New England Association of Schools and Colleges
Commission on Institutions of Higher Education
209 Burlington Road, Bedford, MA 01730
Voice: (781) 271-0022 Fax: (781) 271-0950 Web: http://cihe.neasc.org

Affirmation of Compliance with Federal Regulations Relating to Title IV

Periodically, member institutions are asked to affirm their compliance with federal requirements relating to Title IV program participation, including relevant requirements of the Higher Education Opportunity Act.

1. **Credit Hour:** Federal regulation defines a credit hour as an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutional established equivalence that reasonably approximates not less than: (1) One hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately fifteen weeks for one semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time; or (2) At least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours. (CIHE Policy 111. See also *Standards for Accreditation* 4.34.)

URL	http://www.uvm.edu/academics/catalogue2013-14/?Page=allpolicies.php&SM=policymenu.html&policy=Definition%20of%20a%20Credit%20Hour
Print Publications	University Catalogue
Self-study/Fifth-year report Page Reference	Page 24

2. **Credit Transfer Policies.** The institution's policy on transfer of credit is publicly disclosed through its website and other relevant publications. The institution includes a statement of its criteria for transfer of credit earned at another institution of higher education along with a list of institutions with which it has articulation agreements. (CIHE Policy 95. See also *Standards for Accreditation* 4.44 and 10.5.)

URL	http://www.uvm.edu/academics/catalogue2013-14/?Page=allpolicies.php&SM=policymenu.html&category=graduate_policies&policy=Transfer%20Credit%20and%20Credit%20by%20Examination%20for%20Graduate%20Students and http://www.uvm.edu/policies/student/transcredit.pdf
Print Publications	University Catalogue University Policy Page
Self-study/Fifth-year Report Page Reference	Page 25

3. **Student Complaints.** "Policies on student rights and responsibilities, including grievance procedures, are clearly stated, well publicized and readily available, and fairly and consistently administered." (*Standards for Accreditation* 6.18, 10.5, and 11.8.)

URL	http://www.uvm.edu/president/?Page=complaint_procedure.html and http://www.uvm.edu/policies/student/studentcode.pdf and http://www.uvm.edu/academics/catalogue2013-14/?Page=allpolicies.php&SM=policymenu.html&policy=Rights%20and%20Responsibilities%20of%20Undergraduate%20Students
Print Publications	President's Webpage; UVM's searchable home page; University Catalogue
Self-study/Fifth-year Report Page Reference	Page 30

4. **Distance and Correspondence Education: Verification of Student Identity:** If the institution offers distance education or correspondence education, it has processes in place to establish that the student who registers in a distance education or correspondence education course or program is the same student who participates in and completes the program and receives the academic credit. . . .The institution protects student privacy and notifies students at the time of registration or enrollment of any projected additional student charges associated with the verification of student identity. (CIHE Policy 95. See also *Standards for Accreditation* 4.42.)

Method(s) used for verification	Use of a secure, password-protected learning management system (Blackboard)
Self-study/Fifth-year Report Page Reference	Page 24

5. FOR COMPREHENSIVE EVALUATIONS ONLY: Public Notification of an Evaluation Visit and Opportunity for Public Comment: The institution has made an appropriate and timely effort to notify the public of an upcoming comprehensive evaluation and to solicit comments. (CIHE Policy 77.)

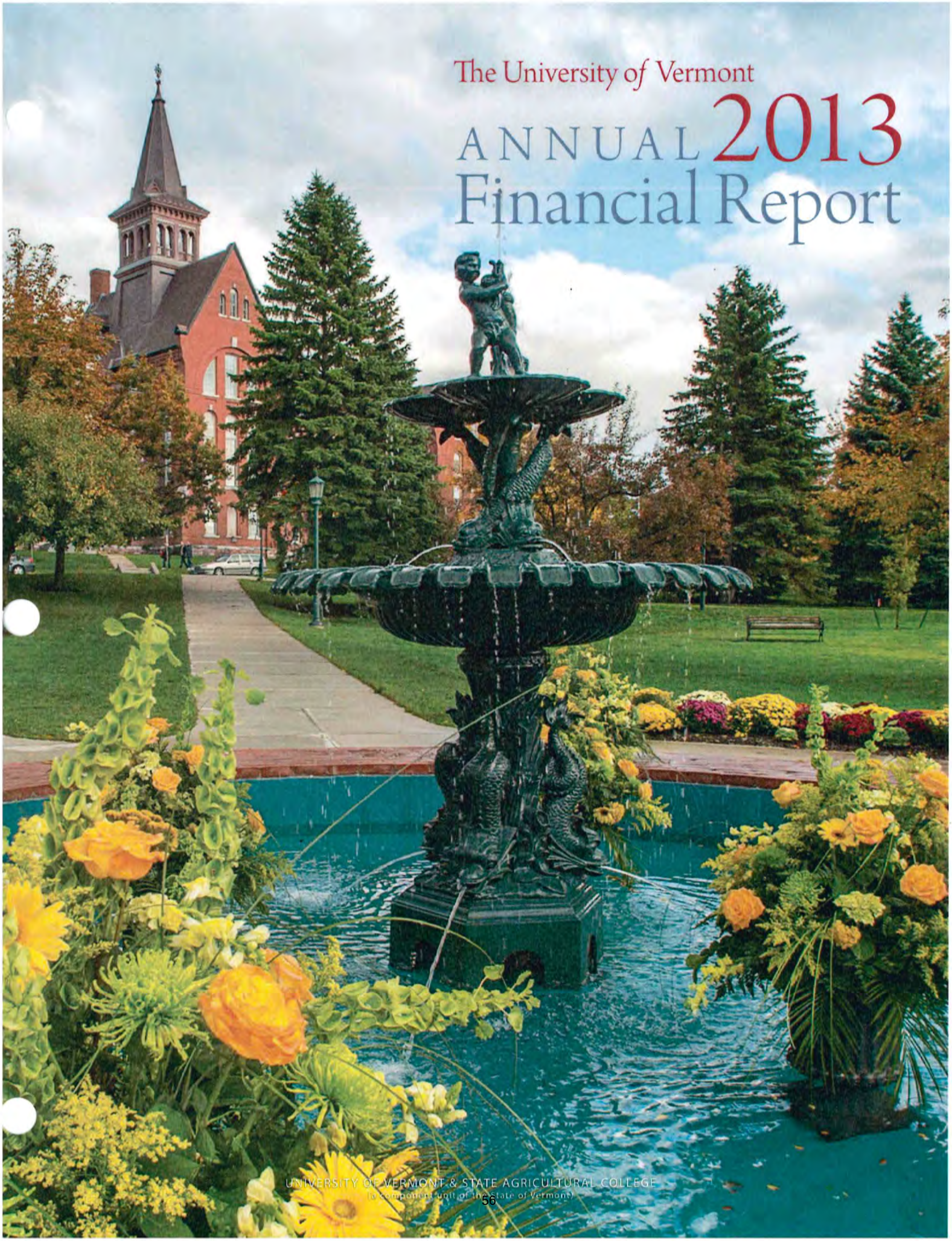
URL	
Print Publications	
Self-study Page Reference	

The undersigned affirms that ______________________________ (institution name) meets the above federal requirements relating to Title IV program participation, including those enumerated above.

Chief Executive Officer: E. Thomas Sullivan Date: 1-14-14

The University of Vermont

ANNUAL 2013 Financial Report



UNIVERSITY OF VERMONT & STATE AGRICULTURAL COLLEGE

(a component unit of the State of Vermont)

UNIVERSITY OF VERMONT & STATE AGRICULTURAL COLLEGE
(a component unit of the State of Vermont)

The University *of* Vermont

Administration

E. Thomas Sullivan	President
David V. Rosowsky	Provost and Senior Vice President
Francine T. Bazluke	Vice President for Legal Affairs and General Counsel
Richard H. Cate	Vice President for Finance and University Treasurer
Thomas J. Gustafson	Vice President for University Relations and Administration
Christopher H. Lucier	Vice President for Enrollment Management
Gary L. Derr	Vice President for Executive Operations
Annie Stevens	Vice Provost for Student Affairs
Wanda R. Heading-Grant	Vice President for Human Resources, Diversity and Multicultural Affairs
John N. Evans	Interim Vice President for Research
Cynthia J. Forehand	Interim Dean, Graduate College
Jon D. Erickson	Interim Dean, The Rubenstein School of Environment and Natural Resources
Sanjay Sharma	Dean, School of Business Administration
Frederick C. Morin, III	Dean, College of Medicine
Luis A. Garcia	Dean, College of Engineering and Mathematical Sciences
Thomas K. Vogelmann	Dean, College of Agriculture and Life Sciences
Antonio Cepeda-Benito	Dean, College of Arts and Sciences
David A. Nestor	Dean of Students
Patricia A. Prelock	Dean, College of Nursing and Health Sciences
Mara R. Saule	Chief Information Officer and Dean, University Libraries and Learning Resources
Fayneese S. Miller	Dean, College of Education and Social Services
Douglas O. Lantagne	Dean, Extension
Abu T. Rizvi	Dean, Honors College
Cynthia L. Belliveau	Dean, Continuing and Distance Education

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Letter *from* the President

Members of the Board of Trustees,

I am pleased to present the Annual Financial Report for the Fiscal Year ended June 30, 2013 to you, the campus community, our alumni, and citizens of Vermont. During my first year at UVM, it has become clear that there is widespread support for this great University. The state of the University's finances is sound.

These financial statements reflect an increase of $47.3 million in the University's investment portfolio, which is largely a result of the recovery of the financial markets. The value of the endowment was $350.8 million on June 30, 2013 as compared to $308.2 million in 2012 and $327 million in 2011. This volatility is the reason we base our annual endowment spending on the average value of the fund over the previous thirteen quarters. The establishment of the University of Vermont Foundation and our upcoming capital campaign will ensure that the endowment will grow significantly over the next decade so that even more funding will be available for the support of scholarships, faculty, academic programs, and facilities.

As you know, we recently have begun work on planning for a transition to Incentive Based Budgeting (IBB) in an effort to promote academic quality and excellence and incentivize growth and diversification of our revenue stream. In the long run this transition should also result in growth in the net position of the University, providing an even more sound financial base.

This fall we enrolled 9,970 undergraduates from 47 states and over two dozen other countries. The academic profile of our first year class is one of the highest in history, including 14% of it being comprised of ALANA students and 18% first generation college students. We intend to make substantial gains in the academic profile, preparedness, and diversity of the class in the coming years.

As the University advances, I will continue to work with the entire UVM and Vermont communities to focus on affordability and financial access, quality enhancement, strategic alignment of priori-ties, and resources and revenue growth to ensure an even healthier University so that we are able to increase the total student experience at UVM.

With every best wish,

E. Thomas Sullivan

Tom Sullivan

The University of Vermont

Management's Responsibility for the Financial Report

The accompanying financial statements of the University of Vermont and State Agricultural College for the year ended June 30, 2013 are official documents prepared in accordance with U.S. generally accepted accounting principles set forth for public colleges and universities by the Governmental Accounting Standards Board. The management of the University is responsible for the integrity and objectivity of these financial statements, which are accessible to all. The University's system of internal accounting controls is designed to ensure that the financial reports and the books of account properly reflect the transactions of the institution, in accordance with established policies and procedures as implemented by qualified personnel.

The University Trustees selected the certified public accounting firm of KPMG, LLP to conduct the annual financial audit for fiscal year 2013.

Periodically throughout the year, the Trustee Audit Committee meets with the Audit Services Office and the Compliance and Privacy Services Office staff and the external independent audit firm to review the audit plan and later the report. The Vermont State Auditor is invited to attend those meetings to offer comments and opinions. Both KPMG and the Audit Service Office and Compliance and Privacy Services Office staff have full access to the University Trustees and the State Auditor throughout the year.

Richard H. Cate
Vice President for Finance and Administration
And University Treasurer

Claire L. Burlingham
Controller

KPMG LLP
Suite 400
356 Mountain View Drive
Colchester, VT 05446

Independent Auditors' Report

The Honorable Douglas Hoffer,
Auditor of the Accounts of the
State of Vermont

and

The Board of Trustees
The University of Vermont and
State Agricultural College:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of The University of Vermont and State Agricultural College (the University), a component unit of the State of Vermont, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents. We did not audit the financial statements of a discretely presented component unit, University Medical Education Associates, Inc. Those financial statements were audited by other auditors whose report thereon has been furnished to us and our opinions, insofar as they relate to the amounts included for that discretely presented component unit, are based on the report of other auditors.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Independent Auditor's Report

continued

KPMG

The Honorable Douglas Hoffer
The Board of Trustees
The University of Vermont and
State Agricultural College
Page 2 of 3

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

We believe that the audit evidence we have obtained and the report of other auditors, is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the business-type activities and the discretely presented component units of The University of Vermont and State Agricultural College, as of June 30, 2013 and 2012, and the respective changes in net position, and where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis and the schedules of Funding Progress and Employer Contributions on pages 6–15 and 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report

continued

The Honorable Douglas Hoffer
The Board of Trustees
The University of Vermont and
State Agricultural College
Page 3 of 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

November 18, 2013

The University of Vermont

Management's Discussion and Analysis (Unaudited)

June 30, 2013 and 2012

Introduction

The Management's Discussion and Analysis (MD&A) provides a broad overview of the University of Vermont's financial condition as of June 30, 2013 and 2012, the results of its operations for the years then ended, significant changes from the previous years, and outlook for the future where appropriate and relevant. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the financial statements and related notes.

The University is a public, non-profit, comprehensive research institution of higher education established in 1791 as the fifth college in New England. The University consists of seven undergraduate schools and colleges, including the Colleges of Agriculture and Life Sciences, Arts and Sciences, Education and Social Services, Engineering and Mathematical Sciences, Nursing and Health Sciences, the School of Business Administration, and the Rubenstein School of Environment and Natural Resources. The University also includes an Honors College, the College of Medicine, the Division of Continuing Education and the Graduate College. The University of Vermont is the only comprehensive research university in Vermont. The University has 9,970 undergraduate students and 1,811 graduate and medical students. It is located in Burlington, Vermont with satellite instructional and research sites throughout Vermont. It is a component unit of the State of Vermont as it receives an annual appropriation from the State. For financial reporting purposes, the University's reporting entity consists of all sectors of the University and also includes the discreetly presented financial information for University Medical Education Associates, Inc. (UMEA) and the University of Vermont and State Agricultural College Foundation, Inc. (UVMF). UMEA is a legally separate tax-exempt component unit of the University whose purpose is to support the operations, activities and objectives of the College of Medicine of the University of Vermont. UVMF is a legally separate tax-exempt component unit of the University whose purpose is to secure and manage private gifts for the sole benefit of the University. The MD&A discusses the University's financial statements only and not those of its component units.

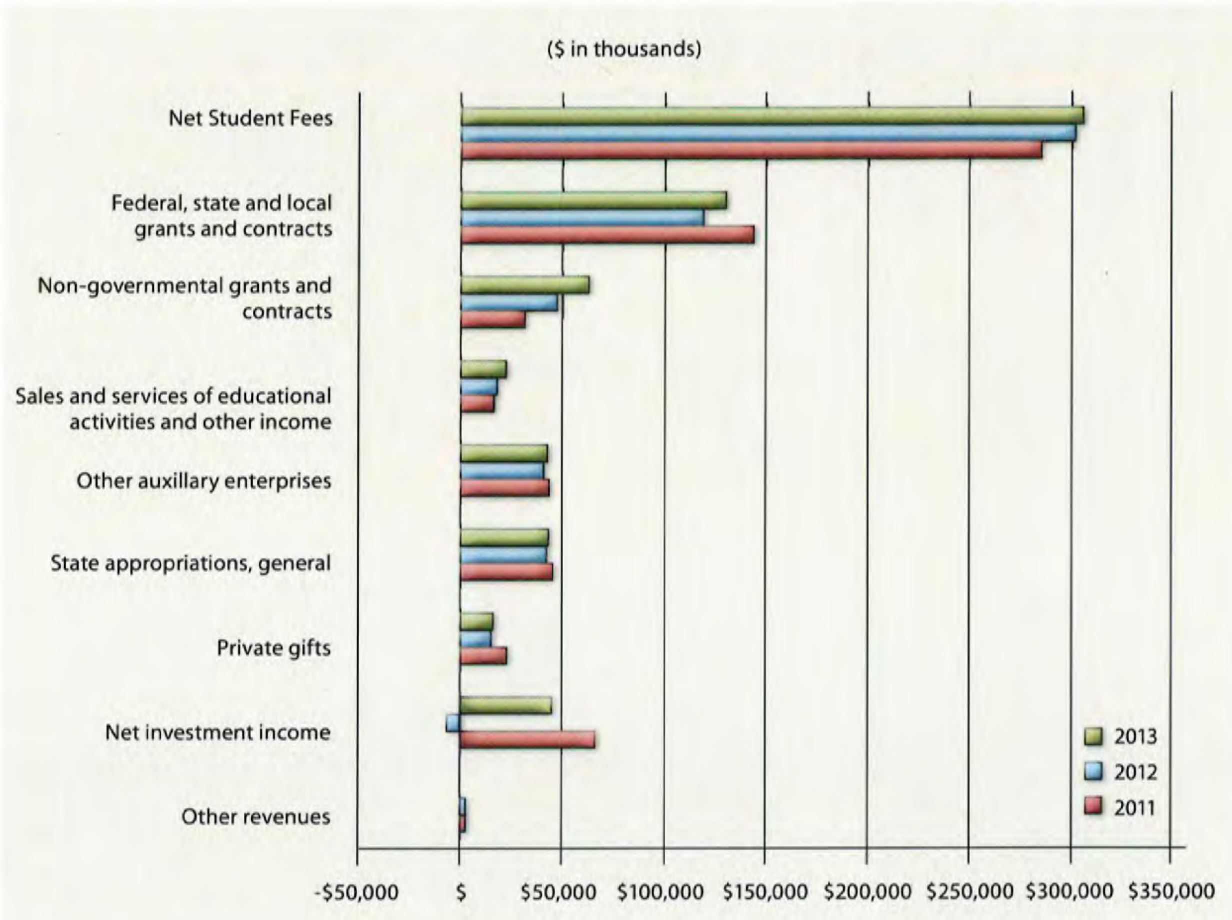
The focus of the MD&A is on the University's financial information contained in the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows.

Financial Highlights and Economic Outlook

The University's net position increased by $19.1 million in fiscal 2013, compared to a decrease of $30.1 million in fiscal 2012. A key contributor to the change in net position was the recovery in the financial markets, resulting in a net gain on the investment portfolio of $47.3 million in fiscal 2013 as compared to a $5.7 million net loss in fiscal 2012. The University also had a decrease in private gift revenue of $5.2 million or 78.0%. This change is primarily due to the establishment of the UVMF as the vehicle through which the University receives private gifts.

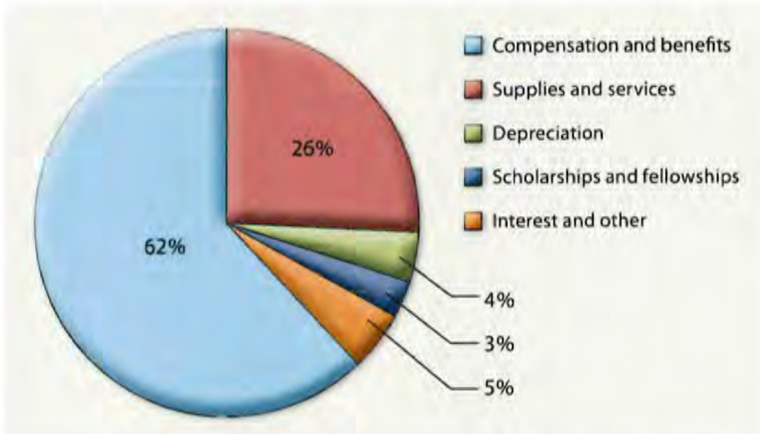
In October 2012 the University's President, in a communication to the Board of Trustees, presented his strategic action plan titled "Enhancing Quality and Affordability". This plan outlined four major initiatives which are the cornerstone of the strategic plan; 1) Access to Success: Promoting Affordability, Financial Access and Academic Support, 2) Promoting a culture of advancing academic excellence and cultivating talent, 3) Identifying necessary investments to ensure a bright future, 4) Instilling an institutional commitment to efficiency and effectiveness that optimizes the use of facilities, technology, assets, and shared services. Much work has been done to implement this vision and the University anticipates continued discussion and implementation of this strategic action plan during fiscal year 2014.

Total operating revenues increased in fiscal 2013 by $31.5 million, or 6.0%. This included an increase in net student tuition and fees of $4.5 million, or 1.5%, an increase in auxiliary revenues of $0.5 million, or 1.3%, and an increase in federal, state, and private grants and contracts of $22.7 million, or 13.7%. The increase in federal, state, and other private grants and contracts revenues is attributable to an additional $29.8 million in commitment funds from Fletcher Allen Health Care, Inc. to offset facilities and operation costs of the College of Medicine. Other critical revenues include state appropriations which decreased by 0.2% in 2013, compared to a 5.9% decrease in 2012, and state capital appropriations which the University did not receive in 2013. The University voluntarily waived its state capital appropriation due to the effect Hurricane Irene had on the state and the need for the state to repair much of its infrastructure that was destroyed during the storm. As presented in the following chart, net student fees and grants and contracts comprise the largest sources of revenue.



The University experienced an increase in operating costs of $3.9 million, or 0.7% in fiscal 2013. Compensation and benefits represents the most significant operating cost, comprising 65.3% and 64.3% of operating costs in 2013 and 2012, respectively. Compensation and benefit expenses increased $8.3 million and supplies and service expenses decreased $3.2 million in fiscal 2013. Compensation and benefit expenses increased due to salary and wage increases in 2013 of 2% for both faculty and staff. Supplies and service expenses decreased due to increased scrutiny on spending. Other significant non-operating expenses include interest on indebtedness which was $20.8 million in 2013 compared to $21.0 million in 2012.

The chart at right displays operating, interest, and other expenses for fiscal 2013:



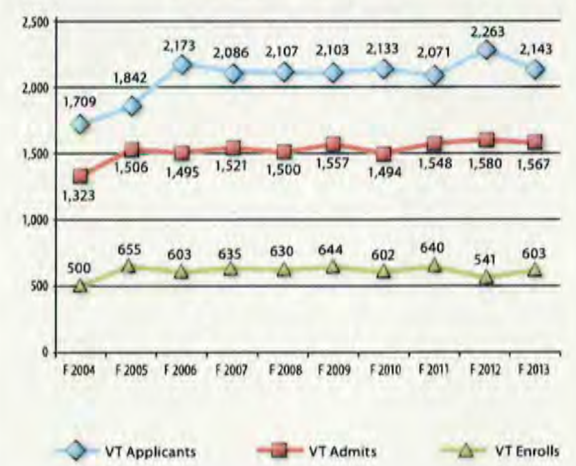
The strategic action plan requires the University to explore investment in facilities, infrastructure, and information technologies which are necessary to advance the educational and research responsibilities of the University particularly in engineering, sciences and libraries.

