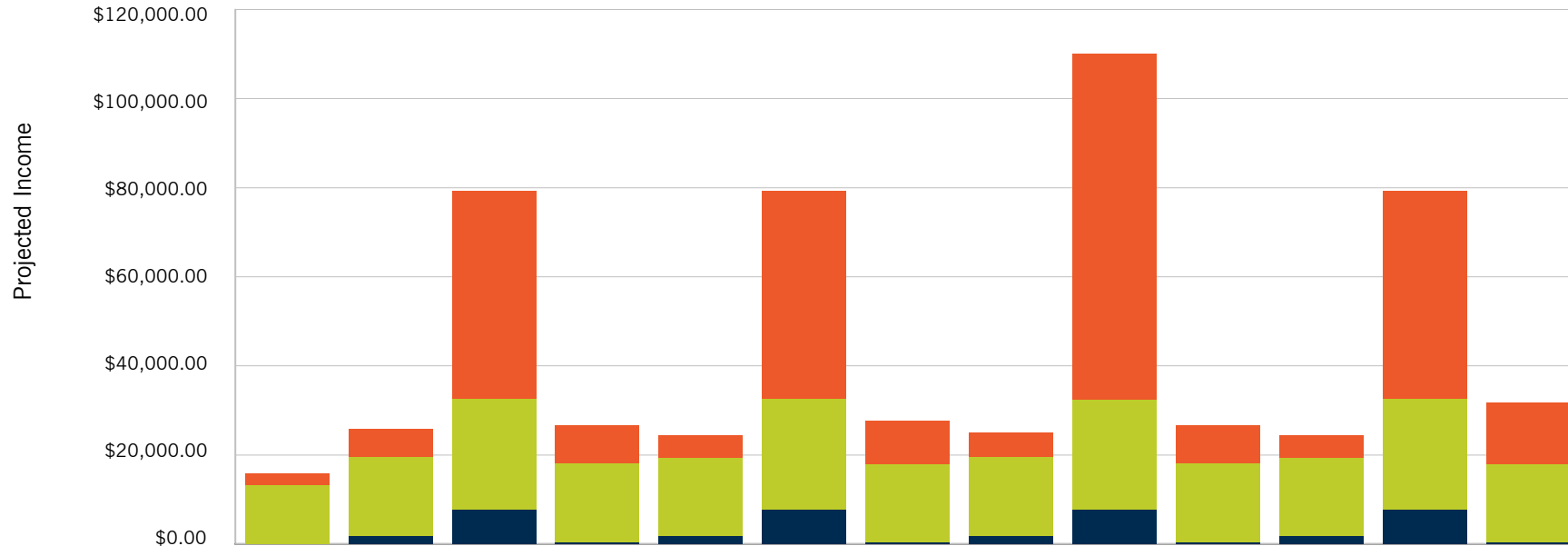
Change in Total Values does not denote performance and may be due to contributions/withdrawals, fees, market fluctuations and other causes
Periods prior to Jan 2014 do not reflect interest and dividend accruals and may be different from Total Values for performance purposes

PROJECTED 12 MONTH INCOME SUMMARY

VSC Managed Accounts

As of April 18, 2017 | Reporting Currency: USD

PROJECTED 12 MONTH INCOME SUMMARY



Asset Class	Total Value 04/18/17	04/19/17 to 04/30/17	12 Month Projected Income (05/01/17 - 04/30/18)												Total	% Yield
			May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Cash	\$351,192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equities	16,356,270	2,566	6,194	46,634	8,487	4,970	46,576	9,629	5,430	77,468	8,487	4,970	46,576	13,671	307,455	1.88
Fixed Income & Preferreds	7,083,639	13,302	17,715	24,798	17,715	17,715	24,798	17,715	17,715	24,798	17,715	17,715	24,798	17,715	240,911	3.40
Alternatives	1,902,801	0	1,826	7,794	414	1,826	7,794	414	1,826	7,794	414	1,826	7,794	414	40,136	2.11
Total	\$25,693,902	\$15,868	\$25,735	\$79,226	\$26,616	\$24,511	\$79,168	\$27,758	\$24,971	\$110,060	\$26,616	\$24,511	\$79,168	\$31,800	\$588,502	2.29%

Projected Income is calculated only for securities where data is available.

In instances whereby payment frequency and/or last payment date is not available, income is based on the current dividend or coupon rate, and will be displayed in the Total column only.

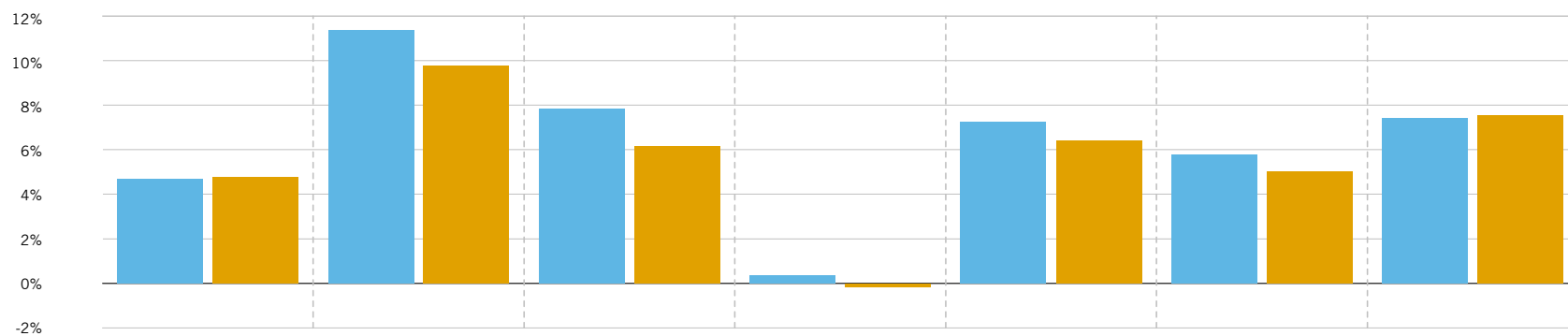
WEALTH MANAGEMENT

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

VSC Managed Accounts

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/16 - 03/31/17	Last 12 Months 03/31/16 - 03/31/17	Previous Year 12/31/15 - 12/30/16	Custom Period 06/30/15 - 06/30/16	Last 5 Years 03/31/12 - 03/31/17	Custom Period 06/30/11 - 06/30/16	Performance Inception 02/27/03 - 03/31/17
Beginning Total Value	\$24,642,576.28	\$22,998,255.25	\$22,687,417.15	\$23,399,223.71	\$19,977,754.34	\$19,144,884.06	\$1,601,430.00
Net Contributions/Withdrawals	1,413.37	185,856.12	184,442.75	12,730.35	-1,833,922.53	-1,553,014.21	10,069,929.48
Investment Earnings	1,150,097.64	2,609,975.92	1,770,716.38	81,856.64	7,650,255.47	5,901,940.86	14,122,727.80
Ending Total Value	\$25,794,087.29	\$25,794,087.29	\$24,642,576.28	\$23,493,810.71	\$25,794,087.29	\$23,493,810.71	\$25,794,087.29
Return % (Net of Fees)	4.67	11.36	7.85	0.35	7.23	5.78	7.40
65 MSCI ACWI 35 BC Agg	4.75	9.76	6.17	-0.16	6.39	5.04	7.53

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

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.

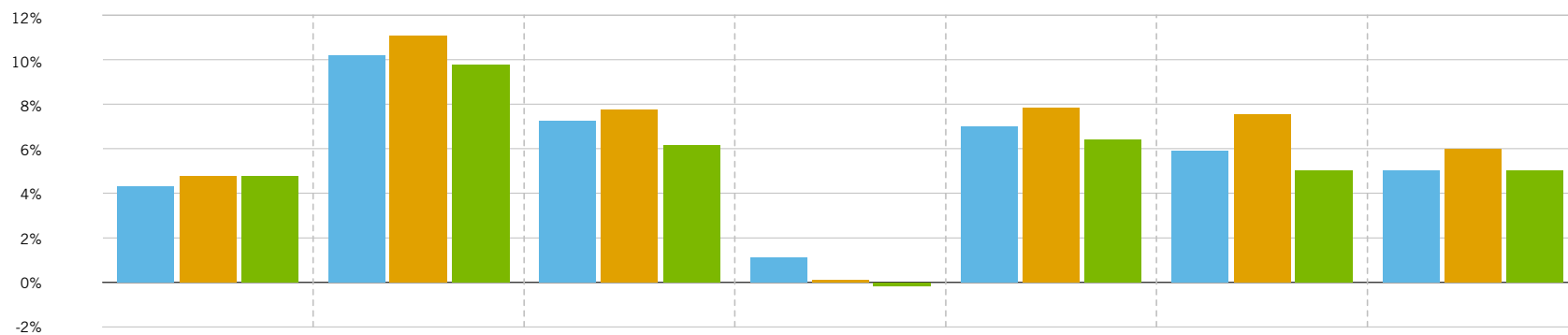
WEALTH MANAGEMENT

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

VERMONT STATE COLLEGES 383-108872 - Consulting Group Advisor

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/16 - 03/31/17	Last 12 Months 03/31/16 - 03/31/17	Previous Year 12/31/15 - 12/30/16	Custom Period 06/30/15 - 06/30/16	Last 5 Years 03/31/12 - 03/31/17	Custom Period 06/30/11 - 06/30/16	Performance Inception 04/21/06 - 03/31/17
Beginning Total Value	\$15,535,849.90	\$14,499,973.91	\$14,276,291.83	\$14,657,926.53	\$10,893,411.80	\$10,837,905.64	\$6,166,191.00
Net Contributions/Withdrawals	256.71	231,306.93	229,880.59	8,327.39	1,209,902.15	791,879.01	3,665,272.65
Investment Earnings	671,191.26	1,476,017.03	1,029,677.47	165,474.88	4,103,983.92	3,201,944.14	6,375,834.22
Ending Total Value	\$16,207,297.87	\$16,207,297.87	\$15,535,849.90	\$14,831,728.79	\$16,207,297.87	\$14,831,728.79	\$16,207,297.87
Return % (Net of Fees)	4.32	10.17	7.27	1.12	7.00	5.88	5.03
Custom Account Index	4.78	11.06	7.76	0.12	7.82	7.53	5.97
65 MSCI ACWI 35 BC Agg	4.75	9.76	6.17	-0.16	6.39	5.04	5.04

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

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.

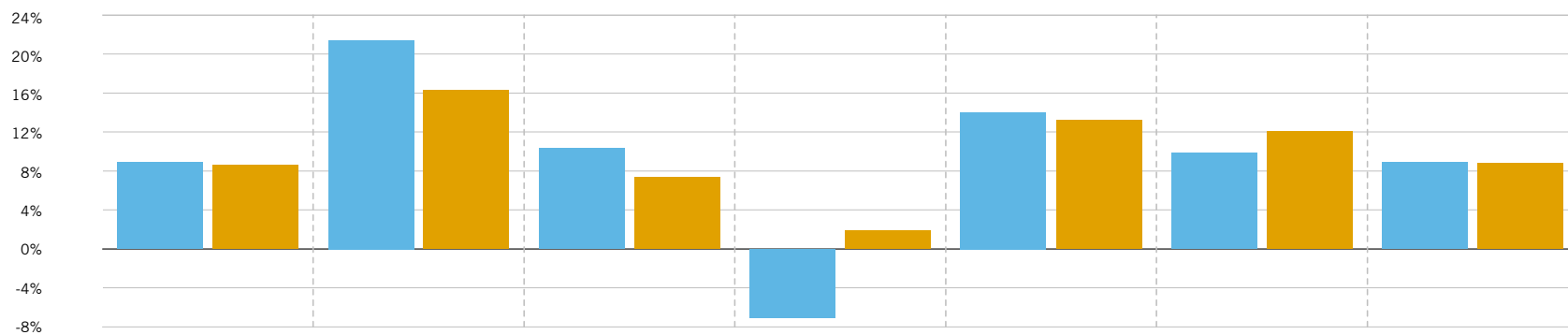
WEALTH MANAGEMENT

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

VERMONT STATE COLLEGES 383-110533 - ClearBridge Multi Growth

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/16 - 03/31/17	Last 12 Months 03/31/16 - 03/31/17	Previous Year 12/31/15 - 12/30/16	Custom Period 06/30/15 - 06/30/16	Last 5 Years 03/31/12 - 03/31/17	Custom Period 06/30/11 - 06/30/16	Performance Inception 04/21/06 - 03/31/17
Beginning Total Value	\$2,366,853.68	\$2,122,329.82	\$2,146,181.43	\$2,276,756.11	\$1,337,064.28	\$1,826,972.77	\$1,040,220.00
Net Contributions/Withdrawals	0.00	0.00	0.00	0.00	0.00	-500,000.00	-200,720.16
Investment Earnings	210,429.81	454,953.67	220,672.25	-161,866.08	1,240,219.21	787,917.26	1,737,783.65
Ending Total Value	\$2,577,283.49	\$2,577,283.49	\$2,366,853.68	\$2,114,890.03	\$2,577,283.49	\$2,114,890.03	\$2,577,283.49
Return % (Net of Fees)	8.89	21.43	10.28	-7.09	14.02	9.82	8.84
Russell 3000 Gr	8.63	16.27	7.39	1.88	13.23	12.03	8.77