Projects in process during the current fiscal year included renovations to the Simpson Dining Hall and the Mason, Simpson, Hamilton Residential Halls, as well as other deferred maintenance projects.

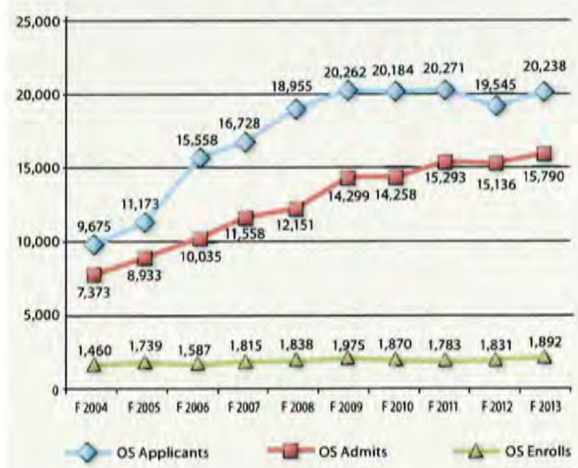
In the fall of 2013, the University enrolled 9,970 students in more than 100 undergraduate majors, 1,357 students in graduate and post-baccalaureate programs, and 454 students at the College of Medicine. The University attracts undergraduates from 47 states and many foreign countries. The University is primarily a regional institution however, drawing 88% of the undergraduates enrolled in the fall of 2013 from New England and the Middle Atlantic States, including 32% of its undergraduate students from Vermont. In the fall of 2013, 37% of total students at the University were from Vermont. Graduate and Certificate student enrollment from Vermont represented 45%.

The following tables present applications, admissions, and enrollments for in-state and out-of-state students. Final numbers for the fall of 2013 show that total applications have increased 97% since 2004, with in-state applications increasing 25% and out-of-state applications increasing 109%. Total admissions have increased for that period by 100%, with in-state admissions increasing 18% and out-of-state admissions increasing 114%. Since 2004, total first-time, first year enrollments have increased 27%, with in-state enrollments increasing by 21% and out-of-state enrollments increasing by 30%.

Trends in Vermont Applications, Admits, and Enrollments
Fall 2004 to Fall 2013



Trends in Out-of-State Applications, Admits, and Enrollments
Fall 2004 to Fall 2013



The University and its Board of Trustees have made a concerted effort to contain increases in tuition and fees with the average annual increases for in-state and out-of-state held to 5.2%, since 2006. The table on the next page presents tuition and fees, as well as room and board for that period.

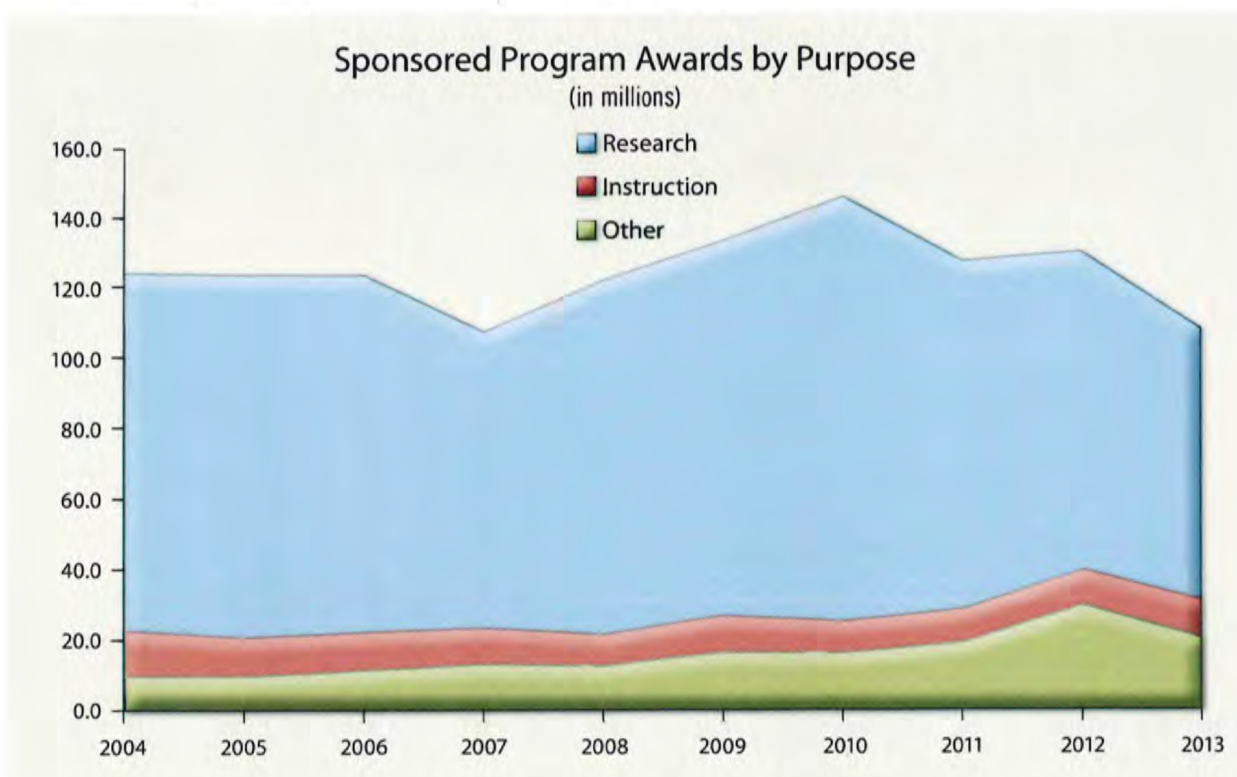
The State of Vermont ("the State") general appropriations represented 7.1% of the University's total revenues for fiscal year 2013. The University did not receive a State capital appropriation in fiscal year 2013 but receive d $1.8 million in fiscal year 2012, as it directed the State to use these funds for the Hurricane Irene disaster relief and repair efforts in place of the appropriation.

Grant and contract revenues of $189.1 million represented 30.8% of total revenues for fiscal 2013 which included facility and administrative cost recoveries of $24.9 million and additional commitment funds from Fletcher Allen Health Care, Inc. of $29.8 million. During fiscal 2013, the University was awarded over $106.1 million in sponsored funds, 74.2% of which were for research activities. Approximately 61.1% of sponsored funds awarded during fiscal 2013 were from federal sources. The University's leading areas of externally sponsored programs are the biomedical sciences, agriculture, the environment, and education.

In-State & Out-of-State Fees

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average Annual % Increase
Student Fees								
In-State Tuition & Fees	$11,324	$12,054	$12,844	$13,554	$14,044	$14,784	$15,284	5.17%
Out of-State Tuition & Fees	26,308	$27,938	$29,682	$31,410	$32,630	$34,424	$35.612	5.23%
Room (Double)	$5,150	$5,426	$5,752	$5,964	$6,196	$6,426	$6,650	4.35%
Board (Average Meal Plan)	$2,492	$2,598	$2,782	$3,032	$3,156	$3,282	$3,414	5.20%
Total, In-State Cost	18,966	$20,078	$21,378	$22,550	$23,418	$24,492	$25,348	
Increase Over Previous Year	4.90%	5.86%	6.47%	5.48%	3.84%	4.59%	3.50%	4.95%
Total, Out-of-State Cost	$33,950	$35,962	$38,216	$40,406	$41,982	$44,132	$45,676	
Increase Over Previous Year	5.22%	5.93%	6.27%	5.73%	3.90%	5.12%	3.49%	5.09%

The following chart presents the activity of sponsored programs over the past decade:



Friends of the University continued to provide support in fiscal 2013 with private gifts of $1.5 million and gifts for endowment and capital purposes of $1.9 million. Commencing in January 2012 the UVMF began operations. UVMF was organized for the purpose of enhancing voluntary private support from alumni, parents, friends, corporation, foundations and others for the exclusive benefit of the University. UVMF exists to raise and manage private resources supporting the mission and priorities of the University.

In August 2010 the University successfully negotiated and executed an updated Affiliation Agreement between the University of Vermont and Fletcher Allen Health Care, Inc. for a period of five (5) years with provisions for an automatic renewal in the absence of a party's written notice. The Agreement is to guide and govern the parties in the achievement of their common goals, including, but not limited to, providing high-quality clinical education for undergraduate and graduate students enrolled in UVM medical and health care related academic programs and health care professionals enrolled in continuing education programs.

Overview of the Financial Statements

The financial statements of the University of Vermont and State Agricultural College (the "University") have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial statement presentation consists of comparable Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows and accompanying notes for the June 30, 2013 and 2012 fiscal years. These statements provide information on the financial position of the University and the financial activity and results of its operations during the years presented. A description of these statements is below. The financial statements focus on the University as a whole, rather than upon individual funds or activities.

University Medical Associates, Inc. (UMEA) and University of Vermont Foundation, Inc. (UVMF) are legally separate tax-exempt component units of the University of Vermont and issue separate audited financial statements. UMEA and UVMF are presented as separate columns on the University's Statements of Net Position and Statements of Revenues, Expenses and Change in Net Position.

Statements of Net Position

Net position, or the difference between total assets less total liabilities, is considered an indicator of the current financial condition of the University. The Statement of Net Position presents all assets and liabilities of the University as of June 30. Assets and liabilities are classified as current or non-current. Current assets are classified as such if they are available to satisfy current liabilities, which are generally defined as being due within one year of the date of the Statement of Net Position. Condensed information for net position at June 30, 2013, with comparative information for 2012 and 2011 follows:

		(In thousands)	
	2013	2012	2011
Assets			
Current assets	$ 255,541	$ 247,262	$ 237,412
Non-current assets:			
Endowment, annuities and life income			
Cash and cash equivalents and investments	350,808	308,198	327,026
Deposits with Trustees	14,928	15,210	22,539
Capital assets, net	536,372	544,011	549,124
Other	34,210	32,940	33,588
Total non-current assets	936,318	900,359	932,277
Total assets	**1,191,859**	**1,147,621**	**1,169,689**
Liabilities			
Current liabilities	90,925	78,337	79,617
Non-current liabilities	600,318	587,759	578,465
Total liabilities	**691,243**	**666,096**	**658,082**
Net position			
Net investment in capital assets	71,226	72,272	75,792
Restricted:			
Nonexpendable	99,021	97,166	94,662
Expendable	286,430	260,777	283,481
Unrestricted	43,939	51,310	57,672
Total net position	**$500,616**	**$481,525**	**$511,607**

Net position totaled $500.6 million, $481.5 million, and $511.6 million at June 30, 2013, 2012, and 2011, respectively, increasing by $19.1 million in 2013 and decreasing by $30.1 million in 2012. Both 2013 and 2012 were significantly impacted by the investment market and the recognition of other postemployment benefits as prescribed by the implementation of GASB 45.

Current assets of $255.5 million, $247.3 million, and $237.4 million at June 30, 2013, 2012, and 2011, respectively, consist primarily of cash and cash equivalents, and operating investments, which totaled $187.0 million at June 30, 2013, $184.7 million at June 30, 2012, and $168.1 million at June 30, 2011. Cash and cash equivalents and operating investments represents approximately 4.0, 4.0, and 3.6 months of total operating expenses, excluding depreciation, for 2013, 2012, and 2011, respectively. The net increase to current assets in 2013 of $8.3 million was primarily driven by a $4.9 million increase in investments for capital activities and a $1.4 million increase in operating investments. The net increase to current assets in 2012 of $9.9 million was driven by a $16.7 million increase in cash, cash equivalent and operating investments and a $9.3 million decrease in accounts, loans, notes and pledges receivable.

Endowment cash, cash equivalents and investments totaled $350.8 million, $308.2 million and $327.0 million at June 30, 2013, 2012, and 2011, respectively, representing an increase of $42.6 million, or 13.8% in 2013, and a decrease of $18.8 million, or 5.8% in 2012. The University's long-term investment pool consists of permanent endowments, term endowments, and funds functioning as endowments, commonly referred to as quasi-endowments.

Permanent endowments are those funds received from donors with the stipulation that the principal be invested in perpetuity to produce income to be expended for the purposes specified by the donor. Term endowments are those funds received from donors that function as endowments for a period of time or until a specific event occurs, such as reaching a certain balance. Funds functioning as endowments consist of restricted gifts and unrestricted funds that have been designated by the University for long-term investment purposes. These funds are not subject to donor restrictions requiring the University to preserve the principal in perpetuity. Programs supported by the endowment include scholarships, fellowships, professorships, research efforts and other programs and activities related to the University's mission. Investments are reported in three categories in the Statement of Net Position. Investments reported as non-current assets include endowment, annuity, and life income funds. Investments for capital activities reported as current assets are replacement reserves designated for capital renovations. All other investments are reported as operating investments.

The University's primary long-term investment goal is to attain a real total return that exceeds the amount being distributed for spending and administration, currently set at 4.75% of the previous 13 quarters' average market value. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark, measured over a full market cycle; and to outperform the median return of a pool of endowment funds with broadly similar investment objectives and policies. The spending distributions from the total endowment were $14.6 million, $14.5 million, and $14.4 million in fiscal years ended June 30, 2013, 2012, and 2011, respectively. These distributions were 4.4%, 4.2%, and 5.0% of the beginning market value of the endowment for fiscal years 2013, 2012, and 2011, respectively.

The decrease to *Deposits with Trustees* of $0.3 million in 2013 and $7.3 million in 2012 was primarily the result of draw-downs for construction and other capital projects. The construction fund of the 2010 Series-A bonds totaled $0.1 million at June 30, 2013, $0 million at June 30, 2012 and $4.3 million at June 30, 2011. The construction fund of the 2009 bonds totaled $0.1 million at June 30, 2013, $0.1 million at June 30, 2012 and $1.2 million at June 30, 2011. The construction fund of the 2007 bonds totaled $0.5 million at June 30, 2013, $1.0 million at June 30, 2012 and $1.9 million at June 30, 2011. The construction fund of the 2005 bond totaled $0 million at June 30, 2013, $0.1 million at June 30, 2012, and $0.6 million at June 30, 2011.

Capital assets, net of accumulated depreciation, totaled $536.4 million, $544.0 million, and $549.1 million at June 30, 2013, 2012 and 2011, respectively, representing a decrease of $7.6 million, or 1.4%, in 2013 and $5.1 million, or 0.9%, in 2012. Gross capital additions totaled $20.2 million in 2013 and $23.6 million in 2012. Capital additions in 2013 included land acquisitions of $2.0 million, renovations to residence and dining halls, research laboratories, and other buildings of $9.3 million, building components and equipment of $1.9 million, fixed equipment of $1.5 million, building interiors of $1.6 million, moveable equipment of $3.5 million, and software systems of $0.4 million. Capital additions in 2012 included land acquisitions of $3.5 million, renovations to residence and dining halls, research laboratories, Aiken construction, and other buildings of $10.2 million, building components and equipment of $2.6 million, fixed equipment of $1.8 million, building interiors of $3.4 million, moveable equipment of $1.6 million, and software systems of $.5 million.

Current liabilities increased $12.6 million in 2013 and decreased of $1.3 million in 2012. The increase in 2013 was primarily due to the University accepting UVMF funds which were then invested in the University's pooled endowment. These funds generate income which is distributed to the UVMF. The funds held in the University's pooled endowment represent a future liability to the University as they are UVMF assets and will be returned to the UVMF in the future. At June 30, 2013 the amount of UVMF assets held in the University's pooled endowment was $14.4 million. The decrease in 2012 was primarily due to a decrease in accounts payable and accrued liabilities of $1.6 million.

Non-current liabilities increased $12.6 million in 2013 compared to $9.3 million in 2012. The increase in 2013 is the result of the recognition of $18.4 million in additional liability for postemployment benefits offset by a $5.6 million decrease in non-current portion of bonds and notes payable. The increase in 2012 is the result of the recognition of $18.2 million in additional liability for postemployment benefits, a decrease in accrued liabilities of $1.7 million, and a decrease in non-current portion of bonds and notes payable of $7.2 million.

Net investment in capital assets, of $71.2 million, $72.3 million, and $75.8 million, at June 30, 2013, 2012, and 2011, respectively, represent the University's capital assets of land, buildings and equipment net of accumulated depreciation and net of outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The decrease of $1.1 million in 2013 was primarily the result of the net effect of additions and disposals to capital assets of $20.1 million, the decrease in bonds payable related to capitalized assets of $6.6 million, and depreciation expense of $27.8 million. The decrease of $3.5 million in 2012 was primarily the result of the net effect of additions and disposals to capital assets of

$23.6 million, the decrease in bonds payable related to capitalized assets of $1.6 million, and depreciation expense of $28.7 million.

Restricted nonexpendable net position totaling $99.0 million, $97.2 million, and $94.7 million at June 30, 2013, 2012, and 2011, respectively, consist entirely of the University's permanent endowment funds. The corpus of restricted nonexpendable resources is only available for investment purposes. The increase of $1.8 million, or 1.9%, in 2013, resulted from new gifts. The increase of $2.5 million, or 2.6%, in 2012 was due to new gifts.

Restricted expendable net position are subject to externally imposed restrictions governing their use. Restricted expendable net positions totaled $286.4 million, $260.8 million, and $283.5 million, as of June 30, 2013, 2012, and 2011, respectively. The increase of $25.6 million in 2013 compared to the decrease of $22.7 million in 2012 was primarily due to changes in net investment income. In 2013 there was a net investment gain of $38.8 million compared to a net investment loss of $7.0 million in 2012.

Unrestricted net position are not subject to externally imposed stipulations. However, substantially all of the University's unrestricted net positions have been designated for various academic and research programs and initiatives, as well as capital projects. Unrestricted net positions totaled $43.9 million, $51.3 million, and $57.7 million for June 30, 2013, 2012, and 2011, respectively. The decrease of $7.4 million in 2013 was primarily due to an increase in net tuition and fees of $4.5 million, a decrease in supplies and service expense of $2.9 million, an increase in net investment income of $7.9 million, offset by an increase in compensation and benefits of $8.0 million, a decrease in State capital appropriation of $1.8 million, a decrease in private gifts of $1.2 million, an increase in transfers to component units of $3.8 million, a decrease in facility and administrative recovery of $1.3 million, and a decrease in sales and services of educational activities of $1.2 million. The decrease of $6.4 million in 2012 was primarily due to an increase in net tuition and fees of $14.5 million, a decrease in supplies and service expense of $2.7 million, offset by decreases in state appropriation revenue of $2.6 million, private gifts of $2.2 million, and net investment income of $11.3 million. Another contributing factor in the decrease of $6.4 million in 2012 is $5.1 million contributed by the University to UVMF.

Statements of Revenues, Expenses and Changes in Net Position

The components of the change in net position are presented in the Statements of Revenues, Expenses and Changes in Position. This statement displays the revenues earned by the University, the expenses incurred by the University and the resulting increase or decrease in net position. Revenues and expenses are categorized as either operating or non-operating, and net operating income or loss is displayed. Operating revenues generally are those earned through providing services or goods to the University's customers. Operating expenses are incurred in providing those services and goods. Significant recurring sources of the University's revenues, including state appropriations, gifts, and investment income or loss are considered non-operating.

Condensed information for the year ended June 30, 2013, with comparative totals for the years ended June 30, 2012 and June 30, 2011, follows:

	2013	2012 *(In thousands)*	2011
Operating revenues	$ 557,473	$ 525,978	$ 520,312
Operating expenses	585,027	581,087	587,427
Operating loss	(27,554)	(55,109)	(67,115)
Net non-operating revenues	44,703	18,340	103,904
Revenue (loss) before capital And endowment additions	17,149	(36,769)	36,789
State capital appropriations	-	1,800	2,000
Capital and endowment gifts and grants	1,942	4,887	6,790
Total capital and endowment additions	1,942	6,687	8,790
Increase (decrease) in net position	**19,091**	**(30,082)**	**45,579**
Net position, beginning of year	481,525	511,607	466,028
Net position, end of year	**$500,616**	**$481,525**	**$511,607**

Net position increased by $19.1 million in 2013 and decreased by $30.1 million in 2012. Contributors to the increase in 2013 include an increase in operating revenues of $31.5 million offset slightly by an increase in operating expenses of $3.9 million. Operating revenues increased mostly due to an increase of $22.7 million in federal, state, and private grants and contracts due to an increase in Fletcher Allen Health Care, Inc. commitment funds of $29.8 million. There was also an increase of $4.5 million in net student tuitions and fees. The increase in operating expenses consists mostly of increases in compensation and benefits of $8.3 million offset by a decrease in supplies and services expenses of $3.2 million. Investment income increased $53.0 million in 2013. This increase was slightly offset by decreases in private gifts of $5.2 million and capital gifts and grants of $6.0 million. There was also an intergovernmental transfer from the University to the State of Vermont of $25.8 million in 2013. These funds were contributed to support the Graduate Medical Education (GME) program. The GME program helps ensure access to quality, essential professional health services for Medicaid beneficiaries through the care provided by teaching physicians and teaching hospitals. Contributors to the decrease in 2012 include an increase in operating revenues of $5.7 million and a decrease in operating expenses of $6.3 million offset by a decrease in non-operating revenues of $85.6 million. Investment income decreased $71.6 million in fiscal 2012. State appropriations and private gifts decreased by $7.6 million.

Operating revenues include the following:

- *Student Tuition and Residential Life Fees, net of scholarship allowances,* are the largest component of operating revenues and the primary source of funding for the University's academic programs. Net student fees increased by $4.5 million in 2013, comprised of an increase to tuition and fees of $8.0 million, or 2.4%, a decrease to residential life of $0.1 million, or .1%, and by an increase in scholarship allowances of $3.4 million, or 4.3%. Net student fees increased by $16.1 million in 2012, comprised of an increase to tuition and fees of $14.5 million, or 4.6%, residential life of $1.2 million, or 2.4%, and by a decrease in scholarship allowances of $0.3 million, or 0.4%. Scholarship and fellowship awards applied to student accounts are presented as a reduction of student tuition and fees and residential life revenues, while payments directly made to students are presented as scholarship and fellowship expenses. Total scholarships and fellowships of $100.1 million, $96.9 million, and $98.1 million, were awarded to students in 2013, 2012, and 2011, respectively. This represents a total increase of $3.2 million, or 3.3%, for 2013 as compared to a $1.2 million decrease, or 1.2%, for 2012.