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

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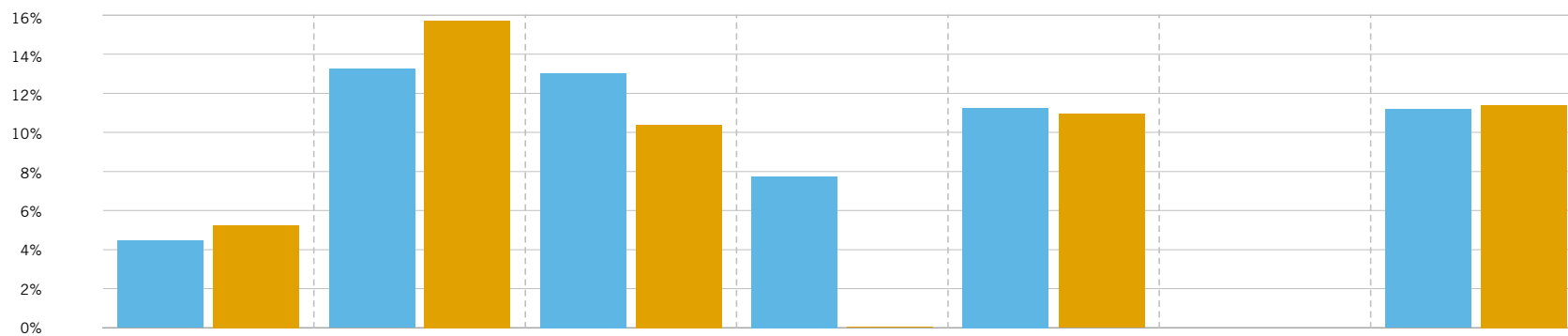
WEALTH MANAGEMENT

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

VERMONT STATE COLLEGES 383-122584 - ThomasPartners

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/16 - 03/31/17	Last 12 Months 03/31/16 - 03/31/17	Previous Year 12/31/15 - 12/30/16	Custom Period 06/30/15 - 06/30/16	Last 5 Years 03/31/12 - 03/31/17	Custom Period 06/30/11 - 06/30/16	Performance Inception 03/13/12 - 03/31/17
Beginning Total Value	\$2,365,048.22	\$2,181,143.01	\$2,092,143.31	\$2,105,135.41	\$2,058,181.49	-	\$2,052,342.00
Net Contributions/Withdrawals	0.00	0.00	0.00	0.00	-900,000.00	-	-900,000.00
Investment Earnings	105,346.41	289,251.62	272,904.91	163,428.40	1,312,213.14	-	1,318,052.63
Ending Total Value	\$2,470,394.63	\$2,470,394.63	\$2,365,048.22	\$2,268,563.81	\$2,470,394.63	-	\$2,470,394.63
Return % (Net of Fees)	4.45	13.26	13.04	7.74	11.25	-	11.19
Russell 3000 Price Return	5.24	15.71	10.41	0.04	10.94	-	11.38

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

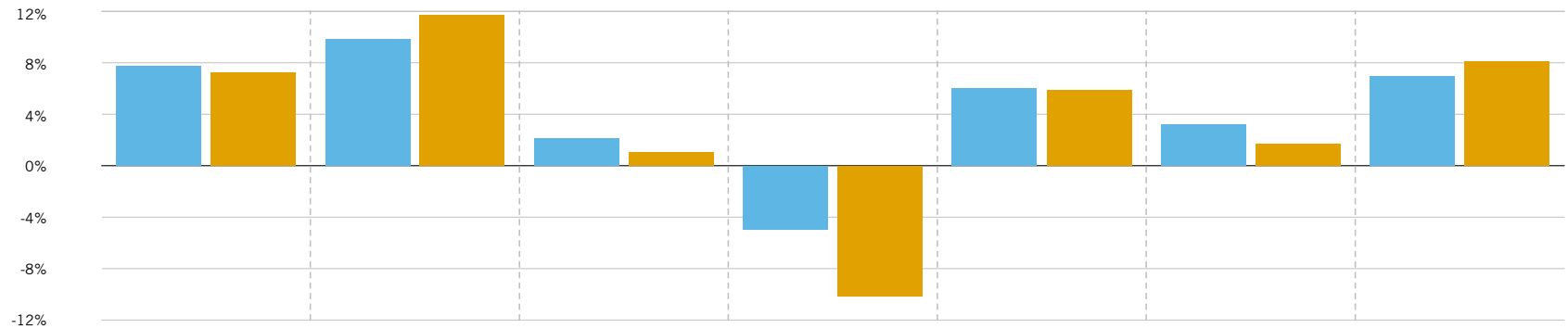
WEALTH MANAGEMENT

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

VERMONT STATE COLLEGES 383-108874 - Delaware Intl ADR -London

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/16 - 03/31/17	Last 12 Months 03/31/16 - 03/31/17	Previous Year 12/31/15 - 12/30/16	Custom Period 06/30/15 - 06/30/16	Last 5 Years 03/31/12 - 03/31/17	Custom Period 06/30/11 - 06/30/16	Performance Inception 02/27/03 - 03/31/17
Beginning Total Value	\$1,098,883.19	\$1,128,208.42	\$1,126,018.49	\$1,199,476.29	\$878,360.09	\$926,056.50	\$806,021.00
Net Contributions/Withdrawals	0.00	-50,000.00	-50,000.00	0.00	49,972.03	99,990.34	-904,770.76
Investment Earnings	85,168.94	105,843.71	22,864.70	-59,476.69	255,720.01	113,952.76	1,282,801.89
Ending Total Value	\$1,184,052.13	\$1,184,052.13	\$1,098,883.19	\$1,139,999.60	\$1,184,052.13	\$1,139,999.60	\$1,184,052.13
Return % (Net of Fees)	7.75	9.83	2.13	-4.95	6.02	3.17	6.99
MSCI EAFE Net	7.25	11.67	1.00	-10.14	5.83	1.68	8.08

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

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.

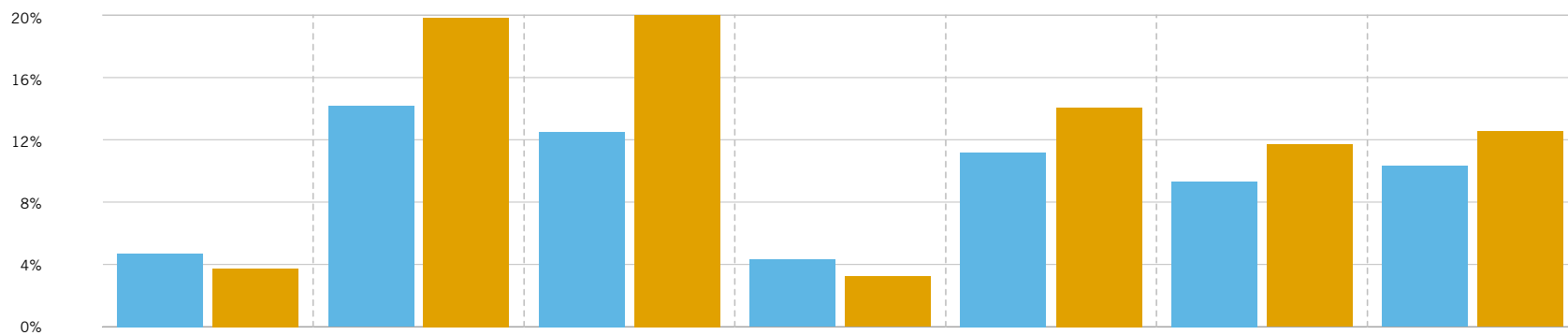
WEALTH MANAGEMENT

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

VERMONT STATE COLLEGES 383-108918 - Anchor Mid Cap Value

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/16 - 03/31/17	Last 12 Months 03/31/16 - 03/31/17	Previous Year 12/31/15 - 12/30/16	Custom Period 06/30/15 - 06/30/16	Last 5 Years 03/31/12 - 03/31/17	Custom Period 06/30/11 - 06/30/16	Performance Inception 02/27/03 - 03/31/17
Beginning Total Value	\$792,037.51	\$726,579.67	\$704,073.24	\$719,953.10	\$487,604.10	\$729,922.66	\$795,409.00
Net Contributions/Withdrawals	0.00	0.00	0.00	0.00	0.00	-250,000.00	-1,279,300.32
Investment Earnings	37,318.76	102,776.59	87,964.27	31,169.83	341,752.17	271,200.28	1,313,247.59
Ending Total Value	\$829,356.27	\$829,356.27	\$792,037.51	\$751,122.94	\$829,356.27	\$751,122.94	\$829,356.27
Return % (Net of Fees)	4.71	14.15	12.49	4.31	11.21	9.33	10.32
Russell Midcap Value	3.76	19.82	20.00	3.24	14.08	11.70	12.54

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

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.

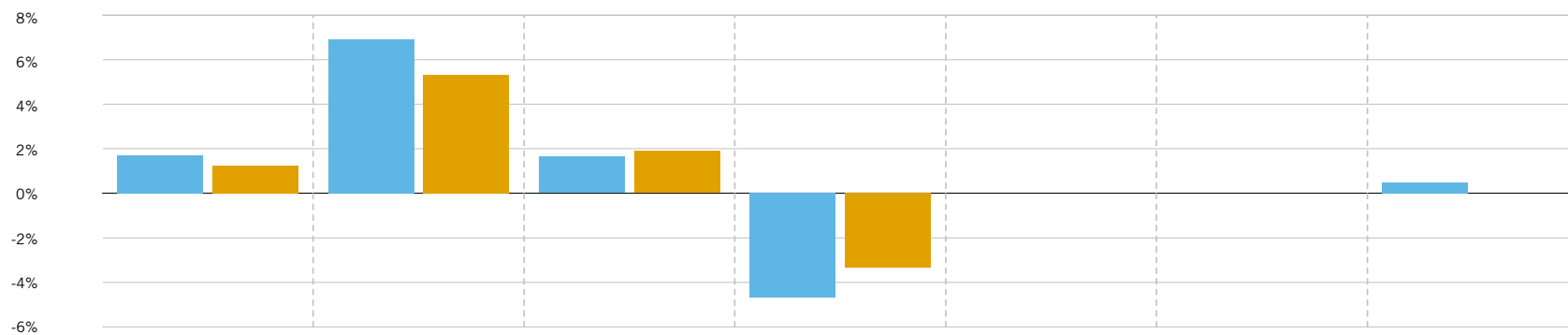
WEALTH MANAGEMENT

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

IRONWOOD 383-020918 - Alternative Investments Advisory

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/16 - 03/31/17	Last 12 Months 03/31/16 - 03/31/17	Previous Year 12/31/15 - 12/30/16	Custom Period 06/30/15 - 06/30/16	Last 5 Years 03/31/12 - 03/31/17	Custom Period 06/30/11 - 06/30/16	Performance Inception 05/21/15 - 03/31/17
Beginning Total Value	\$512,553.17	\$485,657.09	\$501,853.14	\$511,318.55	-	-	\$0.00
Net Contributions/Withdrawals	601.75	2,378.71	2,376.24	2,689.19	-	-	517,010.29
Investment Earnings	8,659.97	33,779.10	8,323.79	-23,950.87	-	-	4,804.61
Ending Total Value	\$521,814.89	\$521,814.89	\$512,553.17	\$490,056.88	-	-	\$521,814.89
Return % (Net of Fees)	1.69	6.93	1.64	-4.66	-	-	0.48
HFRI FOF Conservative	1.22	5.33	1.90	-3.32	-	-	-

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

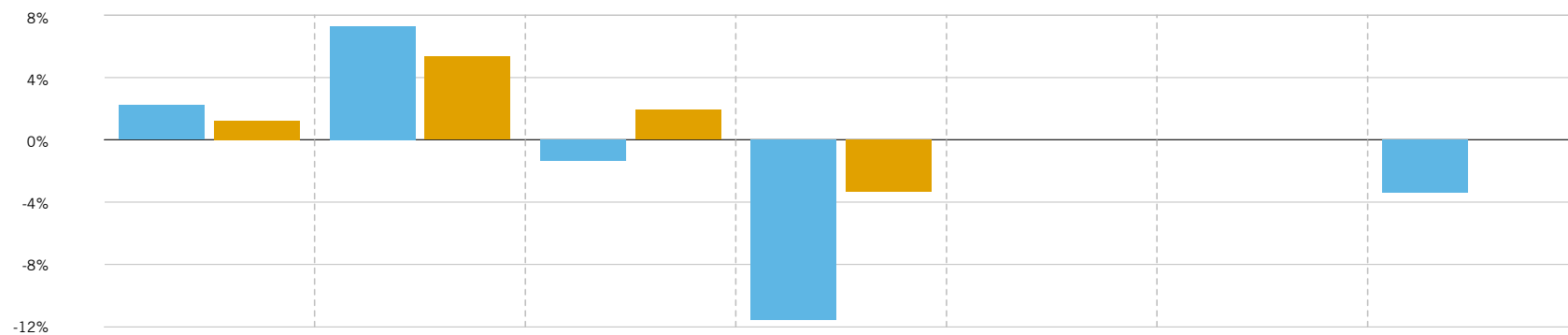
WEALTH MANAGEMENT

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

SKYBRIDGE 383-020919 - Alternative Investments Advisory

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/16 - 03/31/17	Last 12 Months 03/31/16 - 03/31/17	Previous Year 12/31/15 - 12/30/16	Custom Period 06/30/15 - 06/30/16	Last 5 Years 03/31/12 - 03/31/17	Custom Period 06/30/11 - 06/30/16	Performance Inception 05/21/15 - 03/31/17
Beginning Total Value	\$473,724.84	\$449,701.08	\$477,753.67	\$510,937.24	-	-	\$0.00
Net Contributions/Withdrawals	554.91	2,202.93	2,218.37	1,713.77	-	-	516,389.49
Investment Earnings	10,463.67	32,839.41	-6,247.20	-59,101.06	-	-	-31,646.08
Ending Total Value	\$484,743.41	\$484,743.41	\$473,724.84	\$453,549.95	-	-	\$484,743.41
Return % (Net of Fees)	2.21	7.28	-1.32	-11.53	-	-	-3.37
HFRI FOF Conservative	1.22	5.33	1.90	-3.32	-	-	-

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

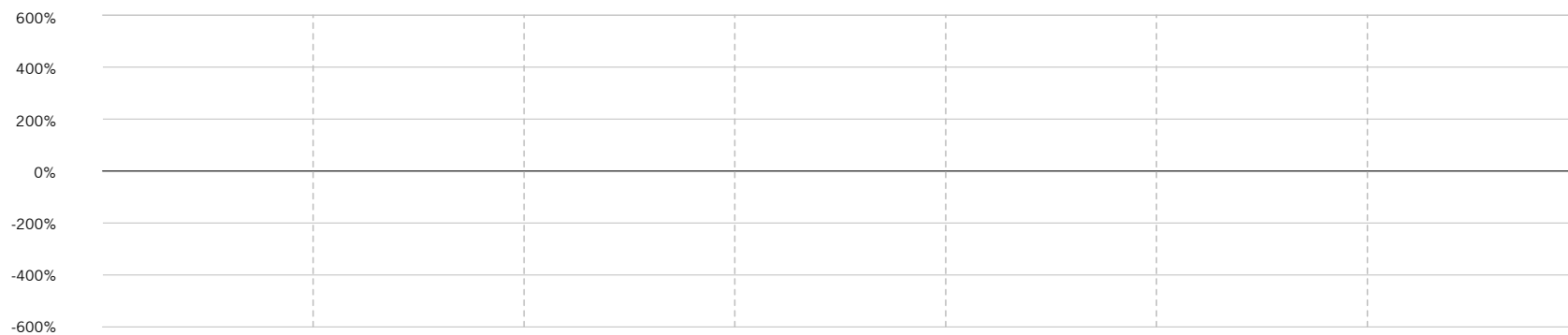
WEALTH MANAGEMENT

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

VERMONT STATE COLLEGES 383-108920 - AAA

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/16 - 03/31/17	Last 12 Months 03/31/16 - 03/31/17	Previous Year 12/31/15 - 12/30/16	Custom Period 06/30/15 - 06/30/16	Last 5 Years 03/31/12 - 03/31/17	Custom Period 06/30/11 - 06/30/16	Performance Inception 02/28/03 - 03/31/17
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Beginning Total Value	-	-	-	-	-	-	-
Net Contributions/Withdrawals	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-
Ending Total Value	-	-	-	-	-	-	-

Return % (Net of Fees)	-	-	-	-	-	-	-
BC Gov/Cr Intm	-	-	-	-	-	-	-
Barclays Govt/Credit Bond	-	-	-	-	-	-	-
90-Day T-Bills	-	-	-	-	-	-	-

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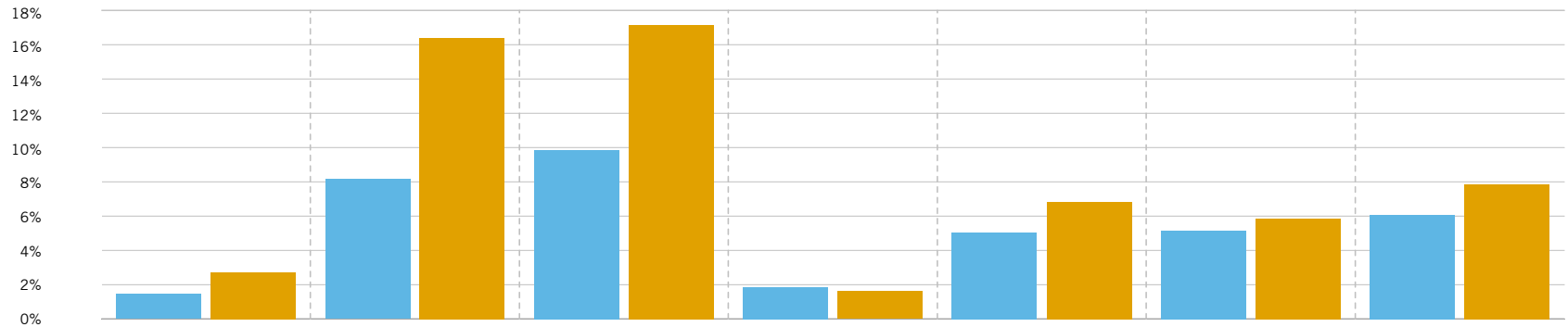
WEALTH MANAGEMENT

TIME WEIGHTED PERFORMANCE SUMMARY - ADVISORY ASSETS ONLY

VERMONT STATE COLLEGES 383-110534 - AAA

As of March 31, 2017 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS



	Year to Date 12/31/16 - 03/31/17	Last 12 Months 03/31/16 - 03/31/17	Previous Year 12/31/15 - 12/30/16	Custom Period 06/30/15 - 06/30/16	Last 5 Years 03/31/12 - 03/31/17	Custom Period 06/30/11 - 06/30/16	Performance Inception 04/21/06 - 03/31/17
Beginning Total Value	\$1,497,625.77	\$1,404,662.26	\$1,363,102.03	\$1,417,720.49	\$1,187,159.05	\$1,075,732.83	\$700,952.00
Net Contributions/Withdrawals	0.00	-32.45	-32.45	0.00	-32.45	50,000.00	129,657.49
Investment Earnings	21,518.83	114,514.79	134,556.19	26,178.22	332,018.00	318,165.88	688,535.11
Ending Total Value	\$1,519,144.60	\$1,519,144.60	\$1,497,625.77	\$1,443,898.71	\$1,519,144.60	\$1,443,898.71	\$1,519,144.60
Return % (Net of Fees)	1.44	8.15	9.86	1.84	5.05	5.15	6.06
BC Corp High Yield	2.70	16.39	17.13	1.61	6.83	5.84	7.84

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

Vermont State Colleges
March 31, 2017

Morgan Stanley – Blended Advisory Fee

The current blended rate for Morgan Stanley Advisory services - .38%

Wealth Management Perspectives

Asset Class Returns: Diversified Portfolios Can Help Mitigate Risk

As of February 28, 2017

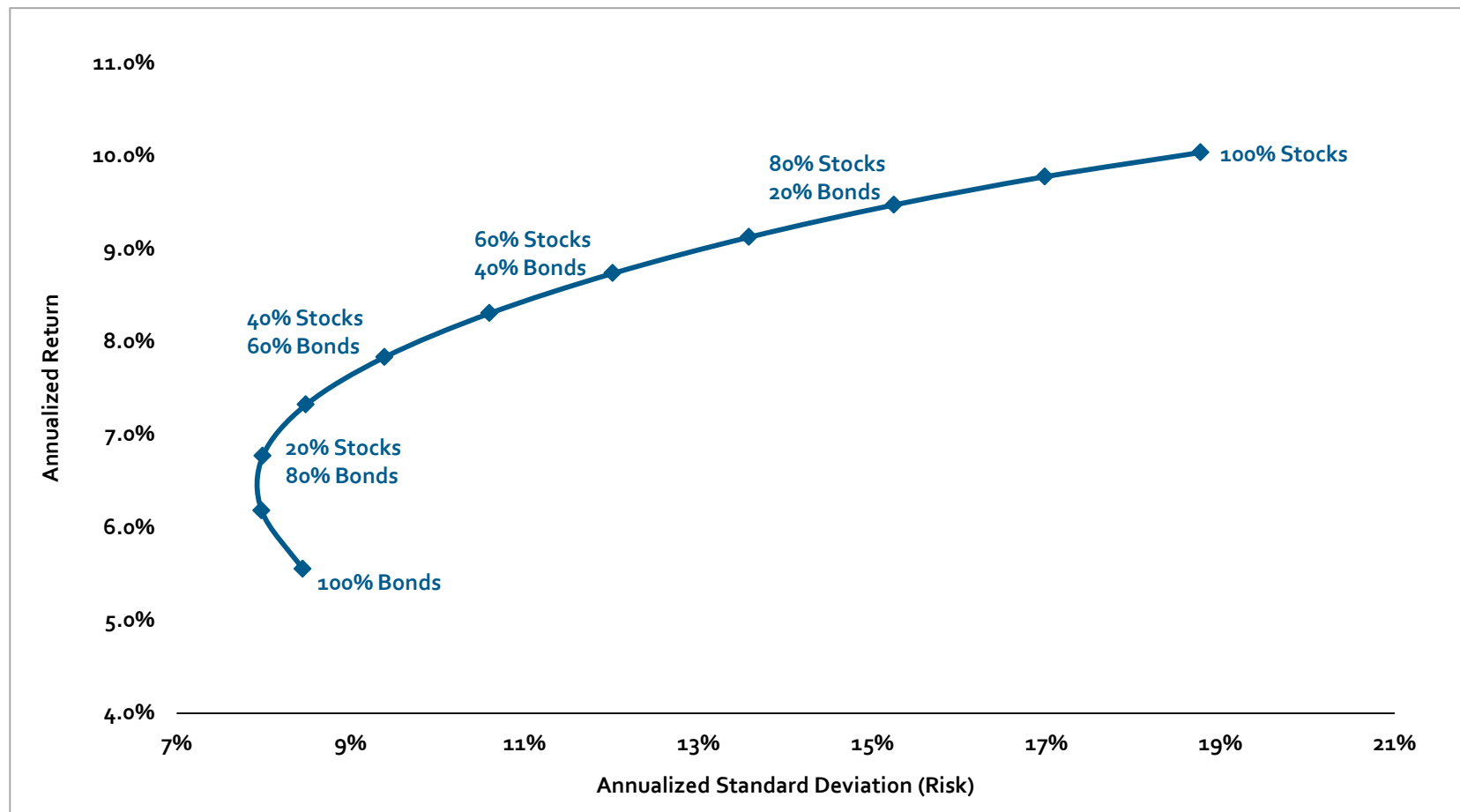
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD	10-Yrs (‘07-‘16) Ann. Return	10-Yrs (‘07-‘16) Volatility
EM Equities 40.2%	Managed Futures 13.6%	EM Equities 82.9%	MLPs ¹ 35.9%	MLPs ¹ 13.9%	REITs 29.8%	US Equities 32.4%	REITs 14.7%	EMD 1.8%	MLPs ¹ 18.3%	EM Equities 8.9%	MLPs ¹ 8.0%	MLPs ¹ 19.0%
Commod. 16.2%	DM Int'l Debt 11.7%	MLPs ¹ 76.4%	EM Equities 20.2%	Inflation-Linked 13.6%	High Yield 19.6%	MLPs ¹ 27.6%	US Equities 13.7%	US Equities 1.4%	High Yield 14.3%	US Equities 5.9%	High Yield 7.3%	REITs 18.4%
MLPs ¹ 12.7%	US Debt 5.2%	High Yield 59.4%	REITs 20.0%	EMD 9.2%	EM Equities 19.1%	DM Int'l Equities 24.0%	Managed Futures 12.3%	DM Int'l Equities 0.9%	US Equities 12.0%	MLPs ¹ 5.3%	US Equities 6.9%	Commod. 17.9%
Inflation-Linked 11.6%	Inflation-Linked -2.4%	REITs 41.3%	Commod. 16.8%	US Debt 7.8%	DM Int'l Equities 18.2%	Diversified Portfolio 15.1%	EMD 6.2%	US Debt 0.5%	Commod. 11.8%	DM Int'l Equities 4.6%	EMD 6.6%	EM Equities 17.5%
DM Int'l Debt 11.2%	EMD -9.7%	DM Int'l Equities 33.9%	US Equities 15.1%	DM Int'l Debt 6.0%	EMD 18.0%	Hedged Strategies 8.8%	US Debt 6.0%	REITs -0.4%	EM Equities 10.3%	REITs 4.4%	US Debt 4.8%	US Equities 15.0%
DM Int'l Equities 10.8%	Hedged Strategies -21.4%	US Equities 26.5%	High Yield 14.8%	High Yield 3.1%	US Equities 16.0%	High Yield 7.3%	MLPs ¹ 4.8%	Inflation-Linked -1.4%	EMD 9.6%	EMD 3.4%	Diversified Portfolio 4.5%	DM Int'l Equities 15.0%
Hedged Strategies 10.3%	Diversified Portfolio -25.7%	EMD 25.9%	Diversified Portfolio 12.7%	US Equities 2.1%	Diversified Portfolio 12.0%	REITs 2.2%	Diversified Portfolio 4.7%	Diversified Portfolio -1.9%	Diversified Portfolio 7.5%	Diversified Portfolio 3.4%	Inflation-Linked 4.4%	High Yield 11.4%
Diversified Portfolio 7.9%	High Yield -26.9%	Diversified Portfolio 23.6%	EMD 11.8%	Diversified Portfolio -2.1%	Inflation-Linked 7.0%	Managed Futures 0.7%	Inflation-Linked 3.6%	Managed Futures -2.0%	Inflation-Linked 4.7%	High Yield 3.1%	DM Int'l Debt 2.8%	EMD 9.0%
Managed Futures 7.6%	Commod. -35.6%	Commod. 18.9%	DM Int'l Equities 9.8%	Managed Futures -4.3%	MLPs ² 4.8%	EM Equities -1.9%	Hedged Strategies 3.4%	High Yield -2.7%	REITs 4.6%	DM Int'l Debt 2.2%	EM Equities 2.4%	DM Int'l Debt 8.4%
US Debt 7.0%	MLPs ¹ -36.9%	Hedged Strategies 11.5%	DM Int'l Debt 7.0%	Hedged Strategies -5.7%	Hedged Strategies 4.8%	US Debt -2.0%	High Yield 0.0%	Hedged Strategies -3.6%	US Debt 2.6%	Hedged Strategies 1.6%	REITs 1.9%	Diversified Portfolio 7.6%
EMD 6.5%	US Equities -37.0%	Inflation-Linked 11.4%	US Debt 6.5%	REITs -8.1%	US Debt 4.2%	DM Int'l Debt -5.6%	EM Equities -1.4%	DM Int'l Debt -4.4%	Hedged Strategies 2.5%	Inflation-Linked 1.3%	DM Int'l Equities 1.5%	Managed Futures 6.9%
US Equities 5.5%	DM Int'l Equities -43.4%	US Debt 5.9%	Managed Futures 6.4%	DM Int'l Equities -12.2%	DM Int'l Debt 0.5%	EMD -8.3%	DM Int'l Debt -3.0%	EM Equities -13.5%	DM Int'l Debt 2.1%	US Debt 0.9%	Hedged Strategies -0.6%	Inflation-Linked 6.3%
High Yield 3.2%	REITs -48.9%	DM Int'l Debt 3.7%	Inflation-Linked 6.3%	Commod. -13.3%	Commod. -1.1%	Inflation-Linked -8.6%	DM Int'l Equities -4.5%	Commod. -24.7%	DM Int'l Equities 1.6%	Commod. 0.3%	Managed Futures -1.0%	Hedged Strategies 5.9%
REITs -4.7%	EM Equities -53.6%	Managed Futures -4.8%	Hedged Strategies 4.2%	EM Equities -19.2%	Managed Futures -1.8%	Commod. -9.5%	Commod. -17.0%	MLPs ¹ -32.6%	Managed Futures -3.1%	Managed Futures 0.0%	Commod. -5.6%	US Debt 3.3%