- *Revenues for sponsored programs,* of $189.1 million in 2013, $166.4 million in 2012, and $175.3 million in 2011, include federal appropriations, grants and contracts, as well as state and non-governmental grants and contracts that normally provide for the recovery of direct and indirect costs or expenses. The increase of $22.7 million is attributed to an increase in Fletcher Allen Health Care, Inc. commitment funds of $29.8 million offset by a reduction in federal and state grants. The decrease of federal funding was anticipated due to continued reductions. The decrease of $8.9 million in 2012 is the result of a decrease of $6.2 million in federal and private grants and a decrease $2.7 million in state grants. Revenues for sponsored programs are generally recognized when expenses are incurred or when significant milestones have been met under the terms of the award. The revenues for sponsored programs include recovery of indirect costs, referred to as facilities and administrative costs, of $24.9 million, $26.2 million, and $28.0 million, in 2013, 2012, and 2011, respectively.

- *Auxiliary enterprise and educational activities revenues* totaled $47.9 million, $46.2 million, and $48.1 million, in 2013, 2012, and 2011, respectively. Auxiliary enterprises include business type enterprises such as the bookstore, printing, mail services and conferences and events that provide support to the University's primary missions of education, research and public service. The $1.7 million increase in 2013 is primarily due to an increase in the number of conference and events hosted for non-University customers and the $1.9 million decrease in 2012 is primarily due the decreased activity related to Conferences and Events Services and activity in the Davis Center.

- *Student loan interest and other operating revenues* were $13.6 million, $11.0 million, and $10.5 million in 2013, 2012, and 2011, respectively.

Significant components of operating expenses include the following:

- *Compensation and benefits* of $382.1 million, $373.8 million, and $376.5 million in 2013, 2012, and 2011, respectively, comprise the most significant portion of total expenses. Compensation and benefits increased by $8.3 million, or 2.2% in 2013 and decreased $2.6 million, or 0.7% in 2012. The fiscal 2013 increase reflected a budgeted increase of 2.0% in the non-represented staff salary pool and the faculty salary pool. The fiscal 2012 decrease was primarily due to no budget increases in the non-represented staff salary pool and faculty salary pool. In addition, staff of the Development and Alumni Relations office became employees of the UVMF as of January 1, 2012. In addition, health plan benefit costs increased by $2.2 million, or 4.9%, in 2013 and decreased $5.1 million, or 10.4%, in 2012.

- *Supplies and services* expenses decreased by $3.2 million, or 2.0%, in 2013 and decreased by $3.5 million, or 2.1%, in 2012. This classification encompasses the many and varied non-compensation expenses that are required for the operation of the University, including utilities, professional services, non-capitalized equipment, and minor renovations.

- *Depreciation* expense decreased slightly by $.9 million, or 3.1%, in 2013 and $.7 million, or 2.3%, in 2012.

- *Scholarships and fellowships* of $16.0 million in 2013, $16.2 million in 2012, and $17.1 million in 2011 are comprised of direct payments to students. As noted earlier, in addition to the amounts reflected in scholarships and fellowships expense, financial aid is applied to tuition and residential life fees and amounts applied to each are reflected in the financial statements as a reduction of those revenues.

- *Net non-operating revenue* is comprised of several revenue and expense categories that are not considered to be operating or exchange transactions. Net non-operating revenues totaled $44.7 million, $18.3 million, and $103.9 million, in 2013, 2012, and 2011, respectively, resulting in an increase of $26.4 million in 2013 and a decrease of $85.6 million in 2012. The increase in fiscal 2013 net non-operating revenues was primarily due to an increase in investment income to $47.3 million in 2013 from ($5.7) million in 2012, reductions in private gifts of $5.2 million, state appropriations of $0.1 million, and an increase of $0.1 million on interest on indebtedness. In addition, UVM made an intergovernmental transfer to the State of Vermont in the amount of $25.8 million to help support the GME program. Net non-operating revenues reflected a decrease of $85.6 million in 2012 primarily due to a reduction in investment income from $65.7 million in 2011 to ($5.7) million in 2012, reductions in private gifts of $5.0 million, state appropriations of $2.6 million, and an increase of $0.4 million on interest on indebtedness. Net non-operating revenue includes various non-operating revenues and expenses that are grouped together on the Statements of Revenues, Expenses and Changes in Net Position and include the following:

- *State appropriations*, which represent funding provided by the State of Vermont, were $41.8 million, $41.9 million, and $44.5 million, in 2013, 2012, and 2011, respectively, decreasing by 0.2% in 2013 and decreasing by 5.9% in 2012 due to one-time funding.

- *Intergovernmental Transfers* totaled $25.8 million in 2013. This represents contributions to the State to support the GME program.

- *Private gifts and Transfers to UVM from Component Units* totaled $13.2 million, $9.5 million, and $15.2 million, in 2013, 2012, and 2011, respectively.

- *Transfers to Component Units from UVM* totaled $9.8 million in 2013. These transfers were to the UVM Foundation, Inc. from the University to assist the Foundation in its operations.

- *Net investment income/(loss)* was $47.3 million, $(5.7) million, and $65.9 million in 2013, 2012, and 2011, respectively. Net investment income includes realized investment income/(loss) and the change in the unrealized appreciation or depreciation of investments. The change in unrealized appreciation/ (depreciation) included in net investment income was $22.2 million in 2013, $(22.4) million in 2012, and $48.6 million in 2011. Realized gains/(losses) and other income included in net investment income totaled $25.1 million, $16.7 million, and $17.3 million in 2013, 2012, and 2011, respectively.

- *Interest on indebtedness* totaled $20.8 million in 2013, $21.0 million in 2012, and $20.6 million in 2011. Interest on indebtedness represents interest on notes and bonds net of capitalized interest.

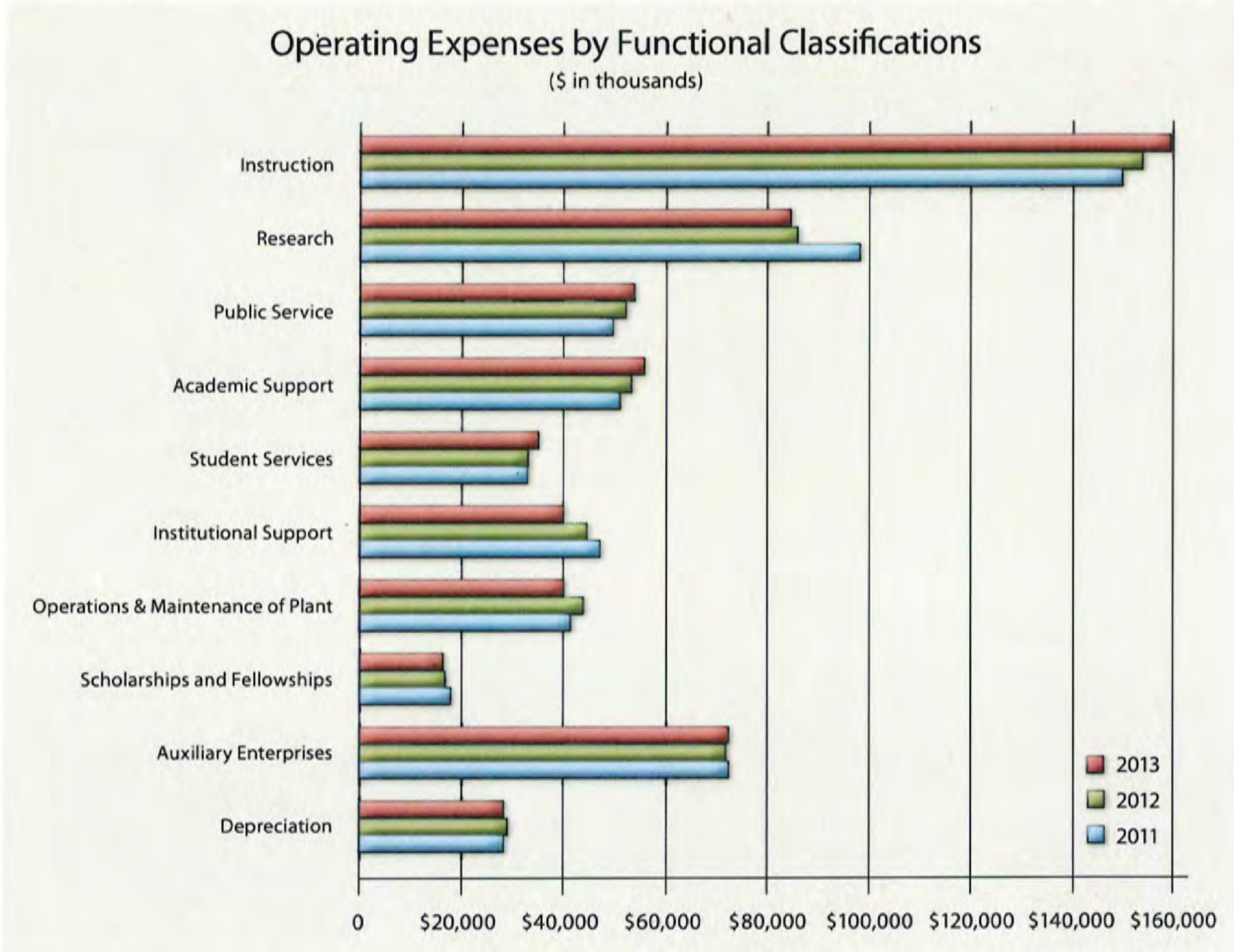
Other financial resources presented after ***Revenue (Loss) before capital and endowment additions*** include the following:

- *State capital appropriations* were $0 million, $1.8 million, and $2.0 million in 2013, 2012 and 2011, respectively.

- *Capital and endowment gifts and grants* were $1.9 million, $4.9 million, and $6.8 million, in 2013, 2012, and 2011, respectively.

Expenses are presented in the financial statements by natural classification, according to the type of expense, such as compensation and benefits. In addition, expenses may be aggregated by the functions that they support. Total expenses increased by $3.9 million, or 0.7%, in 2013 and decreased $0.7 million, or 0.1%, in 2012. With the exception of scholarships and fellowships, depreciation, and interest expense, the changes in each of the functional categories reflect the changes in compensation and benefits and supplies and services.

The following chart presents total expenses by natural classification (object) for 2013, 2012, and 2011:



The following chart presents total expenses by natural classification (object) for 2013, 2012, and 2011:

Statements of Net Position

as of June 30, 2013 and 2012

(dollars in thousands)

	2013	2012	UMEA 2013	UMEA 2012	UVMF 2013	UVMF 2012
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 72,452	$ 71,649	$ 631	$ 5,542	$ 14,668	$ 1,567
Operating investments	114,498	113,083	23,305	10,290	-	-
Investments for capital activities	22,416	17,525	-	-	-	-
Accounts, loans, notes and pledges receivable, net	35,195	34,793	555	449	906	-
Inventories and prepaid expenses	10,980	10,212	11	9	252	22
Total current assets	**255,541**	**247,262**	**24,502**	**16,290**	**15,826**	**1,589**
Non-current assets:						
Endowment cash, cash equivalents and investments	350,808	308,198	-	-	1,002	-
Student loans, notes, and pledges receivable, net	26,410	27,122	-	-	807	-
Deposits with trustees	14,928	15,210	-	-	-	-
Prepaid expenses and other assets	7,800	5,818	-	-	-	-
Capital assets, net	536,372	544,011	-	-	75	-
Total non-current assets	**936,318**	**900,359**	-	-	1,884	-
Total Assets	**1,191,859**	**1,147,621**	**24,502**	**16,290**	**17,710**	**1,589**
LIABILITIES						
Current Liabilities:						
Accounts payable and accrued liabilities	69,651	54,571	7,647	683	3,688	49
Unearned revenue, deposits, and funds held for others	13,270	16,363	-	-	1	-
Bonds and leases payable	8,004	7,403	-	-	-	-
Total current liabilities	**90,925**	**78,337**	**7,647**	**683**	**3,689**	**49**
Non-current liabilities:						
Accrued liabilities	13,058	13,300	-	-	-	-
Postemployment benefits	127,550	109,178	-	-	-	-
Bonds and leases payable	459,710	465,281	-	-	-	-
Total non-current liabilities	**600,318**	**587,759**	-	-	-	-
Total Liabilities	**691,243**	**666,096**	**7,647**	**683**	**3,689**	**49**
NET POSITION						
Net investment in capital assets	71,226	72,272	-	-	-	-
Restricted:						
Non-Expendable	99,021	97,166	-	-	1,763	200
Expendable	286,430	260,777	5,251	245	10,179	38
Unrestricted	43,939	51,310	11,604	15,362	2,079	1,302
Total Net Position	**$ 500,616**	**$ 481,525**	**$ 16,855**	**$ 15,607**	**$ 14,021**	**$ 1,540**

The accompanying notes are an integral part of the financial statements.

Statements of Revenues, Expenses and Changes in Net Position

for the years ended June 30, 2013 and 2012

(dollars in thousands)

	2013	2012	UMEA 2013	UMEA 2012	UVMF 2013	UVMF 2012
Operating revenues						
Tuition and fees	$ 339,566	$ 331,613	$ -	$ -	$ -	$ -
Residential life	51,406	51,437	-	-	-	-
Less scholarship allowances	(84,105)	(80,677)	-	-	-	-
Net student fees	306,867	302,373	-	-	-	-
Federal, state, and private grants and contracts	189,115	166,382	-	-	-	-
Sales and services of educational activities	6,626	5,436	-	-	-	-
Other auxiliary enterprises	41,288	40,772	-	-	-	-
Student loan interest and other operating revenues	13,577	11,015	422	524	208	-
Total operating revenues	**557,473**	**525,978**	**422**	**524**	**208**	**-**
Operating expenses						
Compensation and benefits	(382,122)	(373,829)	(284)	(262)	(6,692)	(382)
Supplies and services	(159,067)	(162,292)	-	-	(2,313)	(428)
Depreciation	(27,823)	(28,721)	-	-	-	-
Scholarships and fellowships	(16,015)	(16,245)	-	-	-	-
Total operating expenses	**(585,027)**	**(581,087)**	**(284)**	**(262)**	**(9,005)**	**(810)**
Operating income (loss)	**(27,554)**	**(55,109)**	**138**	**262**	**(8,797)**	**(810)**
Non-operating revenues (expenses)						
State appropriations	41,833	41,896	-	-	-	-
Private gifts	1,473	6,691	5,297	271	15,603	50
Net investment income/(loss)	47,317	(5,700)	1,181	(40)	77	-
Interest on indebtedness	(20,847)	(21,043)	-	-	-	-
Net other non-operating expense	(1,168)	(1,085)	-	-	-	-
Intergovernmental transfers	(25,757)	-	-	-	-	-
Transfers from UVM to component units	(9,831)	(5,221)	-	-	8,862	2,100
Transfers to UVM from component units	11,683	2,802	(5,368)	(2,174)	(4,828)	-
Net non-operating revenues	**44,703**	**18,340**	**1,110**	**(1,943)**	**19,714**	**2,150**
Revenue (loss) before capital and endowment additions	**17,149**	**(36,769)**	**1,248**	**(1,681)**	**10,917**	**1,340**
State capital appropriations	-	1,800	-	-	-	-
Capital gifts and grants	891	2,763	-	-	-	-
Gifts for endowment purposes	1,051	2,124	-	-	1,563	200
Total capital and endowment additions	**1,942**	**6,687**	**-**	**-**	**1,563**	**200**
Increase (decrease) in net position	19,091	(30,082)	1,248	(1,681)	12,480	1,540
Net Position, Beginning of Year	481,525	511,607	15,607	17,288	1,540	-
Net Position, End of Year	**$ 500,616**	**$ 481,525**	**$ 16,855**	**$ 15,607**	**$ 14,020**	**$ 1,540**

The accompanying notes are an integral part of the financial statements.

Statements of Cash Flows
for the years ended June 30, 2013 and 2012
(dollars in thousands)

	2013	2012
Cash Flows From Operating Activities		
Tuition and fees (net of applicable discounts)	$ 266,223	$ 260,808
Grants and contracts	185,412	176,610
Sales and services of educational activities	6,626	5,436
Sales and services of auxiliary enterprises:		
Residential Life fees, net of scholarship allowances	40,348	40,603
Other	41,288	40,772
Payments to employees and benefit providers	(362,771)	(357,000)
Payments to vendors	(159,271)	(161,879)
Payments for scholarships and fellowships	(16,015)	(16,245)
Student loans issued	(4,380)	(4,991)
Student loans collected, interest and other revenue	4,320	4,352
Other receipts, net	12,955	10,367
Net cash used in operating activities	**14,735**	**(1,167)**
Cash Flows From Noncapital Financing Activities		
State general appropriation	41,833	41,896
Private gifts for other than capital purposes	2,444	8,381
Intergovernmental transfers	(25,757)	-
Transfers from UVM to component units	(9,831)	(5,221)
Transfers to UVM from component units	11,683	2,802
Deposits of affiliates and life income payments	13,512	(2,617)
Net cash provided by non-capital financing activities	**33,884**	**45,241**
Cash Flows From Capital Financing Activities		
Proceeds from capital debt	50,275	-
State capital appropriation	-	1,800
Capital grants, gifts and other income	1,675	2,839
Purchases and construction of capital assets	(22,171)	(23,357)
Principal and interest paid on capital debt	(76,246)	(28,072)
Changes in deposits with trustees, net	444	6,860
Net cash used in capital financing activities	**(46,023)**	**(39,930)**
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	83,005	111,682
Purchase of investments	(70,509)	(122,437)
Interest and dividends on investments, net	6,051	8,233
Net cash used in investing activities	**18,547**	**(2,522)**
Net Increase in Cash and Cash Equivalents	**21,143**	**1,622**
Cash and cash equivalents - beginning of year	79,869	78,247
Cash and Cash Equivalents - End of Year *	**$ 101,012**	**$ 79,869**
Reconciliation of Operating Loss To Cash Used by Operating Activities		
Operating loss	$ (27,554)	$ (55,109)
Adjustments to reconcile net income to net cash used in Operating Activities:		
Depreciation expense	27,823	28,721
Changes in assets and liabilities:		
Accounts receivable and loan receivables, net	(366)	9,094
Inventories and prepaid expense	(775)	(451)
Accounts payable	1,235	(3,736)
Unearned revenue, deposits and accrued liabilities	14,372	20,314
Net cash used in operating activities	**$ 14,735**	**$ (1,167)**

* *of total cash and cash equivalents for 2013, $72,452 is current and $28,560 is non-current endowment and for 2012, $71,649 is current and $8,220 is non-current endowment*

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements
For the Years Ended June 30, 2013 and 2012

A. Summary of Significant Accounting Policies and Presentation

The University of Vermont and State Agricultural College is a public, non-profit, comprehensive research institution of higher education with an enrollment of approximately 11,780 undergraduate, graduate, and medical students. It is located in Burlington, Vermont with satellite instructional and research buildings throughout the State.

The University of Vermont and State Agricultural College is a component unit of the State of Vermont as it receives an annual appropriation from the State.

The University has received a letter from the Internal Revenue Service recognizing the University as an organization that is tax-exempt on related income under Section 501(a) of the Internal Revenue Code.

1. Affiliated Organizations

University Medical Education Associates, Inc. (UMEA) is a legally separate tax-exempt component unit of the University of Vermont. UMEA is governed by a minimum nine-member board; six members are named as a result of their positions at the University of Vermont and the remaining are elected by the other members. UMEA's purpose is to support the operations, activities and objectives of the College of Medicine of the University of Vermont. UMEA is a public non-profit organization that reports under Governmental Accounting Standards Board (GASB) standards. UMEA's fiscal years end on June 30th. UMEA issues separate audited financial statements, which may be obtained by contacting the Dean's Office, College of Medicine. In accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus (an amendment of GASB 14 and 34), UMEA is discretely presented on the University's Statements of Net Positions and Statements of Revenues, Expenses, and Changes in Net Position.

The University of Vermont and State Agricultural College Foundation, Inc. (UVMF) was incorporated as a Vermont nonprofit corporation on March 14, 2011, and is a legally separate entity from the University of Vermont. On January 1, 2012, UVMF officially assumed all fundraising responsibilities of the Office of Development and Alumni Relations at the University. UVMF is exempt from federal income taxes by Internal Revenue Code Section 501(c)(3) and qualifies as a public charity under Internal Revenue Code Sections 509(a)(1) and 170(b)(1)(A)(vi). UVMF exists to secure and manage private gifts for the sole benefit of the University and has been recognized by the University as the primary and preferred recipient for charitable gifts to or for the benefit of the University. UVMF is governed by a board of directors composed of not less than 15 or more than 25 members, including ex officio directors. The President of the University, the Chair of the Board of Trustees of the University, the President of the UVM Alumni Association, and the UVMF President/CEO are ex officio directors of UVMF. UVMF reports under Financial Accounting Standards Board (FASB) standards, has a fiscal year end date of December 31st, and issues separate audited financial statements, which may be obtained at the UVMF's website www.uvmfoundation.org or by contacting the UVMF's main office at 411 Main Street, Burlington, VT. In accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus (an amendment of GASB 14 and 34), UVMF is discretely presented on the University's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position.

The University has an affiliation with Fletcher Allen Health Care, Inc. (FAHC) through an executed Affiliation Agreement signed August, 2010 between the University of Vermont and FAHC. The Affiliation Agreement is for a period of five (5) years with provisions for an automatic renewal in the absence of a party's written notice. The Agreement is to guide and govern the parties in the achievement of their common goals, including, but not limited to, providing high-quality clinical education for undergraduate and graduate students enrolled in UVM medical and health care related academic programs and health care professionals enrolled in continuing education programs. The Agreement sets forth principles and protocols designed to assist the University and FAHC in coordinating efforts and allocating their resources. FAHC agrees to pay a portion of salary, benefits, and related expenses incurred by the University to physician-faculty and staff who are also employed by FAHC. In addition, FAHC agrees to pay base payments that help maintain medical facilities and the Dana Medical Library. FAHC agrees to pay a portion of the UVM Medical Group Net Patient Revenues, referred to as the Dean's Tax, to the College of Medicine for purposes that promote and are consistent with the common goals of both parties.

2. Basis of Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as defined for public colleges and universities by the GASB. The University has elected not to adopt statements issued by the Financial Accounting Standards Board (FASB) after November 30, 1989.

Net position is categorized as follows:

- **Net investment in capital assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Such assets include the University's physical plant.

- **Restricted:**

  Non-Expendable - Net position subject to externally imposed stipulations that they be maintained permanently by the University. This category includes the corpus of the University's true endowment funds.

  Expendable - Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University to meet those stipulations or that expire through the passage of time. This category includes restricted gifts, grants and contracts.

- **Unrestricted:** Net position that are not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management, the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

(dollars in thousands)

The University's policy for defining operating activities as reported on the Statements of Revenues, Expenses, and Changes in Net Position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Non-exchange transactions such as gifts, investment income, state appropriations and interest on indebtedness are reported as non-operating revenues and expenses.

When both restricted and unrestricted net position are available and appropriate to fund an expense, the University's practice is to allow the budget manager to determine which to use in each instance.

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates. The most significant areas that require management estimates relate to valuation of certain investment balances, the valuation of the postemployment benefit obligation, allowances on accounts and loans receivable, depreciation, and certain accruals.