Source: FactSet, Morgan Stanley Wealth Management GIC; Indices used: Bloomberg Barclays Capital US Aggregate for US Bonds. Citi 3M Treasury Bill for cash, Bloomberg Barclays US Aggregate for US Bonds, Bloomberg Barclays Global Majors ex US for DM Int'l Bonds, Bloomberg Barclays US TIPS for Inflation-linked securities, Bloomberg Barclays Global High Yield for global high yield, JP Morgan EMBI for EM Bonds, S&P 500 for US Stocks, MSCI EAFE IMI for Int'l Stocks, MSCI EM IMI for Emerging Market Stocks, FTSE EPRA/NAREIT Global for REITs, Bloomberg Commodity Index for commodities, HFRX Macro/CTA Index for Managed Futures, Alerian MLP Index for MLPs, and HFRX Global hedge Funds for hedged strategies. Diversified portfolio is comprised of 25% S&P 500, 10% Russell 2000, 15% MSCI EAFE, 5% MSCI EME, 25% Bloomberg Barclays US Aggregate, 5% 3 mo. T-Bills, 5% HFRX Global Hedge Funds, 5% Bloomberg Commodity Index, and 5% FTSE EPRA/NAREIT Global Index. MLP data begins on January 1, 2007. Standard deviation (volatility) is a measure of the dispersion of a set of data from its mean. Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material. This slide sourced from Market Performance section.

Added Value Through Diversification

Historical Stock and Bond Blends

Data as of 1926 -2016



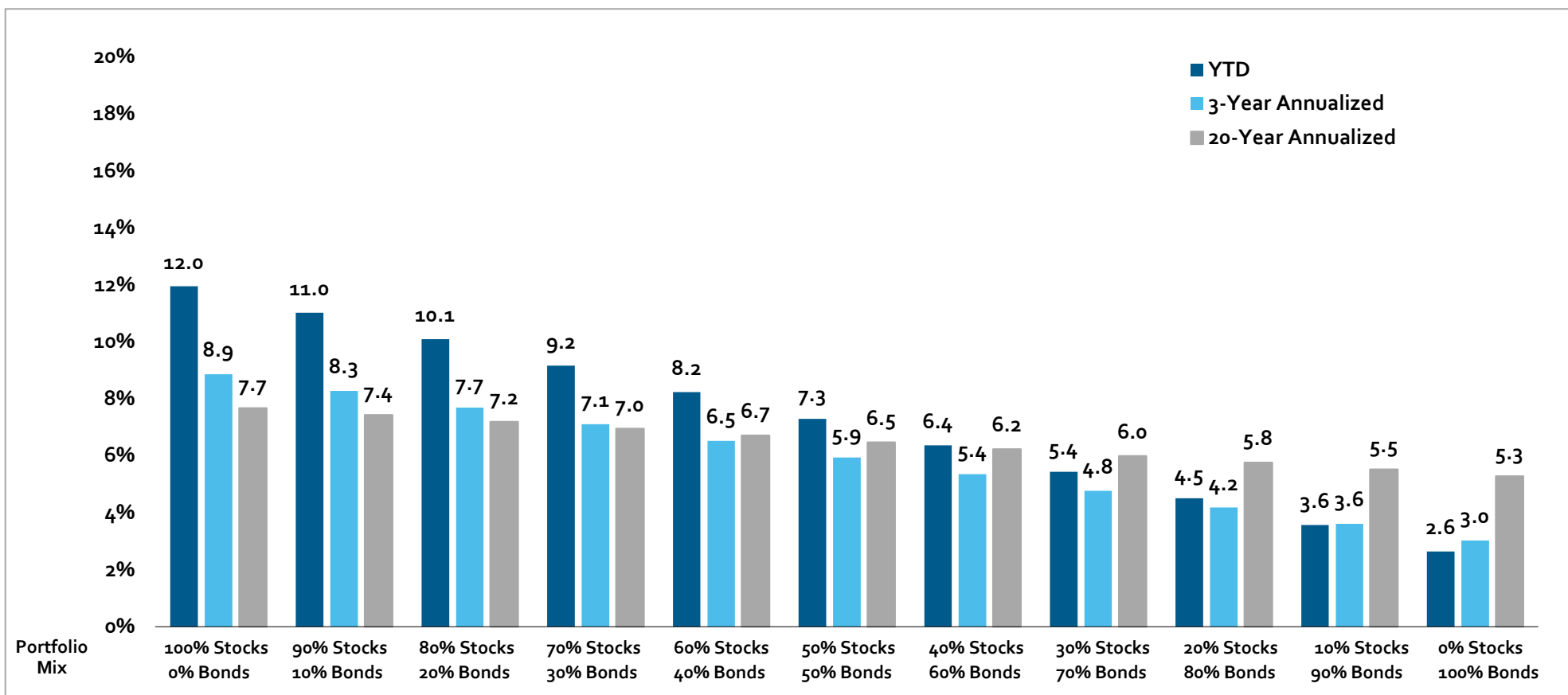
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Returns for Diversified Portfolios Across US Stocks and Bonds

Sample US Portfolio Benchmarks¹

Performance as of December 31, 2016

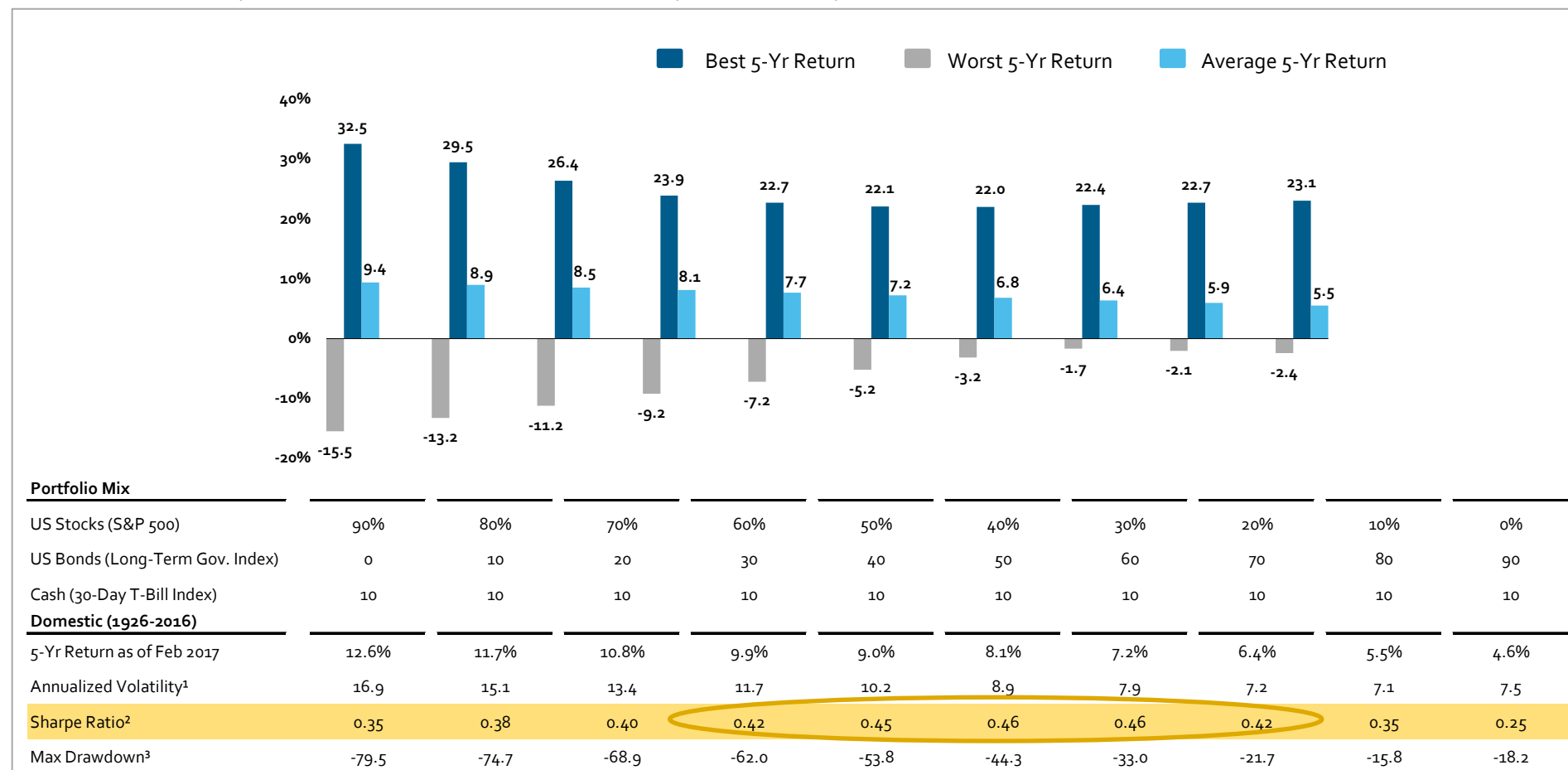


Source: FactSet, Morgan Stanley Wealth Management GIC. (1) Indices used for this analysis include: S&P 500 for stocks, and Bloomberg Barclays Capital US Aggregate for bonds.

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Balanced Portfolios Generated Strongest “Risk-Adjusted” Returns (1926-2017)

US Risk and Reward Analysis; Five-Year Annualized Total Returns; January 1926 – February 2017



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Regime Matters: Stocks Significantly Outperformed Bonds in Eras of Rising Rates (1945-1980)

US Risk and Reward Analysis; Five-Year Annualized Total Returns; January 1945 – January 1980



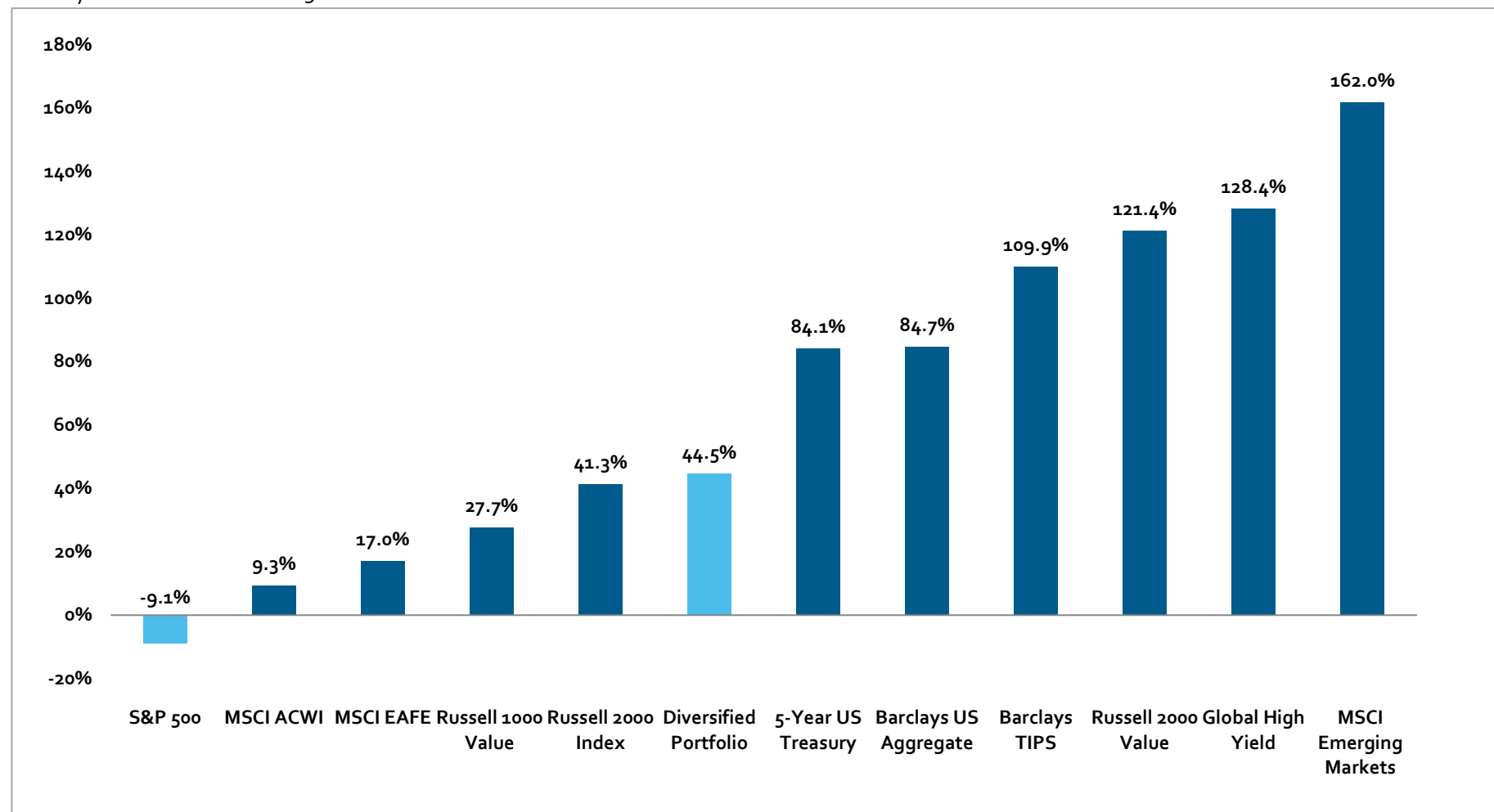
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“Lost Decade” (2000-2010) Demonstrates the Importance of Global Diversification and Asset Allocation

Total Returns

January 2000 - December 2009

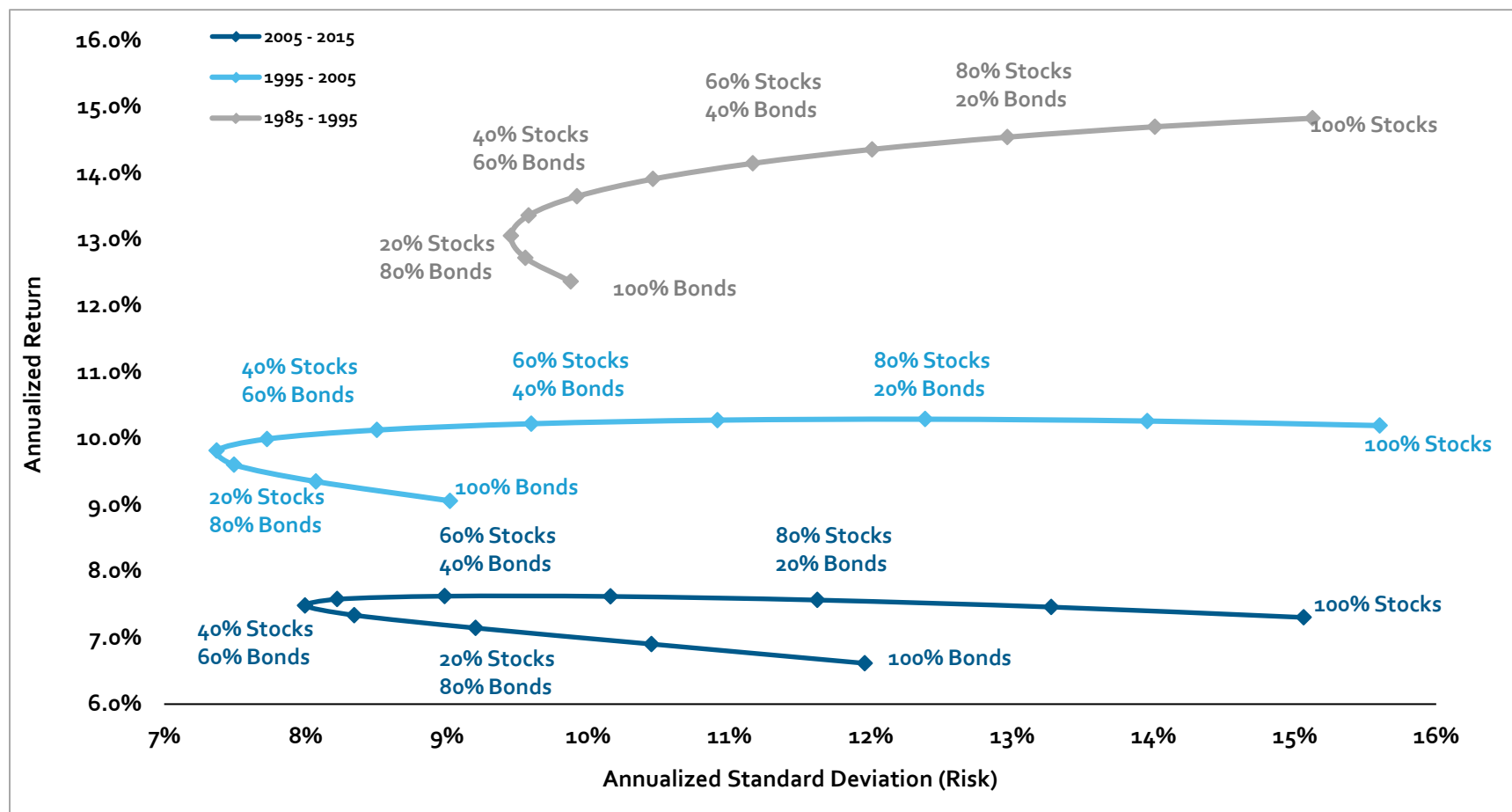


Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC, The Yield Book® Software and Services. © 2017 Citigroup Index LLC. All rights reserved. Note: Diversified Portfolio is comprised of 50% MSCI All Country World Index/45% Bloomberg Barclays US Aggregate Bond Index/5% Citigroup 3-Month T-Bill Index.

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Over the Years, Diversification Benefits Have Varied: Stock and Bond Blends By Decade

As of December 30, 2016



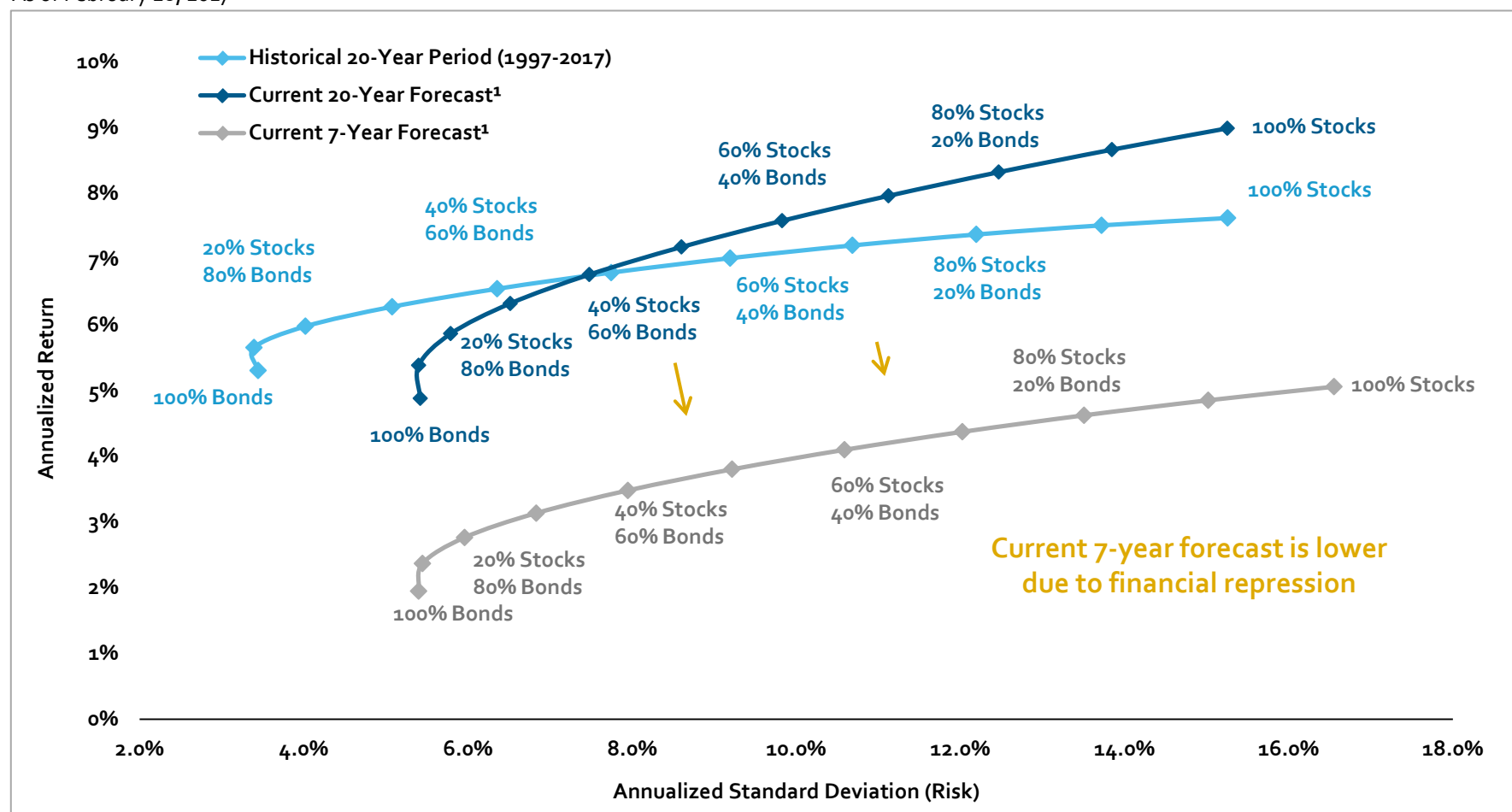
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Diversification Benefits Have Waned: Forecasted Efficient Frontiers

Stock and Bond Blends

As of February 28, 2017



Source: FactSet, Morgan Stanley Wealth Management GIC. For illustrative purposes only. Stocks are represented by the S&P 500 and bonds are represented by the Bloomberg Barclays US Aggregate Index. (1) Forecasts are based on capital market assumptions as published in the GIC's Strategic Asset Allocation Capital Markets Update, March 31, 2016. Standard deviation (volatility) is a measure of the dispersion of a set of data from its mean.