3. Investments

Investments are stated at fair value in the case of marketable securities. Investments in private partnerships are stated at cost as they do not meet the definition of marketable securities. Nonmarketable investments include alternative investments such as venture capital and real estate funds, which are valued using current estimates of fair value obtained from the investment manager in the absence of readily determinable public market values. Marketable alternative investments, generally referred to as hedge funds, may contain non-marketable as well as marketable investments. Such valuations generally reflect discounts for liquidity and consider variables such as financial performance of investments, including comparison of comparable companies' earning multiples, cash flow analysis, recent sales prices of investments, and other pertinent information. Because of the inherent uncertainty of valuation for these investments, the estimated values may differ from the values that would have been used had a ready market existed. University management is responsible for the fair measurements of investments reported in the financial statements. The University has implemented policies and procedures to assess the reasonableness of the fair values provided and believes that reported fair values at the balance sheet date are reasonable.

Investments are reported in three categories in the Statements of Net Position. Investments reported as non-current assets include endowment, annuity, and life income funds. Investments for capital activities reported as current assets are replacement reserves designated for capital renovations. All other investments are reported as operating investments.

Deposits with trustees include $13,854 in 2013 and $14,067 in 2012 of assets held under deferred giving arrangements and $1,074 in 2013 and $1,143 in 2012 of investments in the waste disposal fund required by the EPA.

Investment income is recorded as revenue when earned. Net investment income is reported as non-operating revenue and includes income net of investment fees and the change in the fair value of investments. The calculation of realized gains (losses) is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held for more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The fair value of investments increased $41,238 during 2013 including $19,029 of realized gains and $22,210 of unrealized gains. For 2012 the fair value of investments decreased $10,199 including $8,456 of realized gains and $22,380 of unrealized losses. For 2013, the unrealized gains on investments held at year-end was $67,405 compared to an unrealized gain of $45,195 for 2012.

The University records its purchases and sales of investments on a trade date basis.

4. Government Appropriations and Grants

The University has recorded reimbursement of indirect costs relating to government contracts and grants at a predetermined rate. The reimbursement of indirect costs included in grant revenue is $24,884 in 2013 and $26,228 in 2012.

Private grants and contracts includes additional funding of $29.8 million in 2013 to the College of Medicine from Fletcher Allen Health Care, Inc. to offset facilities and operation costs.

Revenues associated with grants and contracts are generally recognized when related costs are incurred or when milestones are achieved. Federal, state and private grants and contracts revenue for 2013 and 2012 consists of:

Grants and Contracts	FY13	FY12
Federal appropriations, grants and contracts	$ 122,350	$ 125,996
State grants and contracts	3,702	3,089
Private grants and contracts	63,063	37,297
TOTAL	**$ 189,115**	**$ 166,382**

State appropriations (general fund and capital) are reported as non-operating revenue.

5. Gifts

Gifts are recorded at their fair value and reported as non-operating revenue.

Promises to donate to the University are recorded as receivables and revenues when the University has met all applicable eligibility and time requirements. Since the University cannot fulfill the requirement to invest in perpetuity for gifts to endowments until the gift is received, pledges to endowments are not recognized.

6. Deposits and Unearned Revenue

Deposits and advance payments for the following academic year are deferred and recorded as revenues when earned. Summer session revenues are deferred to the extent that they relate to courses scheduled in July and August.

The University records unearned revenue for cash received in excess of expenditures on grants and contracts. Grants and contracts deferred revenue at June 30, is $5,973 in 2013 and $7,814 in 2012.

(dollars in thousands)

7. Employee Benefits

The University provides health and dental insurance to retired employees and their families during their lives and life insurance until age 70. For employees hired on or after January 1, 2012 they will continue to receive dental insurance and life insurance upon retirement. The health insurance benefit for these employees hired after January 1, 2012 has been replaced with a Retiree Health Savings Plan (RHSP). UVM will make regular tax free contributions to the RHSP for benefits-eligible faculty and staff. Earnings that accumulate in a RHSP will grow tax free. Retirees will be able to access the savings in the RHSP to pay for eligible healthcare expenses.

Health, dental and life insurance are paid by the University on a premium basis at the same rate as active employees for retirees under the age of 65 and at a slightly lower rate for retirees over the age of 65. The total cost for active and retired employees for health, dental and life insurance, net of employee contributions, was $47,296 in 2013 and $45,092 in 2012. The total cost for contributions to the RHSP was $43 in FY13. See note J for further information about postemployment benefits.

8. Compensated Absences

The University accrues amounts for compensated absences (principally vacation allowances) as earned. They are included in the current portion of accrued liabilities.

As of June 30, 2013, $18,674 ($18,168 in 2012) was accrued for vacation pay of which $13,792 ($13,412 in 2012) was charged to unrestricted net assets and $4,882 ($4,756 in 2012) was included in deferred charges to be recovered from restricted expendable assets when paid.

9. Collections and Works of Art

The University maintains collections of inexhaustible assets, including: works of art; historical artifacts; biological, geological, archaeological and ethnographic materials; and literature. While the collections are undoubtedly quite valuable and irreplaceable, the University has not placed a dollar value on these assets. It is the University's policy to hold these assets for public exhibit, education and research rather than for financial gain and to protect, care for and maintain such assets in perpetuity. Accordingly, the collections are not capitalized for financial statement purposes.

B. Accounts, Loans, Notes, and Pledges Receivable

Accounts, loans, notes and pledges receivable at June 30, 2013 and 2012 are summarized at the top of the next column.

The student accounts receivable are carried net of an allowance for doubtful accounts of $354 in 2013 and $414 in 2012.

Student loans and other notes receivable current portion of $3,027 and non-current portion of $23,172 at June 30, 2013, are carried net of an allowance for uncollectible UVM loans of $150 and $1,152, respectively. Student loans receivable current portion of $3,004 and non-current portion of $23,764 at June 30, 2012, were carried net of an allowance for uncollectible UVM loans of $158 and $1,261, respectively. The University does not record an allowance for uncollectible federal student loans since they can be assigned to the government.

Accounts, Loans, Notes and Pledges Receivable, Net	June 30, 2013	June 30, 2012
Current		
Federal, state, and private grants receivable	$ 17,209	$ 18,264
Student and company accounts receivable	5,275	4,844
Other accounts receivable	7,146	5,322
Student loans and other notes receivable, net	3,027	3,004
Pledges receivable, net	2,538	3,359
Total Current	**$ 35,195**	**$ 34,793**
Non-Current		
Student loans and other notes receivable, net	$ 23,172	$ 23,764
Pledges receivable, net	3,238	3,358
Total Non-Current	**$ 26,410**	**$ 27,122**

The University's liability for the federal capital contribution to the Perkins, Health Professions, Primary Care, and Nursing Student loan programs is $8,574 for 2013 ($8,680 for 2012). These amounts are included in non-current accrued liabilities.

Collections and disbursements of pass through student loans such as Federal Direct Loans, Federal Plus Loans, and Vermont Student Assistance Corporation's Green Mountain Loans are reported net in the Statement of Cash Flows.

Current and non-current pledges receivable are recorded at the present value of expected future cash flows, net of an allowance for unfulfilled pledges of $74 ($221 in 2012) and $95 ($224 in 2012) respectively. Discount rates ranging from 2.73% to 5.03% were applied to pledges.

C. Accounts Payable and Current Accrued Liabilities

Accounts payable and current accrued liabilities of $69,651 ($54,571 in 2012) are composed of accounts payable of $12,001 ($10,746 in 2012) and accrued liabilities of $57,648 ($43,825 in 2012). Accounts payable is mostly comprised of supplies and services payables, including construction, renovation and equipment of $11,524 ($10,492 in 2012).

D. Capital Assets

Capital assets are stated at cost or, in the case of gifts, at the fair value at the date of donation.

Interest expense, net of interest earnings on unspent bond proceeds is capitalized for debt funded construction projects. In 2013, net interest expense of $102 ($1,467 in 2012) was capitalized for projects that were funded by the 2005, 2007, 2009, and 2010 general obligation bonds.

Depreciation is calculated using the straight-line method over the estimated economic useful lives of the related assets. Certain research buildings are classified into the following components: 1) building (basic construction components/shell) with an estimated useful life of 40 years; 2) building service systems (plumbing, electrical, etc.) with an estimated useful life of 25 years and 3) interiors/renovations with an estimated useful life of 20 years and 4) fixed equipment with an estimated useful life of 15 years.

(dollars in thousands)

Other buildings are depreciated over a useful life of 40 years, fixed equipment is depreciated over a useful life of 15 years, and movable equipment is depreciated over a useful life of 5 years. Software systems are depreciated over a useful life of 7 years. Major construction projects are capitalized, but are not depreciated until they are put into service.

Depreciation expense for buildings and components including fixed equipment for fiscal year 2013 is $24,580 ($24,350 in 2012). Moveable equipment and software systems depreciation expense is $3,243 for 2013 ($4,371 in 2012).

Land and construction in progress are the only non-depreciable capital assets. Capital assets activity for the years ended June 30, 2013 and 2012 is summarized as follows:

Fiscal Year 2013

Asset	Beginning Balance	Additions	Deductions	Reclassification	Balance	Accum. Deprec.	Net Balance
Land	$ 25,667	$ 2,042	$ -	$ -	$ 27,709	$ -	$ 27,709
Buildings	587,499	9,251	(54)		596,696	(215,253)	381,443
Building Service Systems	90,290	1,897			92,187	(29,598)	62,589
Building Interiors	55,096	1,636			56,732	(25,367)	31,365
Fixed Equipment	104,927	1,542			106,469	(80,024)	26,445
Moveable Equipment	19,450	3,468			22,918	(17,448)	5,470
Software Systems	28,796	353			29,149	(27,798)	1,351
TOTAL	**$ 911,725**	**$ 20,189**	**$ (54)**	**$ -**	**$ 931,860**	**$ (395,488)**	**$ 536,372**

Fiscal Year 2012

Asset	Beginning Balance	Additions	Deductions	Reclassification	Balance	Accum. Deprec.	Net Balance
Land	$ 22,197	$ 3,470	$ -	$ -	$ 25,667	$ -	$ 25,667
Buildings	583,053	10,241		(5,795)	587,499	(201,927)	385,572
Building Service Systems	85,740	2,618		1,932	90,290	(25,817)	64,473
Building Interiors	47,862	3,371		3,863	55,096	(22,763)	32,333
Fixed Equipment	103,163	1,764			104,927	(75,205)	29,722
Moveable Equipment	17,847	1,603			19,450	(16,479)	2,971
Software Systems	28,255	541			28,796	(25,523)	3,273
TOTAL	**$ 888,117**	**$ 23,608**	**$ -**	**$ -**	**$ 911,725**	**$ (367,714)**	**$ 544,011**

(dollars in thousands)

E. Bonds and Leases Payable and Other Long Term Liabilities

Bonds payable at June 30, 2013, totaled $467,714 of which $8,004 is current and $459,710 is long term. Debt obligations are generally callable by the University and bear interest at fixed rates ranging from 2.00% to 6.43%. The debt obligations mature at various dates through 2045.

Long term debt activity for the years ended June 30, 2013 and 2012 is summarized as follows:

Fiscal Year 2013

				Ending Balance	
Long Term Liability	**Beginning Balance**	**New Debt**	**Decreases**	**Current**	**Non-Current**
Heat System Bond (1),(2)					
1980 Issue	$ 1,227	$ -	$ 149	$ 153	$ 925
General Obligation Bonds					
Series 1998	25,157		25,157	-	-
Series 2002	25,436		25,436	-	-
Series 2005 (3)	155,213		828	1,003	153,382
Series 2007 (4)	158,463		732	1,752	155,979
Series 2009 (5)	78,913		1,539	1,568	75,806
Series 2010A	9,000			-	9,000
Series 2010B (6)	18,945		990	40	17,915
Series 2012A (7)		49,949	-	3,402	46,547
Capital Leases	330	-	88	86	156
TOTAL	**$ 472,684**	**$ 49,949**	**$ 54,919**	**$ 8,004**	**$ 459,710**

(1) Revenue from this facility is pledged as collateral under debt agreements.
(2) The assets are pledged as collateral under debt agreements.
(3) This balance shown includes bond premium of $3,455.
(4) This balance shown includes bond premium of 3,996.
(5) This balance shown net of bond discount of $1,090.
(6) This balance shown includes bond premium of $605.
(7) This balance shown net of bond discount of $326.

(dollars in thousands)

Fiscal Year 2012

Long Term Liability	Beginning Balance	New Debt	Decreases	Ending Balance Current	Ending Balance Non-Current
Heat System Bond (1),(2)					
1980 Issue	$ 1,372	$ -	$ 145	$ 149	$ 1,078
General Obligation Bonds					
Series 1998 (3)	25,122		(35)	(36)	25,193
Series 2002 (4)	28,410		2,974	3,114	22,322
Series 2005 (5)	156,031		818	828	154,385
Series 2007 (6)	159,170		707	732	157,731
Series 2009 (7)	80,417		1,504	1,538	77,375
Series 2010A	9,000			-	9,000
Series 2010B (8)	19,908		963	990	17,955
Capital Leases	224	174	68	88	242
TOTAL	**$ 479,654**	**$ 174**	**$ 7,144**	**$ 7,403**	**$ 465,281**

(1) Revenue from this facility is pledged as collateral under debt agreements.
(2) The assets are pledged as collateral under debt agreements.
(3) This balance shown net of bond discount of $932.
(4) This balance shown includes bond premium of $91.
(5) This balance shown includes bond premium of $3,583.
(6) This balance shown includes bond premium of $4,128.
(7) This balance shown net of bond discount of $1,132.
(8) This balance shown includes bond premium of $644.

In compliance with the University's various bond indentures, at June 30, 2013 the University has deposits with trustees of $2,773 ($3,217 in 2012) for debt service reserves, sinking funds, other requirements and unspent 2007, 2009, and 2010A general obligation bond proceeds. Deposits with trustees are invested in obligations of the U.S. Government as required by the University's bond indentures.

The principal and interest due on bonds over the next five years and in subsequent five year periods are presented in the table below:

For the Fiscal Year Ending June 30	Principal Due	Interest Due	Total Due
2014	$ 7,759	$ 21,669	$ 29,428
2015	7,717	21,424	29,141
2016	7,955	21,126	29,081
2017	9,621	20,780	30,401
2018	9,867	20,387	30,254
2019-2023	52,996	94,677	147,673
2024-2028	61,355	81,198	142,553
2029-2033	79,620	64,325	143,945
2034-2038	100,990	43,317	144,307
2039-2043	102,270	17,481	119,751
2044-2045	20,925	759	21,684
TOTAL	**$ 461,075**	**$ 407,143**	**$ 868,218**

(dollars in thousands)

Other long term liabilities at June 30, 2013 and 2012 are summarized below:

Fiscal Year 2013

Other Long Term Liability	Beginning Balance	Increases	Decreases	Ending Balance Current	Ending Balance Non-Current
Federal Student Loan Capital Contribution	$ 8,680	$ -	$ 105	$ -	$ 8,575
Green Mountain Loan Guarantee	1,494	109	-	-	1,603
Obligations under deferred giving arrangements	3,194	96	393	410	2,487
Postemployment Benefits	109,178	18,372	-	-	127,550
Other Accrued Liabilities	368	25	-	-	393
TOTAL	**$ 122,914**	**$ 18,602**	**$ 498**	**$ 410**	**$ 140,608**

Fiscal Year 2012

Other Long Term Liability	Beginning Balance	Increases	Decreases	Ending Balance Current	Ending Balance Non-Current
Federal Student Loan Capital Contribution	$ 8,801	$ -	$ 121	$ -	$ 8,680
Green Mountain Loan Guarantee	1,469	25	-	-	1,494
Obligations under deferred giving arrangements	4,821	440	2,067	436	2,758
Postemployment Benefits	90,929	18,249	-	-	109,178
Other Accrued Liabilities	332	36	-	-	368
TOTAL	**$ 106,352**	**$ 18,750**	**$ 2,188**	**$ 436**	**$ 122,478**

F. Cash and Cash Equivalents and Operating Investments

The University's Cash Management Policy provides parameters for investment of the University's pooled cash. The University classifies resources invested in money market funds and short-term investments with maturities at date of purchase of 90 days or less as cash equivalents. Operating funds invested in vehicles with maturities beyond 90 days are classified as operating investments. The Cash Management Policy establishes three pools for investment: short, intermediate and long term. Allowable investments for the short term pool, which includes cash and cash equivalents and other investments with average weighted maturities of up to one year, and the intermediate pool, which includes investments with an average weighted maturity of between one and six years, are restricted by investment type, dollar level, maturity and rating to mitigate credit risk on investments individually and in the aggregate. Investments are restricted to U.S. Treasury and government securities and high quality corporate securities and commercial and bank paper. Debt securities must be rated Aaa, Aa, A or BBB by Moodys or AAA, AA, A or BBB by Standard and Poors. Bank obligations, banker's acceptances or negotiable certificates of deposit must be rated B or better and no more than 20% of the funds in the cash pool can be in obligations of institutions within any single holding company. Commercial paper must be rated A-1 by Standard and Poors or P-1 by Moodys. Investments may include repurchase agreements secured by the U.S government and federal agency obligations, which shall have market values at least 100% of the amount of the repurchase agreement. Investments may also include repurchase agreements with banks having Fitch ratings no lower than B with the condition that these repurchase agreements are 100% collateralized with U. S government securities. Investments may also include commingled funds if they are in compliance with the certain guidelines. Investments of the long term pool are restricted to those allowable under the University's Statement of Objectives and Policies for the Long Term Investment Pool, including the endowment fund.

Current and non-current cash and cash equivalents are comprised of the following:

	June 30, 2013	June 30, 2012
Cash	$ 47,207	$ 34,870
Repurchase Agreements	3	16,520
Certificate of Deposit	50,147	25,000
Money Markets	3,655	3,479
TOTAL	**$ 101,012**	**$ 79,869**

(dollars in thousands)

Of total cash and cash equivalents on prior page, $28,560 in 2013 and $8,220 in 2012 are included in non-current endowment cash and cash equivalents.

The balance of cash held in bank deposit accounts was $44,221 at June 30, 2013 and $55,008 at June 30, 2012. Of these bank balances, $734 in 2013 and $669 in 2012 were covered by the Federal Depository Insurance Corporation. The University also has an irrevocable standby letter of credit up to $50,000.

Total operating investments were $114,498 at June 30, 2013 and $113,083 at June 30, 2012. Operating investments invested in the long term pool were $9,882 at June 30, 2013 and $9,113 at June 30, 2012 (see note G). Short and intermediate term operating investments at June 30, 2013 and 2012 were primarily made through commingled funds with the following investment strategies:

			Credit Quality %					
2013	**UVM Amount**	**Average Maturity/ Effective Duration**	**Govt/ Agency**	**AAA**	**AA**	**A**	**BBB**	**Other**
Bonds	$ 96,280	2.2 yrs/ 2.0 yrs	71		23	6		
Multi Strategy Equity Fund	7,391							
Other	945							
TOTAL	**$ 104,616**							

			Credit Quality %					
2012	**UVM Amount**	**Average Maturity/ Effective Duration**	**Govt/ Agency**	**AAA**	**AA**	**A**	**BBB**	**Other**
Bonds	$ 96,978	2.6 yrs/ 2.4 yrs	68	13	19			
Multi Strategy Equity Fund	6,083							
Other	909							
TOTAL	**$ 103,970**							

(dollars in thousands)

G. Endowment and Other Long Term Investments

The University's investment policies are governed and authorized by the University Board of Trustees. The Board of Trustees Investment Subcommittee has established a formal policy for investment of the endowment and other long term funds with an objective to provide a stable and consistent level of ongoing support for the University's programs through a reasoned spending policy that is also consistent with preserving and enhancing the real purchasing power of the fund over time. The primary long-term investment goal is to attain a real total return that exceeds the amount being distributed for spending and administration, currently set at 4.75% of the previous 13 quarters' average market value. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark, measured over a full market cycle; and to outperform the median return of a pool of endowment funds with broadly similar investment objectives and policies.

The endowment in aggregate (which comprises the consolidated endowment and other separately invested assets), long term capital and operating reserves, and UVM Foundation assets are invested in a balanced portfolio consisting of: traditional stocks (domestic and international) and bonds; marketable alternatives (hedge funds); non-marketable alternatives (venture capital and private equity); and a diversified portfolio of inflation-hedges (real estate and commodities). The asset allocation target and actual percentages at June 30, 2013 and 2012 are presented in the following table:

		June 30, 2013		June 30, 2012
	Target %	Actual %	Target %	Actual %
US Equity	23.0	24.6	22.5	24.0
Global Excluding US Equity	24.0	20.1	22.5	20.7
Marketable Alternatives	20.0	21.7	22.0	22.8
Real Estate/Inflation Hedges	14.0	11.3	14.0	12.5
Non-marketable Alternatives	11.0	11.3	11.0	11.3
Fixed Income	8.0	5.3	8.0	6.4
Cash & Cash Equivalents	0.0	5.7	0.0	2.3

Endowment and similar investments including $9,882 and $9,113 of operating investments and $22,416 and $17,525 of capital investments at June 30, 2013 and 2012, respectively, are composed of the following:

	June 30, 2013	June 30, 2012
Cash	$ 20,565	$ 7,198
Money Market	1,710	1,022
Common Stock	79,512	67,957
Other Government Bonds and Notes	11	11
Industry Bonds	3,453	3,404
Private Equity and Venture Partnerships	59,690	52,407
Life Estates	535	501
Hedge Funds	81,035	74,254
Mutual Funds	136,595	128,082
TOTAL	**$ 383,106**	**$ 334,836**

(dollars in thousands)

The fixed income portfolio is composed of one passive fund with the following risk profile at June 30, 2013 and 2012:

			Credit Quality %				
2013	**Amount**	**Average Duration Yrs.**	**Govt/ Agency**	**AAA**	**AA**	**A**	**Baa-BBB**
Bond Market Index Fund	$19,945	5.5	68	5	3	12	12

			Credit Quality %				
2012	**Amount**	**Average Duration Yrs.**	**Govt/ Agency**	**AAA**	**AA**	**A**	**Baa-BBB**
Bond Market Index Fund	$20,965	5.1	70	4	4	12	10

The majority of endowment fund assets are pooled for investment purposes. Each individual fund subscribes to or disposes of units on the basis of the value per unit at fair value at the beginning of the month within which the transaction takes place. Income is distributed on a per unit basis. Of the total units (each having a fair value of $56.42), 4,765.3645 units were owned by endowment funds and 1,868.7717 units by quasi endowment funds at June 30, 2013 ($52.03, 4,394.1198 and 1,862.7532 respectively, at June 30, 2012).