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US Equities Snapshot and Sector Breakdown

S&P 500 Sector Performance and Valuation¹

As of March 24, 2017

Index Name	Total Return			Div. Yield (%)	Beta	20-Year Avg.	
	WTD (%)	YTD (%)	1-Year (%)			NTM P/E	NTM P/E ²
S&P 500	-1.42	5.20	17.61	1.93		17.2	17.4
Energy	-1.74	-8.69	11.93	2.77	1.17	17.8	28.1
Materials	-1.50	4.31	18.21	2.05	1.11	16.5	17.9
Industrials	-1.76	3.60	18.22	2.04	1.06	17.5	17.9
Consumer Discretionary	-1.00	6.68	13.56	1.39	0.98	19.4	19.2
Consumer Staples	-0.63	6.47	7.74	2.57	0.63	19.9	20.3
Health Care	-1.28	8.20	12.12	1.64	0.94	18.7	15.8
Financials	-3.81	1.65	32.67	1.62	1.30	13.2	13.8
Information Technology	-0.85	11.37	25.87	1.34	1.08	22.4	17.9
Telecommunication Services	-1.91	-3.21	3.55	4.59	0.60	17.8	13.6
Utilities	1.30	7.67	9.87	3.34	0.41	14.5	18.1
Real Estate	0.75	2.60	4.65	3.30	0.70	15.2	17.8

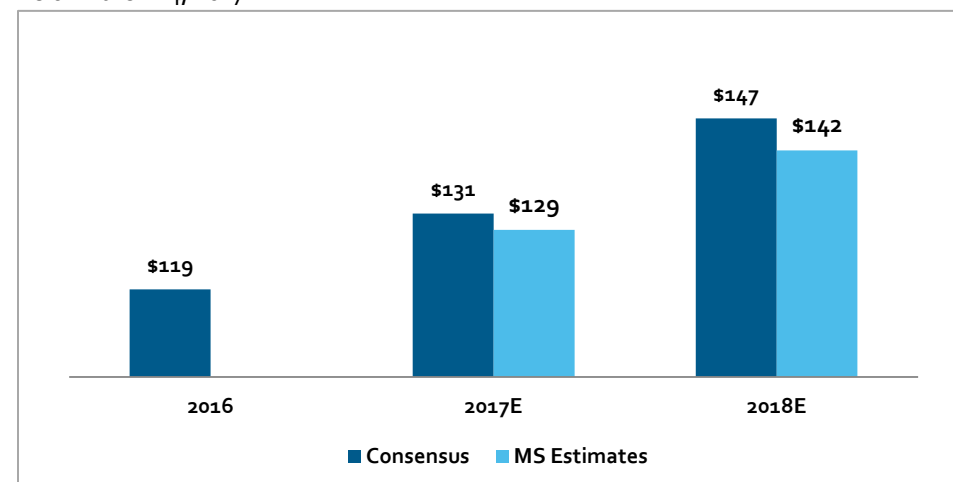
Morgan Stanley & Co. 12-Month S&P 500 Target

As of March 24, 2017

EPS Landscape	Probability of Scenario	EPS 2016E	EPS 2017E	EPS 2018E	Multiple	Scenario Target	Upside / (Downside)
Bull Case	20%	122.7	147.3	169.4	18.0x	3050	30.1%
<i>Growth</i>			20%	15%			
Base Case	60%	120.3	128.7	141.5	16.2x	2300	(1.9%)
<i>Growth</i>			7%	10%			
Bear Case	20%	117.9	114.4	108.6	15.0x	1625	(30.7%)
<i>Growth</i>			-3%	-5%			
Current S&P 500 Price						2344	

Morgan Stanley & Co. and Consensus S&P 500 Earnings Estimates

As of March 24, 2017



Source: Morgan Stanley & Co., FactSet, Thomson Reuters, Morgan Stanley Wealth Management GIC. Note: MS & Co. forecasts as of January 19, 2017. (1) Green/red text denotes sector total return and dividend yield higher/lower than S&P 500. (2) Dark blue/light blue/grey fill denotes whether current relative NTM P/E is low/neutral/high relative to history. Real Estate is from 10/31/2001 to present. Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Asset Class Performance Heat Map

As of March 24, 2017

Asset Class		Annualized Returns (%)						Yield	Valuation		Volatility (%)		Correlation to Global Equities	
	YTD	1-Yr	2016	3-Yr ¹	5-Yr ¹	10-Yr ¹	20-Yr ¹	Current YTM	Current YTM	Avg YTM ²	30 Days	20 Yrs. ¹	30 Days	20 Yrs. ¹
Cash	0.1	0.3	0.3	0.1	0.1	0.7	2.2	0.55	0.55	2.11	0.0	0.62	0.04	-0.02
90-Day US Treasury Bills														
Global Equities								Current Dividend Yield	Current P/E	Avg. P/E ²				
US Large-Cap Growth	8.7	17.8	6.5	11.4	14.4	9.5	7.0	1.32	20.2	21.4	7.7	17.9	0.73	0.89
US Large-Cap Value	2.6	18.0	16.3	10.1	13.5	6.0	7.3	2.80	16.1	13.9	8.0	14.5	0.77	0.89
US Mid-Cap Growth	5.6	14.9	6.4	6.9	12.2	7.6	7.8	0.84	22.1	26.6	9.9	23.6	0.75	0.81
US Mid-Cap Value	3.4	22.5	20.9	10.7	15.0	7.4	10.1	2.47	16.4	14.3	10.3	16.6	0.77	0.87
US Small-Cap Growth	3.2	22.9	14.0	5.8	12.7	9.2	9.9	0.68	27.1	23.9	14.2	22.5	0.77	0.83
US Small-Cap Value	0.0	25.0	25.8	9.8	14.5	8.5	10.4	2.31	20.6	16.9	14.6	17.5	0.80	0.84
Europe Equity	7.2	13.2	0.2	-2.6	5.3	1.3	5.9	3.42	15.0	14.9	9.5	18.4	0.77	0.94
Japan Equity	6.1	17.3	2.7	6.0	7.5	0.7	2.2	2.00	14.1	21.4	11.1	17.6	0.32	0.69
Asia Pacific ex Japan Equity	10.4	19.8	8.0	2.2	4.3	4.8	6.0	3.80	15.2	14.9	10.7	21.8	0.50	0.85
Emerging Markets	12.7	22.3	11.6	1.7	0.0	3.2	5.6	2.49	12.4	11.6	11.6	23.8	0.55	0.86
Global Fixed Income								Current YTM	Current Spread	Avg. Spread ²				
Short-Term Fixed Income	0.4	1.0	1.3	0.9	0.9	2.4	3.7	1.50	21.0	31.0	0.9	1.4	-0.15	-0.12
US Fixed Income	0.7	1.0	2.6	2.6	2.2	4.3	5.3	2.62	44.0	55.0	3.9	3.4	-0.22	-0.02
International Fixed Income	2.7	-1.4	1.8	-2.1	-0.9	2.8	4.0	1.06	47.0	50.0	6.8	8.1	-0.07	0.29
Inflation-Protected Securities	2.6	5.3	6.5	0.7	0.3	3.9	6.3	-	-	-	6.0	7.6	0.00	0.43
High Yield	2.8	13.8	14.3	3.8	6.5	7.4	7.9	5.93	403.0	513.0	3.6	10.2	0.55	0.76
Emerging Markets Fixed Income	7.5	9.9	9.9	-2.5	-2.5	4.2	7.2	6.57	257.0	359.5	8.6	13.2	0.51	0.69
Alternative Investments								Current Dividend Yield						
REITs	3.4	6.1	4.6	6.5	8.0	1.8	7.4	3.78	-	-	8.9	18.5	0.49	0.79
Master Limited Partnerships ³	1.8	30.0	18.3	-4.3	2.1	7.8	-	6.19	-	-	12.3	18.6	0.63	0.56
Commodities ex Prec. Metals	-5.3	7.3	11.6	-15.0	-10.4	-7.5	-0.5	-	-	-	10.2	17.1	0.55	0.42
Precious Metals	8.9	4.7	9.5	-3.1	-8.1	4.9	6.3	-	-	-	13.1	19.5	0.27	0.20
Hedged Strategies ⁴	1.3	6.2	2.5	-0.5	1.3	-0.5	-	-	-	-	2.7	6.1	0.88	0.64
Managed Futures ⁵	-0.4	-3.5	-2.9	0.4	-0.6	-0.7	-	-	-	-	5.0	8.0	0.60	0.17
S&P 500	5.2	17.6	12.0	10.6	14.0	7.6	7.6	1.93	17.4	17.2	8.1	15.3	0.76	0.95
Russell 2000	0.1	27.3	21.3	6.9	12.9	7.2	8.4	1.51	23.6	20.8	16.2	20.1	0.80	0.82
MSCI EAFE	7.3	14.7	1.5	-0.2	5.6	1.5	4.9	3.12	14.8	15.9	8.6	16.9	0.71	0.96
MSCI AC World	6.6	17.3	8.5	5.4	8.8	4.6	6.3	2.44	15.8	15.7	6.3	15.8	1.00	1.00

Cheap
Moderate
Expensive
Low Volatility
High Volatility
Low Correlation
High Correlation

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC. Note: Performance values calculated using USD. 1. As of February 28, 2017. 2. 20-year average as of February 28, 2017. 3. Volatility and Correlation: June 30, 2006 – Present. 4. Volatility and Correlation: Jan 31, 1998 – Present Hedged strategies consist of hedge funds and managed futures 5. Volatility and Correlation: February 28, 1998 – Present. Cheap = Below -0.5 standard deviation; Moderate = Between +0.5 standard deviation and -0.5 standard deviation; Expensive = Above +.5 std dev. Standard deviation (volatility) is a measure of the dispersion of a set of data from its mean.

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US Equity Size and Style Performance

2017 YTD Performance

As of February 28, 2017

	Value	Blend	Growth
Large	4.0%	6.1%	8.4%
Mid	5.6%	6.1%	6.5%
Small	3.3%	3.8%	4.3%

2016 Performance

As of December 31, 2016

	Value	Blend	Growth
Large	16.3%	11.5%	6.5%
Mid	20.9%	12.4%	6.4%
Small	25.8%	19.8%	14.0%

Current Fwd. P/E Vs. 10-year Avg. P/E

As of February 28, 2017

	Value	Blend	Growth
Large	16.1 Avg.: 12.3	17.8 Avg.: 13.7	20.2 Avg.: 15.8
Mid	16.4 Avg.: 14.1	19.1 Avg.: 16.2	22.1 Avg.: 17.8
Small	20.6 Avg.: 18	23.4 Avg.: 19.3	27.1 Avg.: 21.3
Expensive: Above +1 Std. Dev.			
Neutral			
Cheap: Below -1 Std. Dev.			

Performance Since Market Peak (Oct. 2007)

As of February 28, 2017

	Value	Blend	Growth
Large	61.1%	85.1%	113.0%
Mid	100.9%	92.7%	85.7%
Small	120.8%	112.2%	107.1%

Performance Since Market Low (March 2009)

As of February 28, 2017

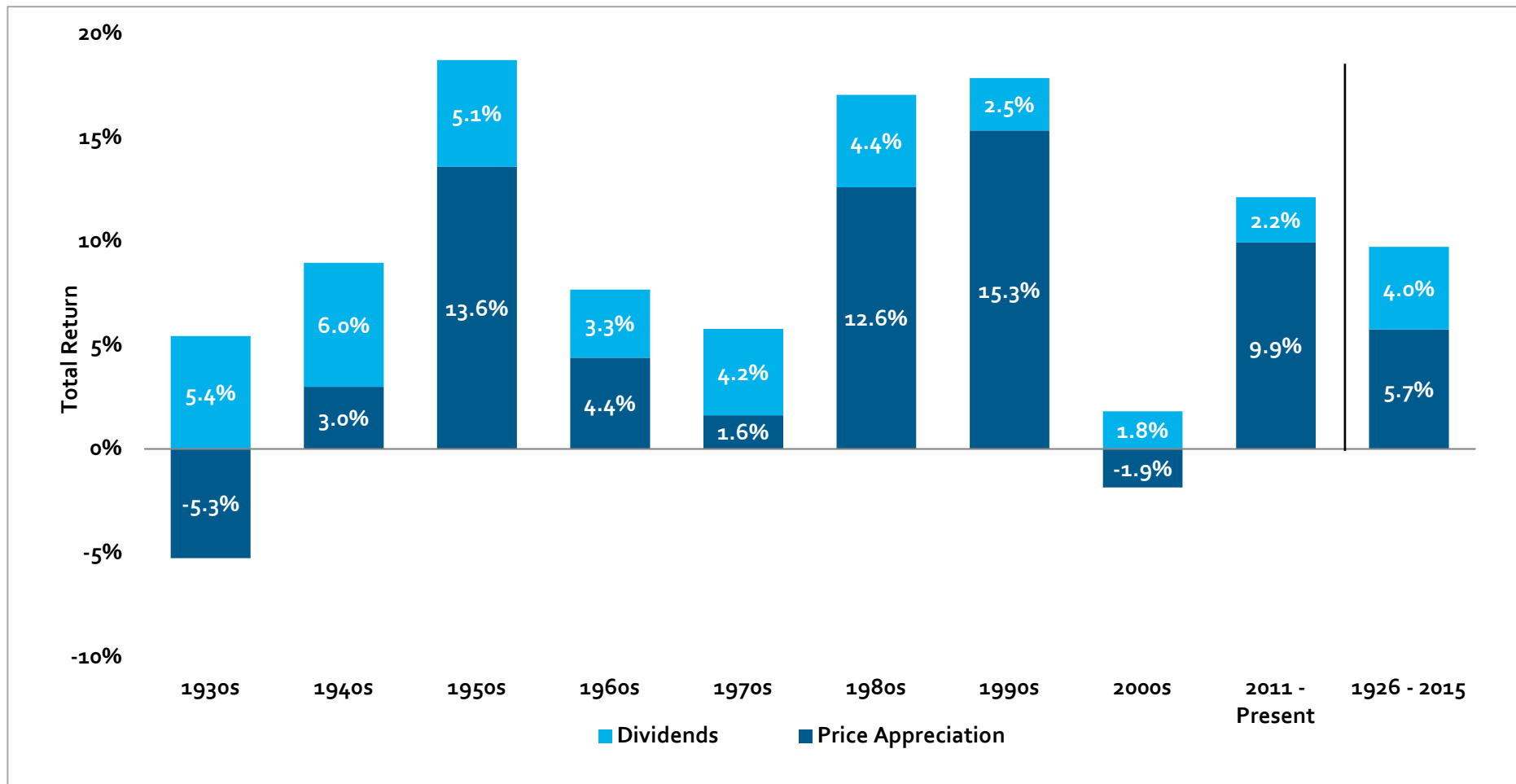
	Value	Blend	Growth
Large	287.5%	302.5%	320.2%
Mid	420.9%	373.6%	337.8%
Small	433.4%	409.4%	385.5%

Source: FactSet, Morgan Stanley Wealth Management GIC. Indices used for this analysis include: MSCI US Large Value, MSCI US Large Blend, MSCI US Large Growth, MSCI US Mid Value, MSCI Mid Blend, MSCI Mid Growth, MSCI Small Value, MSCI Small Blend, and MSCI Small Growth. "Blend" indices include both Value and Growth stocks. Standard deviation (volatility) is a measure of the dispersion of a set of data from its mean. Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material. This slide sourced from Market Performance section.

Capital Appreciation Vs. Dividend Growth

Composition of S&P 500 Total Returns

As of December 30, 2016



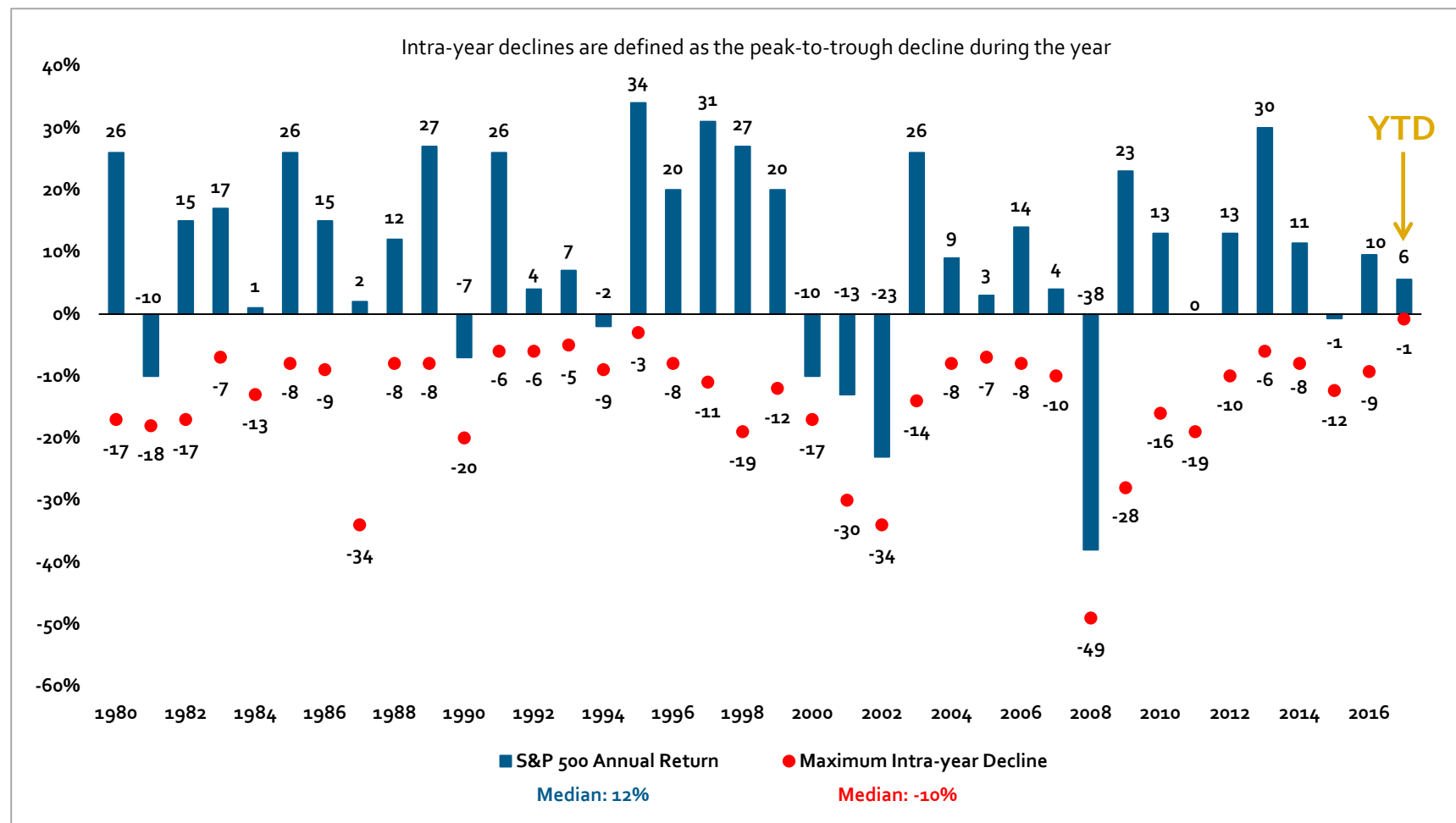
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Corrections Have Been Frequent and Have Presented Opportunities

S&P 500 Annual Returns and Intra-Year Declines

As of February 28, 2017



Source: Bloomberg, Morgan Stanley Wealth Management GIC.

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Please consider the investment objectives, risks, fees, and charges and expenses of mutual funds, ETFs, closed end funds, unit investment trusts, and variable insurance products carefully before investing. The prospectus contains this and other information about each fund. To obtain a prospectus, contact your Financial Advisor or Private Wealth Advisor or visit the Morgan Stanley website at www.morganstanley.com. Please read it carefully before investing.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals; (2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long “lock-up” periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Nontraditional investment options and strategies are often employed by a portfolio manager to further a fund’s investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the fund’s essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or “leverage.”

KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds (“ETFs”), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. 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 and frontier markets**. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small- and mid-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **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. In the case of **municipal bonds**, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities’ (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments (“ESG”)** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client's account will be managed as described herein. **Options** and margin trading involve substantial risk and are not suitable for all investors. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open

market through a stock exchange. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases shares of a closed-end fund, shares may have a market price that is above or below NAV. **Alternative investments** often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are suitable only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; and Risks associated with the operations, personnel, and processes of the manager. 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As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

While the HFRI indices are frequently used, they have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of

which might significantly affect the performance shown. The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways.

It should be noted that the majority of hedge fund indexes are comprised of hedge fund manager returns. This is in contrast to traditional indexes, which are comprised of individual securities in the various market segments they represent and offer complete transparency as to membership and construction methodology. As such, some believe that hedge fund index returns have certain biases that are not present in traditional indexes. Some of these biases inflate index performance, while others may skew performance negatively. However, many studies indicate that overall hedge fund index performance has been biased to the upside. Some studies suggest performance has been inflated by up to 260 basis points or more annually depending on the types of biases included and the time period studied. Although there are numerous potential biases that could affect hedge fund returns, we identify some of the more common ones throughout this paper. Self-selection bias results when certain manager returns are not included in the index returns and may result in performance being skewed up or down. Because hedge funds are private placements, hedge fund managers are able to decide which fund returns they want to report and are able to opt out of reporting to the various databases. Certain hedge fund managers may choose only to report returns for funds with strong returns and opt out of reporting returns for weak performers. Other hedge funds that close may decide to stop reporting in order to retain secrecy, which may cause a downward bias in returns. Survivorship bias results when certain constituents are removed from an index. This often results from the closure of funds due to poor performance, "blow ups," or other such events. As such, this bias typically results in performance being skewed higher. As noted, hedge fund index performance biases can result in positive or negative skew. However, it would appear that the skew is more often positive. While it is difficult to quantify the effects precisely, investors should be aware that idiosyncratic factors may be giving hedge fund index returns an artificial "lift" or upwards bias.

Hedge Funds of Funds and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor's goals by the pre-established year or "target date." A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are suitable only for the risk capital portion of an investor's portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy. **Asset allocation and diversification** do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

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For index, indicator and survey definitions referenced in this report please visit the following: <http://www.morganstanleyfa.com/public/projectfiles/id.pdf>

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Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any GIC Asset Allocation Model for the periods indicated. Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense of the risk/return trade-off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products. Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and after that date. **FEES REDUCE THE PERFORMANCE OF ACTUAL ACCOUNTS:** None of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, fees) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models. The GIC Asset Allocation Models and any model performance included in this presentation are intended as educational materials. Were a client to use these models in connection with investing, any investment decisions made would be subject to transaction and other costs which, when compounded over a period of years, would decrease returns. Information regarding Morgan Stanley's standard advisory fees is available in the Form ADV Part 2, which is available at www.morganstanley.com/adv. The following hypothetical illustrates the compound effect fees have on investment returns: For example, if a portfolio's annual rate of return is 15% for 5 years and the account pays 50 basis points in fees per annum, the gross cumulative five-year return would be 101.1% and the five-year return net of fees would be 96.8%. Fees and/or expenses would apply to clients who invest in investments in an account based on these asset allocations, and would reduce clients' returns. The impact of fees and/or expenses can be material. **Insurance products disclosures: Variable annuities** are long-term investments designed for retirement purposes and may be subject to market fluctuations, investment risk, and possible loss of principal. All guarantees, including optional benefits, are based on the financial strength and claims-paying ability of the issuing insurance company and do not apply to the underlying investment options. Optional riders may not be able to be purchased in combination and are available at an additional cost. Some optional riders must be elected at time of purchase. Optional riders may be subject to specific limitations, restrictions, holding periods, costs, and expenses as specified by the insurance company in the annuity contract. If you are investing in a **variable annuity** through a tax-advantaged retirement plan such as an IRA, you will get no additional tax advantage from the variable annuity. Under these circumstances, you should only consider buying a variable annuity because of its other features, such as lifetime income payments and death benefits protection. Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal income tax penalty. Early withdrawals will reduce the death benefit and cash surrender value. **Equity securities** may fluctuate in response to news on companies, industries, market conditions and general economic environment. **Ultrashort-term fixed income** asset class is comprised of fixed income securities with high quality, very short maturities. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk. **Master Limited Partnerships (MLPs):** Individual MLPs are publicly traded partnerships that have unique risks related to their structure. These include, but are not limited to, their reliance on the capital markets to fund growth, adverse ruling on the current tax treatment of distributions (typically mostly tax deferred), and commodity volume risk. The potential tax benefits from investing in MLPs depend on their being treated as partnerships for federal income tax purposes and, if the MLP is deemed to be a corporation, then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. MLPs carry interest rate risk and may underperform in a rising interest rate environment. **Investing in commodities** entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. **Physical precious metals** are non-regulated products. Precious metals are speculative investments, which may experience short-term and long term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be suitable for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor. **REITs** investing risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions. Risks of **private real estate** include: illiquidity; a long-term investment horizon with a limited or nonexistent secondary market; lack of transparency; volatility (risk of loss); and leverage. Principal is returned on a monthly basis over the life of a **mortgage-backed security**. Principal prepayment can significantly affect the monthly income stream and the maturity of any type of MBS, including standard MBS, CMOs and Lottery Bonds. **Asset-backed securities** generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments. **Yields** are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision. **Credit ratings** are subject to

change. The majority of \$25 and \$1000 par **preferred securities** are “callable” meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. Current yield is calculated by multiplying the coupon by par value divided by the market price. The initial interest rate on a **floating-rate security** may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security’s underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. The market value of **convertible bonds** and the underlying common stock(s) will fluctuate and after purchase may be worth more or less than original cost. If sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions. Callable bonds may be redeemed by the issuer prior to maturity. Additional call features may exist that could affect yield. Some \$25 or \$1000 **par preferred securities** are QDI (Qualified Dividend Income) eligible. Information on QDI eligibility is obtained from third party sources. The dividend income on QDI eligible preferreds qualifies for a reduced tax rate. Many traditional ‘dividend paying’ perpetual preferred securities (traditional preferreds with no maturity date) are QDI eligible. In order to qualify for the preferential tax treatment all qualifying preferred securities must be held by investors for a minimum period – 91 days during a 180 day window period, beginning 90 days before the ex-dividend date. Companies paying **dividends** can reduce or cut payouts at any time. **Nondiversification:** For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio’s overall value to decline to a greater degree than a less concentrated portfolio. Portfolios that invest a large percentage of assets in only one industry sector (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors. The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time. Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies. **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. **Value investing** does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected. Any type of **continuous or periodic investment plan** does not assure a profit and does not protect against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider his financial ability to continue his purchases through periods of low price levels. **Duration**, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. This material is disseminated in the United States of America by Morgan Stanley Smith Barney LLC. Morgan Stanley Wealth Management is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the “Municipal Advisor Rule”) and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule. This material, or any portion thereof, may not be reprinted, sold or redistributed without the written consent of Morgan Stanley Smith Barney LLC. © 2017 Morgan Stanley Smith Barney LLC. Member SIPC.