Beginning in FY13 the University of Vermont Foundation (UVMF) purchased units in the UVM pooled endowment. As of June 30, 2013 UVMF owned 254.5370 units with a market value of $14,362.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was passed by the State of Vermont effective May 5, 2009. UPMIFA broadens and clarifies the latitude of institutions to manage overall endowment returns, without specifically isolating those particular endowments, that because of timing of receipt of the gift and market conditions, are deemed underwater. Rather, the institution is expected to define an overall prudent approach both to distribution of funds for spending and long term preservation and growth of capital. The University shall continue with its uniform endowment distribution practice, including distributions from endowments that are temporarily underwater in accordance with the statute. The Investment Subcommittee of the Board of Trustees reviews the income distribution rate annually.

(dollars in thousands)

The table below summarizes changes in relationships between cost and fair values of the pooled endowment:

	Fair Value	Cost	Net Return	Fair Value Per Unit
June 30, 2013	$ 374,316	$ 312,043	$ 62,273	56.42
June 30, 2012	325,555	284,840	40,715	52.03
Unrealized Net Gain			21,558	
New Gifts and Transfers			20,096	
Realized Net Gain			19,080	
Net Income			907	
Withdrawn for Spending			(12,880)	
Total Net Change			**$ 48,761**	**4.39**

	Fair Value	Cost	Net Return	Fair Value Per Unit
June 30, 2012	$ 325,555	$ 284,840	$ 40,715	52.03
June 30, 2011	343,050	280,225	62,825	56.18
Unrealized Net Loss			(22,110)	
New Gifts and Transfers			7,105	
Realized Net Gain			9,003	
Net Income			1,408	
Withdrawn for Spending			(12,901)	
Total Net Change			**$(17,495)**	**(4.15)**

H. Commitments

Major plant projects include commitments as follows:

Project	Estimated Project Cost	Project-to-Date Expenditures 2013	Project-to-Date Expenditures 2012
Simpson Dining Renovation	7,200	6,601	6,577
Mason, Simpson, Hamilton Renovation	8,000	6,839	5,482

The University has entered into operating leases for space, which expire at various dates through fiscal 2019. Outstanding commitments for these leases are expected to be paid in the following years ended June 30:

For the Fiscal Year Ending June 30	Rental Payments Due
2014	$ 901
2015	648
2016	437
2017	233
2018	161
2019	166
Total	**$ 2,546**

Operating lease expenses totaled $955 and $725 in 2013 and 2012, respectively.

The University is obligated under certain of its investments to make future capital contributions in the amount of $16,879.

(dollars in thousands)

The University entered into an Agreement with the State of Vermont Department of Vermont Health Access in 2013 and retroactively covering 2012, to make payments to support the Graduate Medical Education (GME) program. The GME program helps ensure access to quality and essential professional health services for Medicaid beneficiaries through the care provided by teaching physicians and teaching hospitals. The University uses general fund state appropriation dollars to fund the GME payments through an inter-governmental transfer to the State. GME payments totaling $25.8 million were made in 2013 and are recorded on the Statements of Revenues, Expenses, and Changes in Net Position under Intergovernmental transfers in the Non-operating revenues and expenses section. For 2014 a revised Agreement was entered into on August 26, 2013 with the State of Vermont Department of Vermont Health Access to make quarterly payments totaling $13.2 million in 2014.

The University is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The University manages these risks through a combination of self-insurance and commercial insurance purchased in the name of the University. The University's annual self-insured obligation for general liability is $500 per occurrence and $25 per occurrence for automobile liability. Its assumption of risk for property losses is $250 per occurrence. Educator's legal liability risks are subject to a $250 per loss retention. Worker's compensation is subject to a $650 per occurrence retention. None of these lines of coverage have an annual self-insured aggregate, or stop-gap. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The University elected, effective July 1, 2003, to become a shareholder and member of Genesis Limited, an insurance and reinsurance captive organization domiciled in Bermuda. A Vermont captive, Pinnacle Consortium of Higher Education, was formed in FY '05 as a fronting insurer to Genesis. The captives consist of two insurance lines, general liability and automobile liability. All members are required to participate in the captive general liability program which provides $2 excess limit, written by Pinnacle effective 7/1/05, and the group purchase liability program that provides a $23 excess limit. Pinnacle retains 5% of the risk and cedes 95% to Genesis. The University has purchased an additional $75 to bring the total excess limit to $100.

The University follows the policy of self-insuring risks up to certain limits. At year end, the University had open claims valued at $2,050 in 2013 and $2,677 in 2012; $563 and $765 of this is covered by excess insurance in 2013 and 2012, respectively. The University paid claims of $1,780 in 2013 and $2,013 in 2012. Reserves for property and casualty liabilities are included in accrued liabilities (including incurred but not reported) in the amount of $6,440 at June 30, 2013 and $6,538 at June 30, 2012.

In conducting its activities, the University from time to time is the subject of various claims and also has claims against others. The ultimate resolution of such claims is not expected to have a material adverse or favorable effect on the financial position of the University.

Three groups of University employees are represented by collective bargaining units. The University participates in contract negotiations with these groups periodically.

The University receives significant financial assistance from federal and state agencies in the form of grants and contracts. Expenditures of funds under these programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditures resulting from such audits become a liability of the University. In the opinion of management such adjustments, if any, are not expected to materially affect the financial condition of the University.

I. Retirement Plans

Faculty and staff at the University of Vermont may participate in the University's 403(b) defined contribution plan and a 457(b) deferred compensation plan provided the following criteria are met:

- faculty and staff must have a full-time equivalency of .75 or greater;
- staff must be employed three years before they qualify for University contributions to their retirement plan, or they must have a vested interest in the retirement plan of their previous nonprofit employer, or have a TIAA-CREF Retirement Account;
- non tenure-track faculty and faculty under the rank of Assistant Professor must wait two years to qualify for University contributions to their retirement plan, or they must have a vested interest in the retirement plan of their previous nonprofit employer, or have a TIAA-CREF Retirement Account;
- tenure track faculty at the level of Assistant Professor or above receive University contributions to their retirement plan immediately upon beginning employment.

To obtain University contributions, faculty members and officers of administration must contribute 3% of their salary, and staff must contribute 2%. The University's contribution to the retirement fund of qualified faculty and staff is 10% of salary and this amount is immediately vested.

The University also offers a 457(b) deferred compensation plan. Faculty and staff can participate provided they are participating in the 403(b) plan. The University makes no contributions to this plan.

The University's 457(b) contributory retirement plan is administered by the Teachers Insurance Annuity Association of America (TIAA), the College Retirement Equities Fund (CREF), and Fidelity Investments. These companies as well as the Prudential Company of America also administer the University's 403(b) plan. The University's policy is to accrue the costs of these defined contribution plans currently.

Since both faculty and staff are immediately vested in all retirement contributions made on their behalf, the University has no control of, responsibility for, or ownership of retirement funds, except that employees may not withdraw funds contributed to either their 403(b) or 457(b) plan while employed at the University. Retirement funds may be transferred among the investment alternatives at the discretion of the employee.

Upon leaving the University, employees may either withdraw funds from their accounts, or transfer the funds to other investment alternatives subject to the limitations of 403(b) and/or 457(b) regulations and the contractual provisions of their investment alternative.

(dollars in thousands)

For the year ended June 30, 2013 and 2012, the University had total payroll expense of $262,593 and $257,396, respectively, of which $189,621 in 2013 and $188,174 in 2012 was covered by the University's 403(b) retirement plan. Total employee and employer contributions for 403(b) pension benefits for the year were $16,120 and $18,962, respectively, for 2013 and $15,911 and $18,817, respectively, for 2012. The University's contribution for 403(b) pension benefits is 10% of the covered payroll. Total employee contributions to the 457(b) retirement plan were $3,129 in fiscal year 2013 and $3,038 in fiscal year 2012.

J. Postemployment Benefits

The University is required to account for its postemployment benefit plan in accordance with GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB Statement 45 prescribes a methodology which requires the employer to recognize an expense for the value of benefits earned during the current year by active employees (i.e. the normal cost) plus an amortization of the unfunded portion of the value of the plan benefits earned to date by active and retired employees (i.e., the actuarial accrued liability). GASB Statement 45 also introduces the concept of an employer's net postemployment benefit obligation, which is defined as the cumulative difference between the employer's annual postemployment benefit expense and its cash cost for the plan.

The University's postemployment benefit plan covers medical, (base) dental, life insurance and tuition remission benefits provided to eligible University retirees and their dependents. The plan was established under the authority of and may be amended by the University. It is a single employer plan administered by the University.

Plan provisions include two levels of eligibility and cost tables:
1) Retirees hired before July 1, 1997 are eligible when retired directly from employment after reaching age 55 with 10 years of continuous employment, with qualification that for employees hired after June 30, 1992 and before July 1, 1997, the rule of 75 applies; and 2) Retirees hired after June 30, 1997 are eligible when retired directly from employment after reaching age 60 with 15 years of continuous employment. In addition, employees who have been awarded full disability benefits from either social security or the University's long term disability carrier are eligible.

Retirees who retired under the Voluntary Separation Plan of 1992 or before are not required to contribute to the plan, however, a surviving spouse receives two (2) years of medical and base dental coverage without charge, after which dental terminates (the surviving spouse would be eligible for 36 month of COBRA) and medical coverage is available at 50% of the cost of providing coverage. Retirees under the Voluntary Separation Plan of 2000 pay for their medical benefits based on the contribution system prior to June 30, 2000 (based on 0.5% times the average final three years' base salary at 75%). Retirees hired after June 30, 1992 have the same salary bands percentage as active employees, which is based on 75% of their average final three years' base salary. Retirees hired after June 30, 1992 and before July 1, 1997 are required to contribute as above plus a percentage based on the sum of their age at retirement and their years of continuous full time service. This surcharge is based on a scale that ranges from 65 to 75 and over. Full-time represented faculty, regardless of salary, currently pay 20% of the cost of providing medical coverage and 10% of the base dental cost.

As of July 1, 2011, there were 705 fully eligible active employees, with total active employees numbering 3,690, with an average age of 48.4 years and average credited service of 11.8 years. Total annual compensation was $208,900. There were 1,389 participants in receipt of benefits, with an average age of 73.3 years.

A third party actuary performed the valuation of the liability with an actuarial valuation date of July 1, 2011. Actuarial calculations reflect a long term perspective, involve estimates about the probability of events and are subject to continual revision. The calculations were developed using certain actuarial assumptions and methods. The assumptions include an investment return of 5.15% and the RP-2000 mortality table for males and females. The methods include the projected unit credit actuarial cost method and a 30 year amortization of the plan's unfunded liability on an open, level dollar basis. Health care cost inflation is assumed to be as high as 8.00% in 2011 and gradually decreasing to 5% in 2018 and beyond.

The actuarial accrued liability at the measurement date of July 1, 2012 was $300,587. The actuarial value of assets funding the liability was $0, as the University's contributions are comprised entirely of direct payments for benefits. Employer contributions for fiscal year ended June 30, 2013 totaled $10,931 ($9,696 in 2012), or 37.3% (34.7% in 2012) of annual other postemployment benefit (OPEB) cost. The unfunded actuarial accrued liability (UAAL) was $300,587. The annual required contribution (ARC) of $31,151 for fiscal year 2013 is the sum of $10,866, the normal cost at July 1, 2011 plus interest, and $20,285, the 2013 amortization of the UAAL. The ARC of $29,428 for fiscal year 2012 is the sum of $10,448, the normal cost at July 1, 2011 plus interest, and $18,980, the 2012 amortization of the UAAL.

(dollars in thousands)

Total annual OPEB costs and liabilities for the 2013 and 2012 fiscal years include the following components:

	June 30, 2013	June 30, 2012
Annual required contribution	$ 31,151	$ 29,428
Interest on net OPEB obligation	5,623	4,683
ARC adjustment	(7,471)	(6,166)
Annual OPEB cost	29,303	27,945
Contributions during FY	(10,931)	(9,696)
Increase in net OPEB obligation	18,372	18,249
Net OPEB obligation, beginning of year	109,178	90,929
Net OPEB obligation, end of year	$ 127,550	$ 109,178

In accordance with GASB Technical Bulletin 2006-1, assumed health care costs do not reflect any expected federal reimbursements to the University under the Medicare Part D Program.

K. Operating Expense by Function

Operating expenses by functional classification for the years ended June 30, 2013 and 2012 are summarized as follows:

Year ended June 30, 2013					
Function	**Compensation And Benefits**	**Supplies And Services**	**Scholarships And Fellowships**	**Depreciation**	**Total**
Instruction	$ 139,515	$ 20,783			$ 160,298
Research	56,021	28,525			84,546
Public service	41,049	13,581			54,630
Academic support	41,263	14,537			55,800
Student services	23,088	11,164			34,252
Institutional support	28,078	11,555			39,633
Operations and maintenance of plant	21,545	18,612			40,157
Scholarships and fellowships			16,015		16,015
Auxiliary enterprises	31,563	40,310			71,873
Depreciation				27,823	27,823
TOTAL	**$ 382,122**	**$ 159,067**	**$ 16,015**	**$ 27,823**	**$ 585,027**

Year ended June 30, 2012					
Function	**Compensation And Benefits**	**Supplies And Services**	**Scholarships And Fellowships**	**Depreciation**	**Total**
Instruction	$ 133,716	$ 20,712			$ 154,428
Research	57,163	28,426			85,589
Public service	38,748	13,025			51,773
Academic support	39,947	13,225			53,172
Student services	22,036	10,326			32,362
Institutional support	30,641	13,589			44,230
Operations and maintenance of plant	21,088	21,833			42,921
Scholarships and fellowships			16,245		16,245
Auxiliary enterprises	30,490	41,156			71,646
Depreciation				28,721	28,721
TOTAL	**$ 373,829**	**$ 162,292**	**$ 16,245**	**$ 28,721**	**$ 581,087**

(dollars in thousands)

L. Pollution Remediation Obligations

The University is required to account for its pollution remediation activities in accordance with GASB Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations. GASB 49 requires the University to accrue estimated costs to conduct pollution remediation activities if certain obligating events have occurred. It also requires the University to expense pollution remediation costs which cannot be capitalized. The University incurred and expensed pollution remediation costs of $688 and $127 in FY13 and FY12, respectively.

Also, in FY13, the University commenced certain renovation projects that included the need for asbestos and lead paint removal. These projects are not expected to be completed until FY14 and therefore FY13 supplies and services expense and current accrued liabilities include $532 ($256 in FY12) for the expected remediation portion of these projects. The accrual is based on the estimates of expected outlays provided by the University's Physical Plant department. There are no recoveries associated with this liability.

(dollars in thousands)

Required Supplementary Information - Postemployment Benefits

Schedule of Employer Contributions

Fiscal Year Ended June 30	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed
2013	$ 29,303	$ 10,931	37.3%
2012	$ 27,945	$ 9,696	34.7%
2011	$ 31,165	$ 9,841	31.6%

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2012	$ -	$ 300,587	$ 300,587	0.0%	$ 208,900	143.8%
7/1/2011	$ -	$ 306,453	$ 306,453	0.0%	$ 208,900	146.7%
7/1/2009	$ -	$ 313,161	$ 313,161	0.0%	$ 181,542	172.5%

Net OPEB Obligation (NOO)

Fiscal Year Ended June 30	Annual Required Contribution	Interest on Existing NOO	ARC Adjustment	Annual OPEB Cost	Actual Contribution Amount	Net Increase in NOO
2013	$ 31,151	$ 5,623	$ (7,471)	$ 29,303	$ 10,931	$ 18372
2012	$ 29,428	$ 4,683	$ (6,166)	$ 27,945	$ 9,696	$ 18,249
2011	$ 31,902	$ 4,872	$ (5,609)	$ 31,165	$ 9,841	$ 21,324

KPMG LLP
Suite 400
356 Mountain View Drive
Colchester, VT 05446

Independent Auditors' Report

The Honorable Douglas Hoffer,
Auditor of the Accounts
State of Vermont

and

The Board of Trustees
The University of Vermont and
State Agricultural College:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, and the discretely presented component units of The University of Vermont and State Agricultural College (the University), a component unit of the State of Vermont, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents. We did not audit the financial statements of a discretely presented component unit, University Medical Education Associates, Inc. Those financial statements were audited by other auditors whose report thereon has been furnished to us and our opinions, insofar as they relate to the amounts included for that discretely presented component unit, are based on the report of other auditors.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

KPMG

The Honorable Douglas Hoffer
The Board of Trustees
The University of Vermont and
State Agricultural College
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considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained, and the report of other auditors, is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the business-type activities, and the discretely presented component units of The University of Vermont and State Agricultural College, as of June 30, 2013 and 2012, and the respective changes in net position, and where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis and the schedules of Funding Progress and Employer Contributions on pages 6–15 and 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

Burlington, Vermont
November 18, 2013

Vt. Reg. No. 92-0000241

KPMG LLP
Suite 400
356 Mountain View Drive
Colchester, VT 05446

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Douglas Hoffer,
Auditor of the Accounts of the
State of Vermont

and

Board of Trustees
The University of Vermont and
State Agricultural College:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of the University of Vermont and State Agricultural College (the University), a component unit of the State of Vermont, as of and for the year ended June 30, 2013, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 18, 2013. Our report includes reference to other auditors who audited the financial statements of the University Medical Education Associates, Inc., a discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency,

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Board of Trustees
The University of Vermont and
State Agricultural College
Page 2 of 2

or a combination of internal control deficiencies that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

KPMG LLP

November 18, 2013

Vt. Reg. No. 92-0000241

The University *of* Vermont
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KPMG LLP
Suite 400
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November 13, 2013

The Audit Committee
The University of Vermont and
State Agricultural College
Burlington, Vermont

Ladies and Gentlemen:

We have audited the basic financial statements of The University of Vermont and State Agricultural College, (the University) for the year ended June 30, 2013, and expect to issue our report dated November 18, 2013. In planning and performing our audit of the financial statements of the University, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the University's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized on the attached schedule of observations.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the University gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

The University's written response to our comments and recommendations has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The Audit Committee
The University of Vermont and
State Agricultural College
November 13, 2013

This communication is intended solely for the information and use of management, the Board of Trustees, others within the University, and the State of Vermont, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP

Vt. Reg. No. 92-0000241

Update on Prior Year Comments

Employee Benefits Reconciliation

Prior Year Observation and Recommendation

The University provides its eligible active employees, and their dependents, with medical, dental, life insurance and tuition remission benefits. The University continues to provide to eligible University retirees and their dependents a postretirement benefit plan that also covers medical, dental, life insurance and tuition remission benefits. The University contracts with third party commercial insurance carriers to provide insurance coverage related to medical, dental, and life insurance benefits for both active and retired employees and their dependents.

The University does not have a formal reconciliation process to reconcile the monthly employee benefit statements received from its third party benefit service providers to their personnel system (PeopleSoft HRMS). Such a reconciliation process would ensure that expenses paid to third party providers are for eligible employees and that the elections selected by employees agree to the coverage being billed.

We recommend the University implement formal reconciliation processes over employee benefit plan expenses, including health, dental and life.

Management Response

The University will implement a formal reconciliation process for FY 12. The reconciliation will be done regularly and on an ongoing basis.

Current Year Update

The University is working on fully implementing a reconciliation process over employee benefits that would ensure that the proper number of employees (both active and retired) are included on the health/dental/life/LTD insurance invoices and for the proper rates. Human Resources prepares a reconciliation for medical insurance on a quarterly basis. September and December 2012 are complete and March and June 2012 are in progress and are expected to be complete by the end of November 2013. Life and long term disability insurance are reconciled on a monthly basis and dental insurance will be reconciled on a quarterly basis starting with September 2013. The reconciliation process compares the employee/retiree and employer contribution amounts recorded in PeopleSoft to the vendor invoiced amount.

The University has been actively working on a HIPAA compliant 834 process which will allow the University to submit employee information/changes electronically. The process will improve the efficiency, effectiveness and timeliness of the current manual processes.

Current Year Observations

We have no new current observations to report in FY13.

Information Technology

As part of our 2013 audit, we followed up on our 2012 review of certain key information technology (IT) general controls. Our report and related observations are included in Appendix I to this letter.

KPMG

cutting through complexity

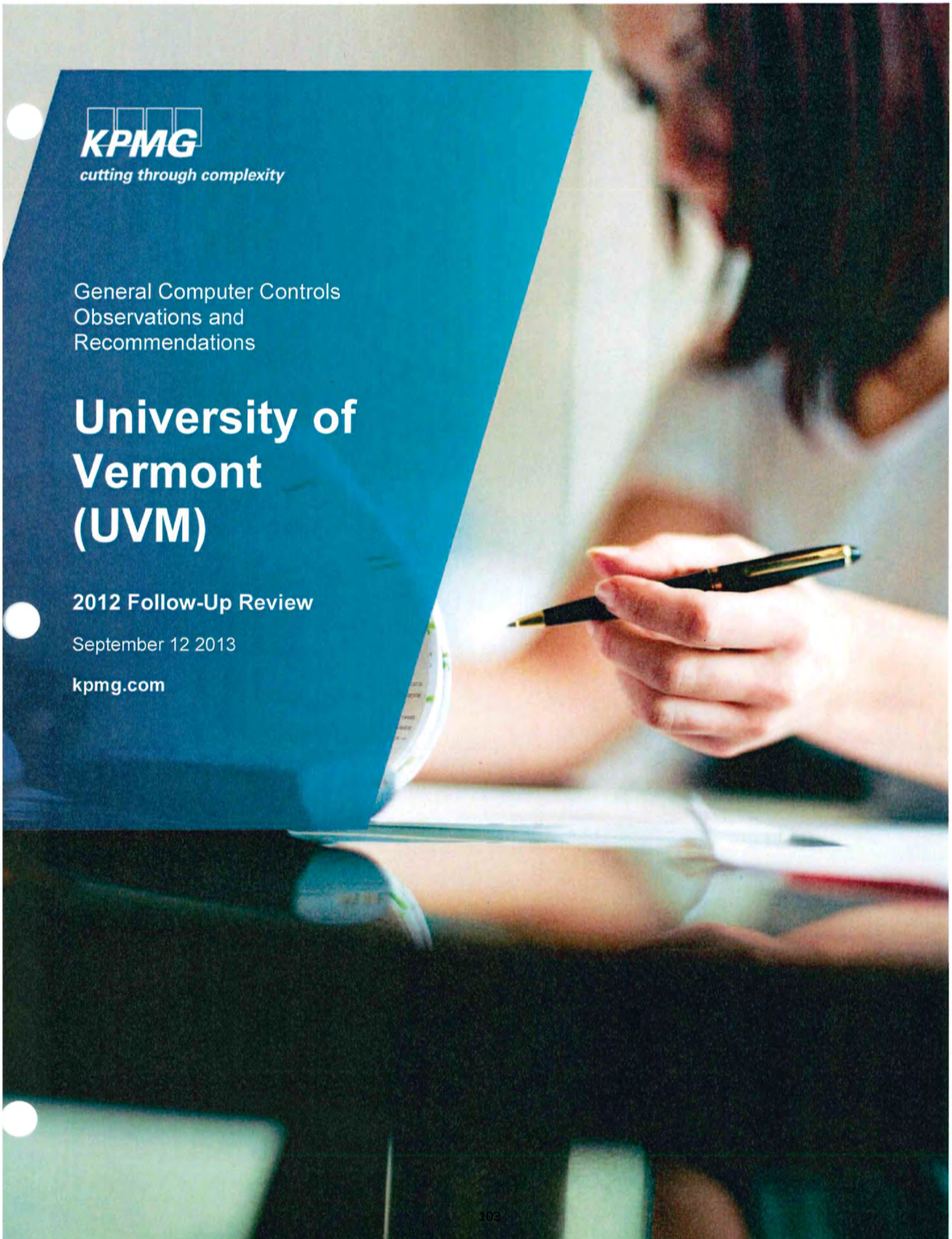
General Computer Controls Observations and Recommendations

University of Vermont (UVM)

2012 Follow-Up Review

September 12 2013

kpmg.com



Contents

Review Objectives, Scope and Approach

Objectives

The objective of our 2012 review was twofold:

1. To provide the KPMG financial audit team with a high-level understanding of the University of Vermont's (UVM) IT environment as it pertains to financial reporting, in support of a substantive audit approach with no reliance on IT General controls in compliance with KPMG's Audit Methodology, and
2. To provide UVM management with a high-level assessment of its Information Technology General Computer (ITGC) controls as they pertain to systems and applications supporting key financial and other processing.