VSC Managed Accounts

Prepared on April 19, 2017 | Reporting Currency: USD

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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. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, 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, Manually Added assets and some annuities and Externally Held accounts. 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 strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend

VSC Managed Accounts

Prepared on April 19, 2017 | Reporting Currency: USD

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).

For Morgan Stanley Smith Barney LLC accounts, 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 LLC Form ADV Part 2 or applicable disclosure brochure and any applicable brokerage commission and/or fee schedule for a full disclosure of 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 Next 12 Months income includes cash income such as interest and cash dividends, based on current yields and may include income from Morgan Stanley & Co. and Externally Held accounts where data is available. These are projections based on historical data and the actual income may be lower or higher than the projections. Projected income for Morgan Stanley & Co. and Externally Held accounts is calculated based upon data obtained from sources that we believe to be reliable, however, Morgan Stanley Wealth Management does not guarantee its accuracy or timeliness. As such, Morgan Stanley Wealth Management recommends confirming projected income information with the custodian institution prior to taking any action. Projections will not include income from Manually Added assets.

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,

VSC Managed Accounts

Prepared on April 19, 2017 | Reporting Currency: USD

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 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

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.

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

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.

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.

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.

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. Total Value for Morgan Stanley & Co. and Externally Held accounts may not include accruals.

BENCHMARK DEFINITIONS

Custom Account Index: The Custom Account Index is an investment benchmark based on your historical target allocations and/or manager selection that you may use to evaluate the performance of your account. The Custom Account index does take into consideration certain changes that may have occurred in your portfolio since the inception of your account, i.e., asset class and/or manager changes. However, in some circumstances, it may not be an appropriate benchmark for use with your specific account composition. For detailed report of the historical composition of this blend please contact your Financial Advisor.

Custom Account Index: 383108872 Custom Account Index. The current allocation began as of 06/30/2016, and is comprised of 24.00% BC Global Agg Hed, 01.00% Citi 90-Day Treasury, 09.00% HFRI Fund Weighted Comp, 66.00% MSCI AC World IMI Net.

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

VSC Managed Accounts

Prepared on April 19, 2017 | Reporting Currency: USD

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.

Citi 90-Day Treasury: Equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the index. The index is rebalanced monthly by market capitalization. The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of discount is the interest earned. T-bills are issued in denominations of \$10,000 auction and \$1,000 increments thereafter.

BC Global Agg Hed: The Barclays Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities. This is the Hedged return.

BC Corp High Yield : The Barclays U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. The corporate sectors are Industrial, Utility, and Finance, which include both U.S. and non-U.S. corporations.

HFRI FOF Conservative: Fund Of Funds (FOF) classified as "Conservative" exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more "conservative" strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index. A fund in the HFRI FOF Conservative Index shows generally consistent performance regardless of market conditions. Returns for HFRI Indices are to be considered estimated returns for the previous stated quarter as HFRI may revise Index data from time to time, as necessary. Generally Final Index retruns are made available by HFRI 4 months after a particular month end. Please contact your Financial Advisor for more information.

MSCI EAFE Net: The MSCI EAFE Index -Europe, Australasia, Far East - is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US and Canada. The MSCI EAFE Index consists of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom (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.

Goldman Sachs Commodity: The S&P GS Commodity Index (GSCI) is a composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The returns are calculated on a fully collateralized basis with full reinvestment.

Russell 3000 Gr: The Russell 3000 Growth Index is representative of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth Index or the Russell 2000 Growth Index.

Russell 2000 Gr: The Russell 2000 Growth Index is representative of the U.S. market for smaller capitalization stocks containing those companies in the Russell 2000 Index with higher price-to-book ratios and higher forecasted growth.

Russell 2000 VL: The Russell 2000 Value Index is representative of the U.S. market for smaller capitalization stocks containing those companies in the Russell 2000 Index with lower price-to-book ratios and lower forecasted growth.

VSC Managed Accounts

Prepared on April 19, 2017 | Reporting Currency: USD

MSCI AC World IMI Net: The MSCI AC World IMI NT tracks the total return performance of the Investable Markets in the MS All Country World Index. The index is made up of 22 developed and 23 emerging markets as of 1/1/2015. This subset is calculated on a net dividend basis.

BC Gov/Cr Intm: The Barclays Government/Credit Bond Index contains bonds that are investment grade and that have at least one year to maturity. The Barclays Intermediate Government/Credit Bond Index is composed primarily of bonds covered by the Barclays Government/Credit Bond Index with maturities between one and 9.99 years.

MSCI EM Net: The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 23 emerging market country indexes: 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.

S&P 500 Total Return: The S&P 500 has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index has over \$5.58 trillion benchmarked, with index assets comprising approximately \$1.31 trillion of this total. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. This index includes dividend reinvestment.

90-Day T-Bills: Equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the index. The index is rebalanced monthly by market capitalization. The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of discount is the interest earned. T-bills are issued in denominations of \$10,000 auction and \$1,000 increments thereafter.

Russell 3000 Price Return: The 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. This is the Price Return.

Russell Midcap Value: The Russell Mid Cap Value Index contains Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value Index.

Russell Midcap Growth: The Russell Mid Cap Growth Index contains Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth Index.

Russell 1000 Gr: The Russell 1000 Growth Index is representative of the U.S. market for large capitalization stocks containing those companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth.

Russell 1000 VL: The Russell 1000 Value Index is representative of the U.S. market for large capitalization stocks containing those companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth.

Citi Non-US WGBI Unhedged: The Citigroup World Government Bond Index Unhedged, excluding the U.S. bond market. The index includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of \$25 million U.S. Dollars. Those government securities that are excluded from the indices typically fall into three categories: floating- or variable-rate bonds (including index-linked bonds); securities aimed principally at non-institutional investors such as savings bonds in the United States and Canada; and private placement-type securities, where liquidity may be poor and where accurate information on outstandings, market coupon, and maturity structure may be difficult or impossible to obtain. This index is designed to directly address the growing interest in and implementation of currency-hedged bond investments by global investors as a means of achieving low-risk interest rate diversification in their portfolios.

HFRI Fund Weighted Comp: HFRI Fund Weighted Composite Index: Hedge Fund Research (HFR) Fund Weighted Composite Index is an equally-weighted composite index including both domestic and

VSC Managed Accounts

Prepared on April 19, 2017 | Reporting Currency: USD

offshore funds, with no Fund of Funds. The index includes over 2000 constituent funds. All funds report assets in USD and all funds report Net of All Fees returns on a monthly basis. Fund must have a least \$50 Million under management or have been actively trading for at least twelve(12) months.

Barclays Govt/Credit Bond: The Barclays Government/Credit Bond Index contains bonds that are investment grade and that have at least one year to maturity.

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).

Item 9:
Draft FY2018 Committee Meeting Schedule

Finance and Facilities Committee
DRAFT Meeting Schedule for Fiscal Year 2018
as of May 31, 2017

Mtg #	Date	Topic Count	JSC-LSC Unification	System Consolidation / ERP	FY19 Budget Development	FY20 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, Jul 19, 2017	8	(as needed)	(as needed; consider adding "ERP replacement" as major initiative)			Metrics and dashboard discussion			Debt "201" discussion		Deferred maintenance update	(as needed)	(as needed)	AGB Report update
2	Wed, Aug 23, 2017	5					Q4 FY17 Results, reserves and system loans	Budget Adjustment and Appropriations Bills due mid-September	Regular quarterly report (per Policy 404)		Preliminary capital projects list				FFY19 Federal budget impacts to federal and State aid
3	Wed, Sep 20, 2017 *	4					Review of final Fall 2017 enrollment	Capital appropriation request due mid-October			Capital Projects list submitted				H.518 Legislative Report re: Education Funding
4	Wed, Oct 25, 2017	2			Initial discussion informed by Q1 FY18 results		Q1 FY18 Results								
5	Wed, Dec 6, 2017 *	4						Responses to Budget Adjustment Act (if any)	Regular quarterly report (per Policy 404)	Annual surveillance from S&P, rating update					AGB Report update
6	Mon, Jan 29, 2018	1					Q2 FY18 Results								
7	Mon, Feb 19, 2018 -or- Mon, Apr 2 *	4			Preliminary FY19 Budgets discussed				Regular quarterly report (per Policy 404)					Investment policy annual review	AGB Report update
8	Mon, Apr 30, 2018	3			Preliminary FY19 Budgets presented	Initial FY20 Tuition discussion	Q3 FY18 Results								
9	Wed, May 30, 2018	3			Vote on FY19 Budgets	Preliminary FY20 Tuition request			Regular quarterly report, Annual Banking & Investment Resolution (per Policy 404)						
10	Wed, Jun 20, 2018 *	5				Vote on FY20 Tuition	Metrics and dashboard discussion				Capital planning discussion	Deferred maintenance discussion			AGB Report update

* Last meeting before quarterly Board of Trustees Meeting

Item 10:
Updated FY2017 Committee Meeting Schedule

[Back to Agenda](#)

**Finance and Facilities Committee
Meeting Schedule for Fiscal Year 2017
as of May 31, 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 (1:56pm - 3:00pm)	8	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 (1:15pm - 2:30pm)	* 8	Unification report to BOT due Sep 29	Standing Topic/Regular Updates			Q4 FY16 Results, reserves and system loans	(Budget Adjustment and Appropriations Bills discussed at BOT)		TD Debt Coverage Covenant for FY16	Discussion of Policy 405 and Legislative Report	Preliminary capital projects list		Policy 411 discussion	
3	Wed, Oct 19, 2016 (11:00am - 12:30pm)	7	Standing Topic/Regular Updates	Standing Topic/Regular Updates			Review of final Fall 2016 enrollment	Capital appropriation request due October 14 (subject to BOT approval)		TD Bank loan refinancing resolution amended to include all debt	Capital Projects list submitted			Repeal of Policy 411, Deferred Payment of Tuition and Fees	
4	Wed, Nov 30, 2016 (9:00am - 10:22am)	* 10	(Covered at BOT meeting)	Accounts payable consolidation target date of Nov. 18	Initial discussion informed by Q1 FY17 results		Q1 FY17 Results	(Election results covered at BOT meeting)	Regular quarterly report (per Policy 404)	Debt policy discussion			Addition of Uniform Guidance Compliance Policies	Investment policy review and debt policy discussion	AGB Report update
5	Mon, Jan 9, 2017 (1:05pm - 2:55pm)	7	Standing Topic/Regular Updates	Standing Topic/Regular Updates			Discussion of financial metrics, Composite Financial Index (CFI)	Responses to Budget Adjustment Act (if any)		Debt restructuring update and preliminary schedule	Legislative Report due January 15	"Sightlines" presentation to Umaine			
6	Wed, Feb 22, 2017 (1:05pm - 3:23pm)	7	Standing Topic/Regular Updates	Standing Topic/Regular Updates	Preliminary FY18 Budgets discussion		Q2 FY17 Results		Regular quarterly report (per Policy 404)	Debt restructuring update				Adoption of debt policy for BOT approval	
	Mon, Mar 13, 2017	*	Meeting Cancelled												
7	Mon, Apr 24, 2017	7	Standing Topic/Regular Updates	Standing Topic/Regular Updates	Preliminary FY18 Budgets presented	Initial FY19 Tuition discussion		Legislative Session Update	Regular quarterly report, Annual Banking & Investment <u>Resolution</u> (per Policy 404)						Fossil Free VSC presentation
8	Wed, May 31, 2017	7	Standing Topic/Regular Updates	Standing Topic/Regular Updates	<u>Vote</u> on FY18 Budgets	Preliminary FY19 Tuition request	Q3 FY17 Results		Morgan Stanley meeting review	Debt restructuring results					
9	Wed, Jun 21, 2017	* 7	Standing Topic/Regular Updates	Standing Topic/Regular Updates		<u>Vote</u> on FY19 Tuition	Metrics and dashboard discussion				Capital planning discussion			Investment policy annual review	AGB Report update

* Last meeting before quarterly Board of Trustees Meeting

** Unification report due September 28 BOT (done)

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

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