The objective of the 2013 follow-up review was to assess and report on progress made towards remediating or mitigating IT control observations made initially during our high-level information technology assessment conducted in 2012, and to comment if necessary, on any additional control issues that may have arisen during the past year.

Scope

Based on discussions with KPMG's financial audit team in 2012, the following Information Risk Management focus areas were identified:

- Access to Programs and Data (Physical and Logical Security)
- Program Development (if significant new development had been undertaken)
- Software Change Management (Applications and System)
- Computer Operations

Approach

The approach taken to arrive at our high-level follow-up IT observations at UVM included interview with UVM's CIO and her direct reports. Our visit and fieldwork took place at UVM office facility at the Waterman Building located on UVM's campus in Burlington, Vermont on September 12, 2013.

We have provided a copy of our follow-up comments to UVM IT Management for comment and response.

This report is not intended to be a comprehensive assessment of control design or control operating effectiveness at the University of Vermont. Nor does it necessarily contain a comprehensive list of issues that University management should address relative to the broad scope of information technology management. Rather it focuses on those items identified as potential weaknesses relative to a review of IT systems and activity supporting financial reporting and information protection, and University management's responses on how to mitigate the potential weaknesses identified.

UVM Information Technology Overview

University of Vermont (UVM)

Founded in 1791, the 'University of Vermont and State Agricultural College', more commonly known as the University of Vermont, is a public research university. The University is commonly known as "UVM," an abbreviation of its Latin name, Universitas Viridis Montis (University of the Green Mount).

The University is located on a 450-acre campus in Burlington, VT which houses the schools of Engineering and Mathematics, Business, Education and Social Services, Arts and Sciences, Medicine, Nursing, Agriculture and Life Sciences, and Natural Resources. The campus comprises approximately 130 buildings and features the historic University Green, the Dudley H. Davis Center, the Fleming Museum of Art, and the Gutterson/Patrick athletic complex. The largest hospital complex in Vermont, Fletcher Allen Health Care, also has its primary facility adjacent to the UVM campus and is affiliated with the UVM College of Medicine. The University has no offshore campuses or academic units.

UVM has approximately 13,100 students and employs over 3900 full time and part-time faculty and staff.

UVM Information Technology

UVM's Information Technology group (aka Enterprise Technology Services, ETS) is headed by an Associate Chief Information Officer (CIO). She reports to UVM's Chief Information Officer and Dean of Libraries and Learning Resources, who in turn reports to the University Provost. ETS comprises approximately 69 (plus 6 FTE vacancies) fulltime managers and staff largely concentrated in four separate locations.

IT Governance

UVM's CIO is a member of the President's Senior Leadership Cabinet, the Provost's Academic Leadership Council, the Council of Deans, and the Senate Educational and Research Technologies Committee; committees that influence IT strategy and direction.

The ETS Associate CIO has seven direct reports as indicated:

- Director, Systems Architecture & Administration
- Director, Business Process Re-engineering (vacant)
- Director, Telecommunications & Network Services
- Director, Enterprise Applications Services
- Director, Database Administration
- Information Security Officer
- Director, Client Services

Functional groups reporting to the ETS Associate CIO (with approximate unit staffing at the time of the initial report in May 4, 2012, since superseded, in parentheses), are as follows:

- Systems Architecture & Administration (11)
- Business Process Re-engineering (4 + 1 FTE vacancy)
- Telecommunications & Network Services (12 + 1 FTE vacancy)
- Enterprise Applications Services (18 + 1 FTE vacancy)
- Database Administration (5 + 1 FTE vacancy)
- Information Security (4)
- Client Services (15 + 2 FTE vacancies)

Policies and Procedures

UVM has published a wide range of general and administrative policies and procedures that may be found on the UVM Policy website. Information Technology related policies include:

- Computer, Communications and Network Acceptable Use
- A Guide to the Ethical and Legal Use of Software
- Host accounts for Departments and Organizations
- Assigning names on UVM's Web site
- Domain Name Server (DNS) Policy
- DHCP Policy
- Infrastructure Standards Policy

Security related policies include:

- UVM Information Security Policy
- Breach Notification procedures
- PGP Disk encryption
- Secure Disposal of Surplus Computers and Electronic Waste
- When Employees leave UVM; Standard Practices
- Ethics and Compliance reporting

UVM IT utilizes a software tool, 'Footprints' to manage changes to its technology environment and is in the process of implementing the Phire utility (for PeopleSoft). However while there is a Change Control Policy for Banner, there is no comprehensive Change Management Policy governing changes across all UVM infrastructure, systems and application software.

UVM Network

UVM has multiple 10G ring circuits as part of its extended network that link the campus, data center, and other off-campus locations. While there are several 10Gb links to buildings on campus, most are still 1Gb, with a plan in place to eventually upgrade them all.

The network is protected with access point firewalls located at two levels – between the internet and the UVM network perimeter and internally between the perimeter and the core network supporting UVM's internal connectivity, i.e. supporting multiple separate and secure Virtual Local Area Networks (VLANs). To protect against unauthorized attempts at access, UVM also utilizes both Intrusion Detection (IDS) and Prevention Systems (IPS) within its network and conducts internal vulnerability scanning using Nessus daily. Periodic external penetration testing is only conducted on those servers that provide credit card service, as required for PCI-DSS compliance. Penetration testing was conducted in 2013, with the goal to contract for repeat testing in 2014.

Remote access to UVM's enterprise core servers requires pre-authorization by UVM management and requires the use of secure Virtual Private Network (VPN) technology with appropriate authentication. Single factor authentication is required for general users and two factor authentication (e.g. password + a second authenticator) for administrators.

Wireless access is available across the UVM campus. There are 2 networks in use – a guest network and a network for authorized UVM use. UVM authenticated WiFi service requires authentication using WPA2 Enterprise level wireless security and the guest network is a captive portal unencrypted network.

In line with UVM strategy of fail-safe redundancy, two separate Internet Service Providers (ISPs) are employed to provide internet connectivity – TelJet (now FirstLight) and Level3. UVM's *Open Source "Dovecot" (inbound) and "Send Mail" (outbound)* e-mail systems are managed internally by IT.

UVM Data Centers

UVM currently operates two data centers. The primary data center is located in Technology Park. an off-campus commercial property located about five miles from campus. The second data center is located on the campus in Mann Hall. The Mann Hall data center is located in the basement of the building. The primary data center located at Technology Park contains the bulk of equipment required to support UVM's business, academic and student administration requirements. During our review we noted that the Mann Hall facility lacked space for any future growth and was experiencing problems with the adequacy of its HVAC systems to provide equipment cooling. Additionally the Mann facility has 14 windows at ground level that are covered with plywood but are not alarmed for possible break in. The facility does have motion sensors, however, so unauthorized entry into the facility would trigger alarms.

Access to the Tech Park facility is controlled by biometric input, a magnetic card reader, and a code keypad entry device. Mann Hall has a card reader and a universal code. The Waterman facility is equipped with a code keypunch device. Access authorization is managed by appropriate UVM IT management and comprises selected vendors, UVM network and system engineers, and the UVM police. A comprehensive annual review and periodic reviews of primary data center access upon changes in ETS staffing or vendors are conducted by UVM IT management. Reviews of other data center access are ad-hoc. The primary and secondary data centers are also fitted with remote monitoring video cameras.

Automated FM200, gas fire suppression is installed in all UVM data centers. All facilities are also equipped with alarmed smoke and water detectors, and are provided with backup power in the event of a mains power outage.

UVM Financial Applications

During our review we reviewed support and access control over the following key UVM applications:

- PeopleSoft
- Ellucian Banner

PeopleSoft is the University's core financial application and runs on Linux operating system servers and utilizes an unencrypted Oracle 11 database.

PeopleSoft supports the following financial activities:

- Accounts Payable
- Accounts Receivable (one instance for the University, a second for individuals)
- General Ledger
- Procurement
- Payroll
- Financial Reporting

Ellucian Banner Banner provides Student Information System Management support and is operated on Linux and AIX servers and utilizes an Oracle database. Functions supported by Banner include:

- Financial Aid / Student Accounts Receivable
- Admissions
- Registration
- Student Grades
- Student Affairs

PeopleSoft was recently upgraded to version 9.1 from version 8.9. Plans are in place to upgrade Banner to a later version of Banner series 8, with an eventual move to Banner XE (the single replacement solution for Ellucian's 3 higher education software solutions – Banner, Colleague and PowerCampus.

Both PeopleSoft and Banner application environments are supported in-house by UVM IT.

Observations, Risks, Recommendations & Responses

	Observation	Risk	Recommendation	Management Response
Access to Programs and Data				
Physical Security & Environmental Controls				
1	During our walkthrough of UVM data centers, we observed at Mann Hall data center has apparently reached HVAC capacity. We noted that the room had fans installed to augment the cooling system and that rust on some of the raised floor tiles was the result of high humidity caused by inadequate cooling of the room and its equipment.	Inadequate HVAC and other environmental control capacity brought about by computer room equipment overcrowding, incorrect rack spacing, or inadequate data center design increases the risk that key computer systems may experience operational degradation and may also sustain physical damage.	We recommend that UVM IT management consider suspending further expansion of Mann usage. We further recommend that Mann computer room assets be considered for movement and inclusion in any future new UVM data center plans.	Agreed. Space has been reserved in Jeffords Hall for a new secondary data center, and we will develop fit-up plans during FY13. 2013 Update No progress. Space at Jeffords has been reserved but no work undertaken due to lack of funding.
Logical Access				
2	Passwords are governed by the Identity Management system and LDAP for PeopleSoft, Banner, and the Network. Within the criteria, character minimum, complexity, along with database words not allowed are all enabled. However, password required changes are required each 365 days and no lock out on invalid access attempts. **2011 & 2012 Observation**	Weak account and password controls increase the risk that unauthorized persons could gain access to sensitive systems and information. The risk to the enterprise is commensurate to the privileges associated with the account that may become compromised.	We recommend that UVM should revisit their password management criteria and ensure consistency across environments. Importantly, password management should follow industry best practice rules to safeguard assets by: • locking out accounts following 3 invalid access attempts • maintaining password history for 5 iterations to prevent repetitive reuse of the same password, and • systematically require users to change passwords periodically (it is recommended that general user change password every 90 days and	We continue to believe that social engineering (e.g., "phishing") and various malware threats (e.g., key loggers, rootkits) are not addressed by frequent password changes: we would have to force password changes every 12 hours to be effective against those attacks. We continue to believe that for accounts for general population (most of our 13000 students and faculty) in which only their self-service information is at risk, annual password changes with complex passwords and active monitoring of attempts to contact phishing "home base" is the most effective combination.

	Observation	Risk	Recommendation	Management Response
			those with more powerful privileges more frequently.	For staff with access to enterprise information, 90-day password changes, and/or two-factor authentication is required. However, we continue to seek cost-effective ways to provide two-factor authentication for the general community, as we believe it is the only way to protect accounts adequately against successful social engineering, key-logging, and similar attacks. 2013 Update Password change and authentication to systems in higher education is receiving a lot of attention with conflicting opinions regarding the efficacy of frequent password change, complexity of passwords or relative lengths of passwords. Based on experiences, UVM believes that social-engineering attacks such as Phishing are a larger potential threat than password compromise through hacking or other technical means. As a consequence, UVM has made significant progress in reviewing alternative methods of securing system access and authenticating authorized users. Currently UVM ETS is looking to introduce two factor system authentication as an alternative to traditional approaches to access authentication. Two factor authentication using cell-phone authenticating software (Duo Security) is expected to be trialed for PeopleSoft

	Observation	Risk	Recommendation	Management Response
				in the fall. If successful, funding will be required to implement across campus.
3	Oracle database password criteria remains weak with no password history retained, and no lockout on invalid access attempts. The required password change was updated from no requirement to change, to a required change annually. **2011 & 2012 Observation**	Weak password controls increase the risk that unauthorized persons could gain access to sensitive database information. The risk to UVM is commensurate to the privileges associated with the account that may become compromised.	We recommend that UVM revisit the password criteria for the Oracle database to determine what criteria they can strengthen on the database password use.	Agreed and implemented. Strong passwords have been implemented in Oracle. We will continue in FY13 to seek additional ways to increase security and access restrictions around core databases. <u>2013 Update</u> Implemented.
4	Periodic access reviews of the network; Banner and PeopleSoft are not formally documented or performed. **2011 & 2012 Observation**	The absence of periodic management reviews of the network and key financial applications user access increases the risk that accounts belonging to terminated staff may provide an undetected gateway to an intruder and that active staff may retain processing capability that exceeds their job requirements and undermines a prudent separation-of-duties.	We recommend that UVM management require: • IS to periodically provide functional business management with reports of users with key financial system application access and if feasible, the business functionality they have been given. • Functional business management review the report, identify and takes steps to remove access to unauthorized persons, remove unnecessary or inappropriate application access in conformance with reasonable Separation of Duties (SOD) practices. We further recommend that IS periodically generate a user network access report for UVM administrative and other appropriate constituencies, conduct a comparison against a current HR sourced employee list and take steps to remove access from accounts where persons have left the	Agreed. We have been developing tools to expedite functional management reviews of access privileges and will be deploying these for annual review by the end of Q2FY13. For both Banner and PeopleSoft access, accounts of permanent employees who have separated from the University are restricted to self-service uses (e.g., retrieving Payroll history from PeopleSoft) within 12 hours of separation, except those terminated for cause in which case restrictions are imposed immediately. We follow the same process for temporary employees upon learning of their separation. We agree that the restriction of access for temporary employees should be done more promptly and will continue to work with HR and departments across campus to seek ways to systematically identify non-returning temporary

	Observation	Risk	Recommendation	Management Response
			employ of the University.	employees. In general, those employees do not have access to enterprise information. 2013 Update An annual review of Banner access is now conducted. The first annual review of the peopleSoft environment will be conducted in the fall of 2013. Both reviews are conducted by 'Data Stewards' from the business communities.
5	In regard to PeopleSoft and Banner, each application has a developer who is the backup has full access to the PeopleSoft or Banner application to migrate changes and including the ability to add/remove/delete users. **2011 & 2012 Observation**	The lack of separation of duties may permit data to be inappropriately changed and not be detected.	We recommend that UVM consider options to mitigate the risk of not having appropriate segregation of duties. Options to be considered include: • Reorganizing staff responsibilities to ensure appropriate SOD • Ensuring appropriate supervisory oversight of access and work undertaken by developers with access to production systems.	We agree but continue to be limited by staff size. We have established change management procedures in which for both PS and Banner, changes are logged in a consistent manner in a central system (Footprints) and cross-checked by another staff member. 2013 Update Banner and PeopleSoft Database administrators are now resposble for migrating software changes into production instead of developers. To aid monitoring of production access by ETS staff, UVM's in-house developed Central Logging System tracks and reports on access by i/p address.
Network Monitoring				
6	While UVM IT conducts quarterly internal vulnerability scans using Nessus against core enterprise servers, it does not conduct any periodic	Periodic penetration testing of internet facing portals decreases the risk that the UVM network could be compromised by an unauthorized	We recommend that UVM consider having an annual penetration test conducted on all its externally facing internet gateways and portals.	Agreed. Planning underway. We expect to implement a routine process in FY13.

	Observation	Risk	Recommendation	Management Response
	external penetration tests.	external entity.		2013 Update PeopleSoft environment is scanned daily for potential vulnerabilities (not quarterly). Penetration testing of certain systems (e.g. PCI-DSS affected) by a 3rd party has already been conducted during the summer. Going forward and funding permitting, 3rd party annual exploitation assessments will be conducted on selected internet facing systems and portals.
Change Management				
Policies and Procedures				
7	UVM has made some progress in improving change management through the adoption of 'Footprints for change management' tool to capture change requests, required approvals, change tracking, and change history. While there are some basic procedures for infrastructure and telecommunication changes, a formal change management policy is still in discussion, with no completed document. **2011 & 2012 Observation**	The lack of a formal change management policy that includes formal testing with appropriate sign-off by both information systems and user management increases the risk that unauthorized or untested changes could be migrated into production.	We recommend that UVM complete the dialog on change management and document, introduce and enforce a formal Change Management policy to address infrastructure, system software and application software changes.	Recommendations made in 2011 have been partially adopted and implemented. Agreed. Procedures are in place. Formal documentation will be completed by the end of Q2FY13. 2013 Update Good progress has been made. However it was noted that a comprehensive Change Management policy requires development.
Computer Operations				
Disaster Recovery and Business Continuity Planning				
8	UVM does not have a current computer Disaster Recovery Plan plans	The lack of a comprehensive and tested Disaster Recovery Plan (DRP)	It is recommended that UVM management take steps to bring the DRP up to date and	Agreed. This is a larger issue for the University, and the CIO has been

	Observation	Risk	Recommendation	Management Response
	or a documented complementary, Business Continuity Plan.	and complementary Business Continuity Plan (BCP) increases the risk that in the event of a serious environmental event affecting the data center, UVM business, and academic units reliant on the operation of the data center could be severely disrupted for an extended period of time.	augment it with an appropriate BCP and provide resources to ensure an appropriate recovery capability. It is further recommended that the DRP and its associated BCP be treated as a living document subject to ongoing revision and that it be tested at least annually.	engaged in discussions to encourage formalizing the DRP and BCP documentation and establish processes for reviewing and updating them at least annually. 2013 Update UVM's Chief Risk Officer is responsible for developing an enterprise wide plan that will encompass both business and system operations.
Other Considerations and Process Improvement Opportunities				
IT Reporting				
9	The UVM CIO currently receives ad hoc, non-standard reports from different segments of the IT organization. Also for Footprints, the ability to pull all out of Footprints by segment to provide snapshots of the work load to assist the CIO for planning.	The absence of a centralized and consistent internal IT reporting capability increases workloads when such reports are required for external reporting and increases the risk that information gaps and inconsistencies may exist between IT departments.	We recommend that UVM IT introduce a standard internal reporting system that can be consolidated/combined to provide key enterprise wide information and metrics to the CIO in a consistent and timely fashion. Additionally, we recommend that consolidated enterprise wide IT reports be generated at least quarterly. We further recommend that Footprints reporting be enhanced to generate IT segment reports that can be used to assist IT management in determining workload and resource requirements planning.	Agreed. ETS leadership is engaged in the University's Balanced Scorecard development work and will be identifying metrics and providing quarterly reports on key performance indicators. 2013 Update Closed. The prior CIO being in retirement, there was some confusion regarding the origin of this comment. However it was noted that new planning and reporting processes being introduced at UVM that will transcend all business and functional units will standardize reporting.
IT Asset Inventory				
10	UVM IT does not have a centralized database for fixed assets that identifies where assets are located, when their	The lack of a centralized system, database and procedure to manage the full inventory of IT computer related	We recommend that UVM IT give consideration to acquiring use of an appropriate system that can be used to	Agreed. The University's threshold for capitalization a number of years ago resulted in dropping most of our

	Observation	Risk	Recommendation	Management Response
	depreciation is complete and when they are due for retirement. Instead, multiple, non-integrated asset inventory databases are in use.	assets increases administrative workload and increases the risk that enterprise assets may not be effectively accounted for in terms of location, cost and replacement need.	capture, centralize, and report on the various IT asset inventory systems currently in use.	computing assets from inventory. ETS continues to seek ways to capture centrally the IT assets deployed in a de-centralized manner around campus. We will be exploring options for this in FY13. 2013 Update Closed. Data Center assets are managed financially by the Controller's Office. Desktop, laptop and other auxiliary equipment are considered as expense items and treated as such.

Contact us

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INTERIM REPORT FORMS
GENERAL INFORMATION

Institution Name:	The University of Vermont		
OPE ID:	369600		
		Annual Audit	
		Certified:	Qualified
Financial Results for Year Ending:	2013	Yes/No	Unqualified
Most Recent Year	2013		
1 Year Prior	2012		
2 Years Prior	2011		
Fiscal Year Ends on:		(month/day)	
Budget / Plans			
Current Year	2014		
Next Year	2015		
Contact Person:	John Ryan		
Title:	Director of Institutional Research		
Telephone No:	802-656-0693		
E-mail address	jfryan@uvm.edu		

Standard 1: Mission and Purposes

Attach a copy of the current mission statement.

Document		URL		Date Approved by the Governing Board
Institutional Mission Statement	?		?	

1.1

Standard 2: Planning and Evaluation

PLANS		Year of Completion		Effective Dates		URL
Strategic Plans						
Current Strategic Plan	?	2012	?	2012-		http://www.uvm.edu/~presdent/?Page=strategicplan.html
Next Strategic Plan	?		?			link to draft, if available
Other institution-wide plans						
Master plan	?	2006	?	2006-2015	?	http://www.uvm.edu/~plan/?Page=campusmasterplandraft.html
Academic plan	?	Ongoing		2011-		http://www.uvm.edu/provost/strategicinitiatives/
Financial plan	?	Ongoing		Ongoing		http://www.uvm.edu/budgetplanning/
Technology plan	?	2013				See attached
Enrollment plan	?	2012		2012-		See Strategic Action Plan
Development plan	?	2011		2011-		http://alumni.uvm.edu/foundation/about/documents/
(Add rows for additional institution-wide plans, as needed.)						www.uvmfoundation.org

EVALUATION		URL
Academic program review		http://www.uvm.edu/provost/?Page=academicprogramreview.html
Program review system (colleges and departments). System last updated:	?	Spring 2011
Program review schedule (e.g., every 5 years)		Eight year cycle

2.1

Standard 3: Organization and Governance

Please attach to this form:

1) A copy of the institution's organization chart(s). http://www.uvm.edu/~isis/org.html

If there is a "related entity," such as a church or religious congregation, a state system, or a corporation, describe and document the relationship with the accredited institution.

Name of the related entity	
URL of documentation of relationship	

Governing Board	URL
By-laws	http://www.uvm.edu/trustees/policymanual/?Page=section_II.html
Board members' names and affiliations	http://www.uvm.edu/trustees/?Page=members/allmembers.html

3.1

Standard 3: Organization and Governance
(Locations and Modalities)

Campuses, Branches, Locations, and Modalities Currently in Operation (See definitions, below)

(Insert additional rows as appropriate.)

	City	State or Country	Date Initiated	Enrollment*
Main campus	Burlington	VT	11/25/1904	
Other principal campuses				
Branch campuses				
Other instructional locations				

Distance Learning, e-learning — **Enrollment***

	Date Initiated
First on-line course	
First program 50% or more on-line	
First program 100% on-line	

		Date Initiated	Enrollment*
Distance Learning, other Modality			
Correspondence Education			
Low-Residency Programs Program Name			

Definitions

Main campus: primary campus, including the principal office of the chief executive officer.

Other principal campus: a campus away from the main campus that either houses a portion or portions of the institution's academic program (e.g., the medical school) or a permanent location offering 100% of the degree requirements of one or more of the academic programs offered on the main campus and otherwise meets the definition of the branch campus (below).

Branch campus (federal definition): a location of an institution that is geographically apart and independent of the main campus which meets all of the following criteria: a) offers 50% or more of an academic program leading to a degree, certificate, or other recognized credential, or at which a degree may be completed; b) is permanent in nature; c) has its own faculty and administrative or supervisory organization; d) has its own budgetary and hiring authority.

Instructional location: a location away from the main campus where 50% or more of a degree or Title-IV eligible certificate can be completed.

Distance Learning, e-learning: A degree or Title-IV eligible certificate for which 50% or more of the courses can be completed entirely on-line.

Distance Learning, other: A degree or Title IV certificate in which 50% or more of the courses can be completed entirely through a distance learning modality other than e-learning.

Correspondence Education (federal definition): Education provided through one or more courses by an institution under which the institution provides instructional materials, by mail or electronic transmission, including examinations on the materials, to students who are separated from the instructor. Interaction between the instructor and the student is limited, is not regular and substantive, and is primarily initiated by the student. Correspondence courses are typically self-paced. Correspondence education is not distance education.

* Report here the annual unduplicated headcount for the most recently completed year.

Standard 4: The Academic Program
(Summary - Enrollment and Degrees)

Fall 2013 Enrollment* by location and modality, as of Census Date

Degree Level/ Location & Modality	Associate's	Bachelor's	Master's	Clinical doctorates (e.g., Pharm.D., DPT, DNP)	Professional doctorates (e.g., Ed.D., Psy.D., D.B.A.)	M.D., J.D., DDS	Ph.D.	Total Degree-Seeking FTE
Main Campus FTE		9,834	525	85	21	454	293	11,212
Other Campus FTE								0
Branches FTE								0
Other Locations FTE								0
Overseas Locations FTE								0
On-Line FTE		120	13	0	1	0	1	135
Correspondence FTE								0
Low-Residency Programs FTE								0
Total FTE	0	9,954	538	85	22	454	294	11,346
Unduplicated Headcount Total		9,970	791	91	44	454	391	11,741
Degrees Awarded, Most Recent Year		2,562	438	38	10	106	74	3,228

Student Type/ Location & Modality	Non-Matriculated Students	Visiting Students	Post-baccalaureate Certificate Students
Main Campus FTE	334		15
Other Campus FTE			
Branches FTE			
Other Locations FTE			
Overseas Locations FTE			
On-Line FTE	31		7
Correspondence FTE			
Low-Residency Programs FTE			
Total FTE	365		22
Unduplicated Headcount Total	942		40
Certificates Awarded, Most Recent Year	n.a.	n.a.	15

Notes:

1) Enrollment numbers should include all students in the named categories, including students in continuing education and students enrolled through any contractual relationship.

2) Each student should be recorded in only one category, e.g., students enrolled in low-residency programs housed on the main campus should be recorded only in the category "low-residency programs."

3) Please refer to form 3.2, "Locations and Modalities," for definitions of locations and instructional modalities.

* For programs not taught in the fall, report an analogous term's enrollment as of its Census Date.

Standard 4: The Academic Program
Headcount by UNDERGRADUATE Program Type

For Fall Term, as of Census Date	3 Years Prior (FY 2011)	2 Years Prior (FY 2012)	1 Year Prior (FY 2013)	Current Year* (FY 2014)	Next Year Forward (goal) (FY 2)
Certificate					
Associate					
Baccalaureate	10461	10459	10192	9970	
Total Undergraduate	10,461	10,459	10,192	9,970	

4.2

Standard 4: The Academic Program
Headcount by GRADUATE Program Type

For Fall Term, as of Census Date	3 Years Prior (FY 2011)	2 Years Prior (FY 2012)	1 Year Prior (FY 2 013)	Current Year* (FY 2014)	Next Year Forward (goal) (FY 2)
Master's	945	990	886	791	
Doctorate	545	540	541	526	
First Professional	452	449	446	454	
Post-baccalaureate certificate	19	17	13	40	
Total Graduate	1,961	1,996	1,886	1,811	

4.3

Standard 4: The Academic Program
(Fall Semester Credit Hours Generated at Undergraduate and Graduate Levels)

?

	3 Years Prior (FY 2011)	2 Years Prior (FY 2012)	1 Year Prior (FY 2013)	Current Year* (FY 2014)	Next Year Forward (goal) (FY 2)
Undergraduate	157093	156316.25	151711.5	149314.5	
Graduate	11468.5	12014.25	12175	11526.75	

*"Current Year" refers to the year in which the interim report is submitted to the Commission.

4.4

Standard 5: Faculty
(Rank, Fall Term)

?

	3 Years Prior (FY 2011)		2 Years Prior (FY 2012)		1 Year Prior (FY 2013)		Current Year* (FY 2014)		Next Year Forward (goal) (FY 2)	
?	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Number of Faculty										
Professor	227	8	223	8	234	6	244	7		
Associate	239	1	233	2	239		235	1		
Assistant	135		132	1	126	1	116			
Instructor										
Other	372	188	490	246	498	250	506	254		
Total	973	197	1,078	257	1,097	257	1,101	262	-	-

5.1

(Appointments, Tenure, Departures, and Retirements, Full Academic Year)

	3 Years Prior (FY 2011)		2 Years Prior (FY 2012)		1 Year Prior (FY 2013)		Current Year (FY 2014)		Next Year Forward (goal) (FY 2)	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
# of Faculty Appointed ?	55	12	62	9	57	6				
# of Faculty in Tenured Positions ?	458	9	450	10	471	6	471	8		
# of Faculty Departing ?	37	5	32	9	45	9				
# of Faculty Retiring ?	16	3	15	6	12	3				

*"Current Year" refers to the year in which the interim report is submitted to the Commission.

5.3

Standard 6: Students
(Admissions, Fall Term)

?

Credit Seeking Students Only - Including Continuing Education

		3 Years Prior (FY 2011)	2 Years Prior (FY 2012)	1 Year Prior (FY 2013)	Current Year* (FY 2014)	Next Year Forward (goal) (FY 2)
Freshmen - Undergraduate	?					
Completed Applications	?	22,317	22,342	21,808	22,381	
Applications Accepted	?	15,752	16,841	16,716	17,357	
Applicants Enrolled	?	2,472	2,423	2,372	2,495	
% Accepted of Applied		70.6%	75.4%	76.7%	77.6%	-
% Enrolled of Accepted		15.7%	14.4%	14.2%	14.4%	-
Percent Change Year over Year						
Completed Applications		-	0.1%	-2.4%	2.6%	-100.0%
Applications Accepted		-	6.9%	-0.7%	3.8%	-100.0%
Applicants Enrolled		-	-2.0%	-2.1%	5.2%	-100.0%
Average of Statistical Indicator of Aptitude of Enrollees: (Define Below)	?					
SAT Total(Crit Rdg+Math+Writing)		1772	1772	1785	1777	
Transfers - Undergraduate	?					
Completed Applications		1,312	1,314	1,236	1,180	
Applications Accepted		873	883	831	794	
Applications Enrolled		482	444	426	407	
% Accepted of Applied		66.5%	67.2%	67.2%	67.3%	-
% Enrolled of Accepted		55.2%	50.3%	51.3%	51.3%	-
Master's Degree	?					
Completed Applications		1,578	1,685	1,566	1,497	
Applications Accepted		725	833	760	699	
Applications Enrolled		378	450	382	329	
% Accepted of Applied		45.9%	49.4%	48.5%	46.7%	-
% Enrolled of Accepted		52.1%	54.0%	50.3%	47.1%	-
First Professional Degree - All Programs	?					
Completed Applications		4,632	5,114	4,685	4,594	
Applications Accepted		217	214	243	254	
Applications Enrolled		111	109	112	114	
% Accepted of Applied		4.7%	4.2%	5.2%	5.5%	-
% Enrolled of Accepted		51.2%	50.9%	46.1%	44.9%	-
Doctoral Degree	?					
Completed Applications		962	1,129	1,180	1,119	
Applications Accepted		274	233	254	244	
Applications Enrolled		115	89	102	99	
% Accepted of Applied		28.5%	20.6%	21.5%	21.8%	-
% Enrolled of Accepted		42.0%	38.2%	40.2%	40.6%	-

*"Current Year" refers to the year in which the interim report is submitted to the Commission.

Standard 6: Students
(Enrollment, Fall Census Date)

?

Credit-Seeking Students Only - Including Continuing Education

		3 Years Prior (FY 2011)	2 Years Prior (FY 2012)	1 Year Prior (FY 2013)	Current Year* (FY 2014)	Next Year Forward (goal) (FY 2)
UNDERGRADUATE						
First Year	Full-Time Headcount	2,764	2,720	2,625	2,730	
	Part-Time Headcount	31	22	30	24	
	Total Headcount	2,795	2,742	2,655	2,754	-
	Total FTE	2,788.0	2,741.0	2,638.0	2,755.0	
Sophomore	Full-Time Headcount	2,652	2,494	2,413	2,374	
	Part-Time Headcount	27	37	36	32	
	Total Headcount	2,679	2,531	2,449	2,406	-
	Total FTE	2,750.0	2,581.0	2,493.0	2,457.0	
Junior	Full-Time Headcount	2,335	2,440	2,278	2,213	
	Part-Time Headcount	70	59	54	56	
	Total Headcount	2,405	2,499	2,332	2,269	-
	Total FTE	2,449.0	2,546.0	2,370.0	2,310.0	
Senior	Full-Time Headcount	2,374	2,432	2,487	2,304	
	Part-Time Headcount	208	255	269	237	
	Total Headcount	2,582	2,687	2,756	2,541	-
	Total FTE	2,486.0	2,554.0	2,613.0	2,432.0	
Non-degree	Full-Time Headcount	192	172	153	143	
	Part-Time Headcount	940	851	866	799	
	Total Headcount	1,132	1,023	1,019	942	-
	Total FTE	414.0	376.0	379.0	364.0	
Total Undergraduate Students						
	Full-Time Headcount	10,317	10,258	9,956	9,764	-
	Part-Time Headcount	1,276	1,224	1,255	1,148	-
	Total Headcount	11,593	11,482	11,211	10,912	-
	Total FTE	10,887.0	10,798.0	10,493.0	10,318.0	-
% Change FTE Undergraduate		na	-0.8%	-2.8%	-1.7%	-100.0%
GRADUATE						
	Full-Time Headcount	1,169	1,254	1,294	1,237	
	Part-Time Headcount	792	742	592	574	
	Total Headcount	1,961	1,996	1,886	1,811	-
	Total FTE	1,408.0	1,451.0	1,461.0	1,415.0	
% Change FTE Graduate		na	3.1%	0.7%	-3.1%	-100.0%
GRAND TOTAL						
Grand Total Headcount		13,554	13,478	13,097	12,723	-
Grand Total FTE		12,295.0	12,249.0	11,954.0	11,733.0	-
% Change Grand Total FTE		na	-0.4%	-2.4%	-1.8%	-100.0%

*"Current Year" refers to the year in which the interim report is submitted to the Commission.

Standard 6: Students
(Financial Aid, Debt, and Developmental Courses)

? Where does the institution describe the students it seeks to serve?

http://www.uvm.edu/academics/catalogue2013-14/?Page=allpolicies.php&SM=policymenu.html&policy=Admissions%20Criteria%20for%20Undergraduate%20Students

	3 Years Prior (FY 2011)	2 Years Prior (FY 2012)	Most Recently Completed Year (FY 2013)	Current Budget*	Next Year Forward (goal)
? **Student Financial Aid**					
Total Federal Aid	$116,468	$120,807	$111,527		
Grants[2]	$13,745	$13,086	$13,077		
Loans[1]	$101,082	$105,905	$96,562		
Work Study	$1,641	$1,816	$1,888		
Total State Aid	$4,935	$5,231	$4,999		
Total Institutional Aid	$83,961	$86,339	$88,857		
Grants[2]	$81,893	$83,645	$86,901		
Loans	$2,068	$2,694	$1,956		
Total Private Aid	$13,306	$15,158	$14,894		
Grants[2]	$4,331	$4,695	$4,935		
Loans	$8,975	$10,463	$9,959		
Student Debt					
Percent of students graduating with debt**					
Undergraduates	57%	60%	63%		
Graduates	52%	51%	53%		
For students with debt:					
Average amount of debt for students leaving the institution with a degree					
Undergraduates	$24,882	$27,772	$26,652		
Graduates	$32,306	$29,562	$33,763		
Average amount of debt for students leaving the institution without a degree					
Undergraduates	$15,713	$15,389	$15,973		
Graduate Students[3]	$22,318	$18,561	$21,468		
Cohort Default Rate[4]	2.3	not available	not available		
Percent of First-year students in Developmental Courses* **					
English as a Second/Other Language					
English (reading, writing, communication skills)					
Math					
Other					

*"Current Budget" refers to the year in which the interim report is submitted to the Commission.

**All students who graduated should be included in this calculation.

*** Courses for which no credit toward a degree is granted.

FOOTNOTES

1 Federal Loans include Parent PLUS Loans

2 Also includes scholarships

3 Includes only debt incurred during the student's most recent graduate program; does not include undergraduate debt

4 The latest cohort default rate released by NSLDS is for Fiscal Year 2011.

Standard 9: Financial Resources
(Statement of Financial Position/Statement of Net Assets)

	FISCAL YEAR ENDS month &day: (/)	2 Years Prior (FY 2011)	1 Year Prior (FY 2012)	Most Recent Year	Percent Change 2 yrs-1 yr prior	1 yr-most recent
	ASSETS					
?	CASH AND SHORT TERM INVESTMENTS	$183,529,304	$202,256,907	$209,365,169	10.2%	3.5%
?	CASH HELD BY STATE TREASURER	$0	$0	$0	-	-
?	DEPOSITS HELD BY STATE TREASURER	$0	$0	$0	-	-
?	ACCOUNTS RECEIVABLE, NET	$37,407,601	$28,429,922	$29,629,851	-24.0%	4.2%
?	CONTRIBUTIONS RECEIVABLE, NET	$7,514,539	$6,717,400	$5,775,533	-10.6%	-14.0%
?	INVENTORY AND PREPAID EXPENSES	$15,831,837	$16,029,814	$18,779,578	1.3%	17.2%
?	LONG-TERM INVESTMENTS	$327,025,771	$308,197,817	$350,807,585	-5.8%	13.8%
?	LOANS TO STUDENTS	$26,716,594	$26,768,271	$26,199,276	0.2%	-2.1%
?	FUNDS HELD UNDER BOND AGREEMENT	$10,076,825	$3,216,612	$2,773,088	-68.1%	-13.8%
?	PROPERTY, PLANT AND EQUIPMENT, NET	$549,123,770	$544,010,899	$536,372,220	-0.9%	-1.4%
?	OTHER ASSETS	$12,462,348	$11,993,689	$12,154,594	-3.8%	1.3%
	TOTAL ASSETS	**$1,169,688,589**	**$1,147,621,331**	**########**	-1.9%	3.9%
	LIABILITIES					
?	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$66,381,070	$64,676,927	$65,423,397	-2.6%	1.2%
?	DEFERRED REVENUE & REFUNDABLE ADVANCES	$16,296,416	$16,363,251	$13,259,526	0.4%	-19.0%
?	DUE TO STATE		$0	$0	-	-
?	DUE TO AFFILIATES		$0	$0	-	-
?	ANNUITY AND LIFE INCOME OBLIGATIONS	$4,820,548	$3,194,223	$2,897,362	-33.7%	-9.3%
?	AMOUNTS HELD ON BEHALF OF OTHERS		$0	$14,398,202	-	-
?	LONG TERM DEBT	$479,654,574	$472,683,526	$467,713,967	-1.5%	-1.1%
?	REFUNDABLE GOVERNMENT ADVANCES		$0	$0	-	-
?	OTHER LONG-TERM LIABILITIES	$90,928,926	$109,178,102	$127,549,541	20.1%	16.8%
	TOTAL LIABILITIES	**$658,081,534**	**$666,096,029**	**$691,241,995**	1.2%	3.8%
	NET ASSETS					
	UNRESTRICTED NET ASSETS					
	INSTITUTIONAL	**$133,463,619**	**$123,582,069**	**$115,163,390**	-7.4%	-6.8%
?	FOUNDATION				-	-
	TOTAL	**$133,463,619**	**$123,582,069**	**$115,163,390**	-7.4%	-6.8%
	TEMPORARILY RESTRICTED NET ASSETS					
	INSTITUTIONAL	**$283,481,234**	**$260,777,705**	**$286,430,469**	-8.0%	9.8%
?	FOUNDATION				-	-
	TOTAL	**$283,481,234**	**$260,777,705**	**$286,430,469**	-8.0%	9.8%
	PERMANENTLY RESTRICTED NET ASSETS					
	INSTITUTIONAL	**$94,662,202**	**$97,165,528**	**$99,021,042**	2.6%	1.9%
?	FOUNDATION				-	-
	TOTAL	**$94,662,202**	**$97,165,528**	**$99,021,042**	2.6%	1.9%
	TOTAL NET ASSETS	**$511,607,055**	**$481,525,303**	**$500,614,900**	-5.9%	4.0%
	TOTAL LIABILITIES AND NET ASSETS	**$1,169,688,589**	**$1,147,621,331**	**########**	-1.9%	3.9%

Includes Cash and Cash Equivalents, Operating Investments and Investments for Capital Activities

NA

NA

Includes Federal, State and Private Grants Receivables, Student and Company Receivables and Other Receivables from Note B

Includes Pledges Receivable from Note B.

Includes current and non-current inventory, pre-paid expenses and deferred charges.

Endowment cash, cash and equivalents and investments

Includes Student Loans and other notes receivable from Note B.

Includes portion of DWT related to bonds in memo entry on Restricted Expendable tab.

Capital Assets, net

Current and non-current accounts payable and accrued liabilities less accounts 21020 and 26020.

Deferred revenue, deposits, and funds held for others except in FY13 as we had to subtract out Foundation investments in pool and move to Amounts held on behalf of others

NA

NA

Account 21020 and 26020.

Foundation investment in pool.

Current and non-current bonds and leases payable

NA

Post-employment benefits

Unrestricted and capital assets added together

Restricted Expendable

Restricted Non-Expendable

Standard 9: Financial Resources
(Statement of Revenues and Expenses)

FISCAL YEAR ENDS month &day: (/)	2 Years Prior (FY2011)	1 Years Prior (FY2012)	Most Recently Completed Year (FY 2013)	Current Budget* (FY 2)	Next Year Forward (FY 2)
OPERATING REVENUES	**($98,054,406)**	**($96,922,189)**	**($100,120,616)**		
TUITION & FEES	$317,075,972	$331,612,610	$339,566,007		
ROOM AND BOARD	$50,212,372	$51,436,854	$51,406,302		
LESS: FINANCIAL AID	($80,984,796)	($80,676,780)	($84,105,289)		
NET STUDENT FEES	$286,303,548	$302,372,684	$306,867,020	$0	$0
GOVERNMENT GRANTS & CONTRACTS	$143,976,630	$129,085,814	$126,052,375		
PRIVATE GIFTS, GRANTS & CONTRACTS	$31,340,129	$37,296,581	$63,061,774		
OTHER AUXILIARY ENTERPRISES	$42,560,454	$40,772,456	$41,288,140		
ENDOWMENT INCOME USED IN OPERATIONS	$0	$0	$0		
OTHER REVENUE (specify):	$5,591,869	$5,435,980	$6,626,185		
OTHER REVENUE (specify):	$10,540,186	$11,015,457	$13,576,609		
NET ASSETS RELEASED FROM RESTRICTIONS	$0	$0	$0		
TOTAL OPERATING REVENUES	**$520,312,815**	**$525,978,971**	**$557,472,103**	**$0**	**$0**
OPERATING EXPENSES					
INSTRUCTION	$150,416,076	$154,428,037	$160,297,546		
RESEARCH	$97,927,421	$85,588,288	$84,546,619		
PUBLIC SERVICE	$49,370,226	$51,772,216	$54,629,942		
ACADEMIC SUPPORT	$51,452,434	$53,171,930	$55,800,904		
STUDENT SERVICES	$32,546,754	$32,362,460	$34,251,936		
INSTITUTIONAL SUPPORT	$47,227,245	$44,231,434	$39,632,767		
FUNDRAISING AND ALUMNI RELATIONS					
OPERATION, MAINTENANCE OF PLANT (if not allocated)	$41,362,752	$42,921,112	$40,157,349		
SCHOLARSHIPS & FELLOWSHIPS (Cash refunded by public institutions)	$17,069,609	$16,245,409	$16,015,327		
AUXILIARY ENTERPRISES	$71,984,064	$71,646,452	$71,872,481		
DEPRECIATION (if not allocated)	$28,070,193	$28,721,324	$27,823,370		
OTHER EXPENSES (specify):					
OTHER EXPENSES (specify):					
TOTAL OPERATING EXPENDITURES	**$587,426,775**	**$581,088,662**	**$585,028,242**	**$0**	**$0**
CHANGE IN NET ASSETS FROM OPERATIONS	**($67,113,960)**	**($55,109,690)**	**($27,556,139)**	**$0**	**$0**
NON OPERATING REVENUES					
STATE APPROPRIATIONS (NET)	**$44,541,096**	**$41,896,067**	**$41,833,457**		
INVESTMENT RETURN	**$65,863,033**	**($5,699,732)**	**$47,316,512**		
INTEREST EXPENSE (public institutions)	**($20,632,807)**	**($21,043,120)**	**($20,846,963)**		
GIFTS, BEQUESTS & CONTRIBUTIONS NOT USED IN OPERATIONS	**$11,681,054**	**$6,691,336**	**$1,473,062**		
OTHER (specify):	**($1,096,243)**	**($1,083,740)**	**($1,167,358)**		
OTHER (specify):	**$0**	**$0**	**($25,756,529)**		
OTHER (specify):	**$3,547,952**	**($2,419,513)**	**$1,851,585**		
NET NON OPERATING REVENUES	**$103,904,085**	**$18,341,298**	**$44,703,766**	**$0**	**$0**
INCOME BEFORE OTHER REVENUES EXPENSES, GAINS, OR LOSSES	**$36,790,125**	**($36,768,392)**	**$17,147,628**	**$0**	**$0**
CAPITAL APPROPRIATIONS (public institutions)	**$2,000,000**	**$1,800,000**	**$0**		
OTHER	**$6,789,323**	**$4,886,640**	**$1,941,970**		
TOTAL INCREASE/DECREASE IN NET ASSETS	**$45,579,448**	**($30,081,752)**	**$19,089,598**	**$0**	**$0**

*"Current Budget" refers to the year in which the interim report is submitted to the Commission.

SEE ATTACHED TAB FOR COLUMNS G AND H.

Tuition and fees

Residential life

Less scholarship allowances

Note A5 Federal appropriations, grants and contracts and State grants and contracts

Note A5 Private Grants and Contracts

Other auxiliary enterprises

NA

Sales and service of educational activities

Student loan interest and other operating revenues

NA

Note K

Note K

Note K

Note K

Note K

Note K

Note K

Note K

Note K

Note K

Note K

State appropriations

Net investment income

Interest on indebtedness

Private gifts

Net other non-operating expense

Intergovernmental transfers

Net transfer to and from UVM with Component Units

State Capital Appropriations

Capital Gifts and Grants and Gifts for endowment purposes

UVM FY 2014 BUDGET PROPOSAL - GENERAL FUND

UNDERGRAD ENROLLMENT	FY 2014 Budget	FY 2015 Projection as of 10.29.13	Difference
	C	D	D-C
Fall-Spring Ave. Headcount			
In-State	3210	3035	(175)
Out-of-State	6550	6690	140
	9760	9725	(35)
Tuition Rates			
In-State	$13,728	$14,210	
Out-of-State	$34,656	$35,870	

(all currency in thousands)	FY 2014 Proposal	FY 2015 Projection as of 10.29.13	Difference
Undergrad In-state Tuition	$40,168	$38,907	($1,261)
Undergrad Out-of-state Tuition	220,625	232,316	11,691
Less: Student Aid-EM	(79,058)	(84,538)	(5,480)
Less: Student Aid-Central Managed	(13,296)	(13,007)	289
Student Aid Replacement from Restr Gifts	500		(500)
Student Aid Replacement from Restr Endowmt	2,003	2,503	500
	170,941	176,181	5,239
Graduate In-state Tuition	5,825	6,029	204
Graduate Out-of-state Tuition	16,470	17,046	576
Less: Student Aid	(11,949)	(12,568)	(619)
	10,346	10,507	161
Day Non-Degree In-state Tuition	590	625	35
Day Non-Degree Out-of-state Tuition	451	430	(21)
Less: Student Aid	(553)	(579)	(26)
	488	476	(12)
Medical Tuition	21,260	21,898	638
State Appropriation	40,747	42,469	1,722
Sponsored Facil & Admin Cost Reimbursement	22,128	22,400	272
Other Facil & Admin Cost Reimbursement	3,244	4,879	1,635
Continuing Ed Indirect Cost Reimbursement	9,799	11,799	2,000
Operating Investment Income	2,800	2,800	0
Unrestricted Annual Giving	2,300	2,300	0
Unrestricted Endowment	3,348	2,200	(1,148)
Other Income	8,008	8,400	392
	295,410	306,309	10,899
Salaries and Wages	$144,274	147,042	$2,768
Benefits	59,022	58,990	(31)
Graduate Teaching Stipends	5,716	5,809	93
	209,012	211,841	2,830
Oper & Equip (incls telph, software maint)	45,489	41,857	(3,631)
Library Acquisitions	7,455	7,457	2
Energy	9,510	9,460	(50)
New Facilities, Rental, Renewal	2,936	3,770	834
Plant Improvements, Insurance, Water/Sewage	4,649	4,445	(204)
Spons Programs Incent Funds & Required C/S	1,792	1,690	(101)
General Fund contribution to debt repayment	18,424	18,424	0
General Fund support for UVM Foundation	8,795	8,445	(350)
Outstanding Commitments			0
Expense Recovery Unit Reductions	(4,882)	(2,400)	2,482
Academic Initiatives *	0	1,319	1,319
Deferred Maintenance/IT Infrastructure *	0	0	0
TOTAL EXPENSE	303,179	306,309	3,130
Balance/(Shortfall)	**(7,770)**	**(0)**	**7,769**
BOT Approved use of FY 2012 Balance	**2,000**	**0**	**(2,000)**
Proposed Use of Net Assets	**5,770**	**0**	**(5,770)**
Remaining surplus (shortfall):	**0**	**(0)**	**(1)**

* *1-time dollars*

Standard 9: Financial Resources
(Statement of Debt)

FISCAL YEAR ENDS month & day (/)	3 Years Prior (FY2011)	2 Years Prior (FY2012)	Most Recently Completed Year (FY 2013)	Current Budget* (FY 2014)	Next Year Forward (FY 2)
DEBT					
BEGINNING BALANCE	$487,545,076	$479,654,565	$472,683,517	$467,713,959	$459,954,753
ADDITIONS	$286,000	$174,450	$49,948,796	$0	$0
? REDUCTIONS	($8,176,511)	($7,145,498)	($54,918,354)	($7,759,206)	($7,716,935)
ENDING BALANCE	**$479,654,565**	**$472,683,517**	**$467,713,959**	**$459,954,753**	**$452,237,818**
INTEREST PAID DURING FISCAL YEAR	$20,632,807	$21,043,120	$20,846,963	$21,668,680	$21,305,131
CURRENT PORTION	$7,129,092	$7,402,873	$8,004,443	$8,319,951	$8,180,362
BOND RATING					
DEBT COVENANTS (PLEASE DESCRIBE):					

*"Current Budget" refers to the year in which the interim report is submitted to the Commission.

Standard 9: Financial Resources
(Supplemental Data)

FISCAL YEAR ENDS month & day (/)	3 Years Prior (FY2011)	2 Years Prior (FY2012)	Most Recently Completed Year (FY 2013)	Current Budget* (FY 2)	Next Year Forward (FY 2)
NET ASSETS					
NET ASSETS BEGINNING OF YEAR	$466,027,606	$511,607,055	$481,525,303	$500,614,900	$500,614,900
TOTAL INCREASE/DECREASE IN NET ASSETS	$45,579,449	($30,081,752)	$19,089,598	$0	$0
NET ASSETS END OF YEAR	**$511,607,055**	**$481,525,303**	**$500,614,900**	**$500,614,900**	**$500,614,900**
FINANCIAL AID					
SOURCE OF FUNDS					
UNRESTRICTED INSTITUTIONAL	$76,287,938	$76,915,955	$80,283,146	$83,884,824	$88,553,590
FEDERAL, STATE & PRIVATE GRANTS					
RESTRICTED FUNDS	**$21,766,468**	**$20,006,234**	**$19,837,471**	**$20,971,206**	**$22,138,397**
TOTAL	**$98,054,406**	**$96,922,189**	**$100,120,616**	**$104,856,030**	**$110,691,987**
% DISCOUNT OF TUITION & FEES					
% UNRESTRICTED DISCOUNT					

PLEASE INDICATE YOUR INSTITUTION'S ENDOWMENT SPENDING POLICY:

t annual spending allocation is at a budgeted rate of 4.5% of the previous thirteen quarters' average market value of the long-term inves

*"Current Budget" refers to the year in which the interim report is submitted to the Commission.

Standard 10: Public Disclosure

Information	Web Addresses	Print Publications
How can inquiries be made about the institution? Where can questions be addressed?	http://www.uvm.edu/talk_to_us/	University Catalogue
Notice of availability of publications and of audited financial statement or fair summary	http://www.uvm.edu/controller/?Page=fin_statements.html	Annual Financial Statement
Institutional catalog	http://www.uvm.edu/academics/catalogue2013-14/	University Catalogue
Obligations and responsibilities of students and the institution	http://www.uvm.edu/policies/student/studentcode.pdf	Student Handbook
Information on admission and attendance	http://www.uvm.edu/admissions/undergraduate/applying/?Page=default.html	University Catalogue, Admissions Material
Institutional mission and objectives	http://www.uvm.edu/~president/?Page=mission.html	University Catalogue, Admissions Material
Expected educational outcomes	http://www.uvm.edu/~facsen/generaleducation/ http://www.uvm.edu/~facsen/generaleducation/?Page=genedproposedoutcomes.html http://www.uvm.edu/~president/?Page=mission.html http://www.collegeportraits.org/VT/UVM/learning_outcomes	University Catalogue
Status as public or independent institution; status as not-for-profit or for-profit; religious affiliation	http://www.uvm.edu/trustees/policymanual/?Page=section_II.html	University Catalogue, Admissions Material
Requirements, procedures and policies re: admissions	http://www.uvm.edu/academics/catalogue2013-14/?Page=allpolicies.php&SM=policymenu.html&category=admissions	University Catalogue, Admissions Material
Requirements, procedures and policies re: transfer credit	http://www.uvm.edu/policies/student/transcredit.pdf	University Catalogue, Admissions Material
A list of institutions with which the institution has an articulation agreement	http://www.uvm.edu/academics/catalogue2012-13/?Page=allpolicies.php&SM=policymenu.html&policy=Articulation%20Agreements	University Catalogue
Student fees, charges and refund policies	http://www.uvm.edu/~stdfinsv/?Page=tuition-fees.html&SM=tuitionsubmenu.html	Admissions Material, Financial Aid brochures
Rules and regulations for student conduct	http://www.uvm.edu/policies/student/studentcode.pdf	Student Handbook
Procedures for student appeals and complaints	http://www.uvm.edu/policies/student/studentcode.pdf	Student Handbook
Other information re: attending or withdrawing from the institution	http://www.uvm.edu/~rgweb/?Page=policiesandprocedures/p_registration.html&SM=p_menu.html	University Catalogue
Academic programs	http://www.uvm.edu/academics/?Page=programs_degrees.php	University Catalogue
Courses currently offered	http://www.uvm.edu/academics/courses/ http://www.uvm.edu/~rgweb/	University Catalogue
Other available educational opportunities	http://www.uvm.edu/~career/?Page=hub.html	Written and web materials from the academic units
Other academic policies and procedures	http://www.uvm.edu/academics/catalogue2013-14/?Page=allpolicies.php&SM=policymenu.html&category=academic_policies	University Catalogue
Requirements for degrees and other forms of academic recognition	Each College/School post requirements	
List of current faculty, indicating department or program affiliation, distinguishing between full- and part-time, showing degrees held and institutions granting them	http://www.uvm.edu/academics/catalogue2013-14/?Page=faculty/facultya-z.php&letter=A&SM=facultymenu.html	University Catalogue
Names and positions of administrative officers	http://www.uvm.edu/~isis/org.html	Organizational Chart
Names, principal affiliations of governing board members	http://www.uvm.edu/trustees/?Page=members/allmembers.html	
Locations and programs available at branch campuses, other instructional locations, and overseas operations at which students can enroll for a degree, along with a description of programs and services available at each location	NA	NA
Programs, courses, services, and personnel not available in any given academic year.	http://www.uvm.edu/~isis/cds/cds1314.pdf	Sourcebook
Size and characteristics of the student body	http://www.uvm.edu/~isis/cds/cds1314.pdf	Sourcebook
Description of the campus setting	http://www.uvm.edu/about_uvm/	University Catalogue, Admissions Material
Availability of academic and other support services	http://www.uvm.edu/academics/?Page=services.html http://www.uvm.edu/aspprogs http://www.uvm.edu/sss/	University Catalogue Student Handbook

Range of co-curricular and non-academic opportunities available to students	http://www.uvm.edu/student_life/	Student Handbook
Institutional learning and physical resources from which a student can reasonably be expected to benefit	http://www.uvm.edu/academics/?Page=services.html http://www.uvm.edu/aspprogs http://www.uvm.edu/student_life/ http://www.uvm.edu/~slife/?Page=programming.html&SM=programs_menu.html http://library.uvm.edu/about/ http://www.uvm.edu/ctl/ http://www.uvm.edu/~chwb/health/	University Catalogue Student Handbook
Institutional goals for students' education	http://www.uvm.edu/~facsen/generaleducation/ http://www.uvm.edu/~facsen/generaleducation/?Page=genedproposedoutcomes.html http://www.uvm.edu/~presdent/?Page=mission.html http://www.collegeportraits.org/VT/UVM/learning_outcomes	University Catalogue Student Handbook
Success of students in achieving institutional goals including rates of retention and graduation and other measure of student success appropriate to institutional mission. Passage rates for licensure exams, as appropriate	http://www.uvm.edu/~isis/?Page=retention_rates.html&SM=submenu_ret_grad_deg.html	University Catalogue, Admissions Material, Financial Aid Brochures
Total cost of education, including availability of financial aid and typical length of study	http://www.uvm.edu/admissions/undergraduate/?Page=costs.html	University Catalogue, Admissions Material, Financial Aid Brochures
Expected amount of student debt upon graduation	http://www.uvm.edu/admissions/undergraduate/?Page=costs.html	Admissions Material, Financial Aid brochures
Statement about accreditation	http://www.uvm.edu/~accredit/	University Catalogue, Admissions Material

Standard 11: Integrity

Policies	Last Updated	URL Where Policy is Posted	Responsible Office or Committee
Academic honesty	2012	http://www.uvm.edu/policies/student/acadintegrity.pdf	Vice Provost for Student Affairs
Intellectual property rights	2013	https://www.uvm.edu/policies/general_html/intellectualproperty.pdf	Vice President for Research
Conflict of interest	2008	http://www.uvm.edu/policies/general_html/conflictinterest.pdf	President
Privacy rights	2012	http://www.uvm.edu/policies/general_html/privacy.pdf	Chief Compliance and Privacy Officer
Fairness for students	2002	http://www.uvm.edu/~presdent/?Page=miscellaneous/commonground.html	NA
Fairness for faculty	2002	http://www.uvm.edu/~presdent/?Page=miscellaneous/commonground.html	NA
Fairness for staff	2002	http://www.uvm.edu/~presdent/?Page=miscellaneous/commonground.html	NA
Academic freedom	2009	http://www.uvm.edu/trustees/policymanual/VIII%202A%20Academic%20Freedom%20and%20Responsibility.pdf	Faculty Senate and Board of Trustees
Consumer Information	2013	http://www.uvm.edu/~complian/Complian/?Page=consumerdisclosures.html	Chief Compliance and Privacy Officer
Misconduct in Research	2010	https://www.uvm.edu/policies/grants/researchmisconduct.pdf	Vice President for Research
Code of Business Conduct	2010	http://www.uvm.edu/policies/general_html/businessconduct.pdf	Vice President for Executive Operations

Non-discrimination policies	Last Updated	URL Where Policy is Posted	Responsible Office or Committee
Recruitment and admissions	2013	https://www.uvm.edu/policies/student/equaledu.pdf	Vice President for Human Resources, Diversity and Multicultural Affairs
Employment	2013	https://www.uvm.edu/policies/general_html/affirm.pdf	Vice President for Human Resources, Diversity and Multicultural Affairs
Evaluation	2013	http://www.uvm.edu/hrs/info/relations/paprocess.html	Vice President for Human Resources, Diversity and Multicultural Affairs
Disciplinary action - Staff	2013	http://www.uvm.edu/hrs/?Page=info/relations/progdis.html	Vice President for Human Resources, Diversity and Multicultural Affairs
Disciplinary action - Students	2012	http://www.uvm.edu/policies/student/studentcode.pdf	Vice Provost for Student Affairs
Disciplinary action - Faculty Full Time	2011	http://www.uvm.edu/~facrsrcs/?Page=ftcontract.html	Provost
Disciplinary action - Faculty Part Time	2012	http://www.uvm.edu/~facrsrcs/?Page=ptcontract.html	
Advancement	2013 2013	http://www.uvm.edu/policies/advance/gifts.pdf http://alumni.uvm.edu/foundation/about/documents/Gift%20Acceptance%20Policy.pdf	Vice President for Finance and Treasurer President and CEO of the UVM Foundation
Investigation Procedures	2007	http://www.uvm.edu/~aaeo/pdf/discrimination.pdf	Executive Director Affirmative Action

Resolution of grievances	Last Updated	URL Where Policy is Posted	Responsible Office or Committee
Students	2012	http://www.uvm.edu/policies/student/studentcode.pdf	Vice Provost for Student Affairs
Faculty	2011	http://www.uvm.edu/~facrsrcs/?Page=OfficersPage.html	Provost
Staff	2011	http://www.uvm.edu/policies/hr/complaint.pdf	Vice President for Human Resources, Diversity and Multicultural Affairs

Other	Last Updated	Relevant URL or Publication	Responsible Office or Committee
1			
2			
3			
4			
5			

3.1 Value-Added and Precision Estimates

	Performance Level	Value-Added Score	Value-Added Percentile Rank	Confidence Interval Lower Bound	Confidence Interval Upper Bound	Expected Mean CLA Score
Total CLA Score	Near	0.67	75	-0.03	1.37	1236
Performance Task	Near	0.44	69	-0.33	1.21	1221
Analytic Writing Task	Near	0.87	79	0.02	1.72	1249
Make-an-Argument	Above	1.11	90	0.14	2.08	1238
Critique-an-Argument	Near	0.54	75	-0.28	1.36	1259

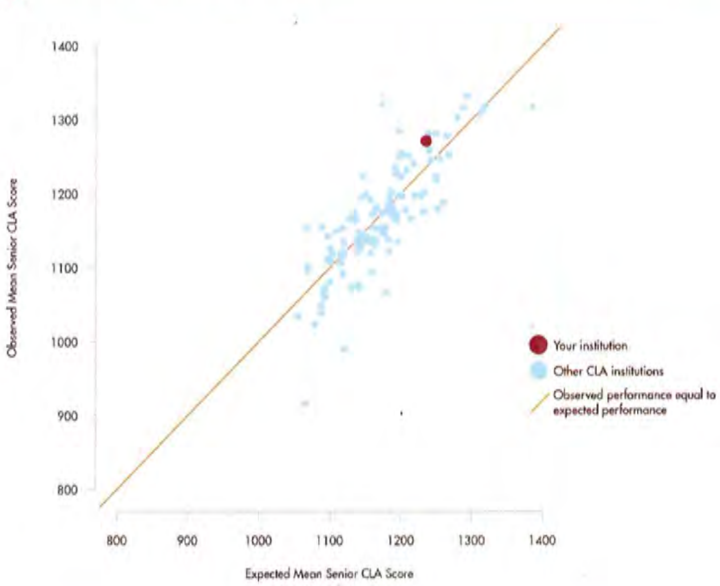
3.2 Seniors: Unadjusted Performance

	Number of Seniors	Mean Score	Mean Score Percentile Rank	25th Percentile Score	75th Percentile Score	Standard Deviation
Total CLA Score	47	1271	90	1180	1349	137
Performance Task	24	1250	84	1133	1343	160
Analytic Writing Task	23	1293	93	1187	1371	108
Make-an-Argument	23	1293	97	1199	1356	107
Critique-an-Argument	23	1292	90	1193	1401	153
EAA	47	1173	85	1050	1280	153

3.3 Freshmen: Unadjusted Performance

	Number of Freshmen	Mean Score	Mean Score Percentile Rank	25th Percentile Score	75th Percentile Score	Standard Deviation
Total CLA Score	107	1151	85	1043	1268	169
Performance Task	57	1115	77	1013	1205	168
Analytic Writing Task	50	1192	93	1087	1290	161
Make-an-Argument	52	1203	96	1101	1334	187
Critique-an-Argument	50	1176	90	1029	1293	185
EAA	109	1196	90	1110	1290	126

3.5 Observed CLA Scores vs. Expected CLA Scores



* [illegible]

Links to UVM's Current and Past VSA College Portraits

In order to provide evidence that we have been active participants in the Collegiate Learning Assessment (CLA) we are providing a weblink to past College Portraits. Using the link below, reviewers can access web archived versions from the past years. There are a multitude of sections for the archived pages (link provides a calendar which you can click on where the archived version exists).

http://web.archive.org/web/20100701000000*/http://www.collegeportraits.org/VT/UVM

OPTION E2. VOLUNTARY SYSTEM OF ACCOUNTABILITY PLUS PROGRAM REVIEW

I. Institutions selecting this option should include copies of the most recent College Portrait institutional template under VSA and up to two prior templates. The templates will be available from APLU and AASCU.

II. Complete the information on program review, below.

CATEGORY (List each degree program)	(1) What is the date of the most recent program review?	(2) How is an "external perspective" incorporated into the review?	(3) How are the results of the program review considered?	(4) What major changes have been made as a result of the most recent program review?	(5) What is the date of the next program review?
The list below is the programs that have completed APR since our comprehensive accreditation report of 2009. All programs have now undergone under our original system, "APR I". We initiated the new system, APR II, in 2012.	The dates listed below are the dates of APR I Subcommittee report.	In APR I, external perspective came from a solicited expect who did a written critique based on the program's self-study and the data provided. There was no site visit. In APR II, there are two selected external site visitors who complete a written report.	A review subcommittee of the Faculty Senate's Curricular Affairs Committee vets the APR report with the full Committee. The subcommittee then presents the report in an "MOR meeting" involving the Provost, dean(s), Chairs, directors, etc.		The entire APR II schedule can be viewed at <APR II Schedule>. The dates for the noted programs are also listed below.
Community Development and Applied Economics (CDAE)	Fall 2008	"	"	• In response to recommendation to increase quantity and quality of scholarly productivity: For the last 4 years peer-reviewed publications have been more than double that prior to FY 08 • Dramatic increase in enrollments in response to improved quality and quantity of offerings.	Fall 2015
Medicine	Fall 2008	"	"	• The COM Faculty Handbook and Standards were completely revised and approved; in place since 2011 • New diversity strategic plan devised, implemented 2012, including new Asst Dean for Diversity and a Director of Diversity and Outreach; COM is now the most diverse college in the University • Faculty Teaching and Rewards System (FTARS) implemented – lauded by accreditors and consultants	Spring 2014

				•Office of Student Affairs merged with reorganized Office of Medical Student Education - focus on the advising system, academic success and student wellness •*Careers in Medicine* four- year career counseling program designed to introduce students to all 26 fields of specialization •Introduced an integrated, vertically organized community system for advising students. Student satisfaction with advising rose on surveys - above national norms •Initiative to improve the clinical learning environment implemented	
Nutrition and Food Sciences	Fall 2008	"	"	There were few recommendations and few APR-related changes have been made. The program has greatly expanded internship/ practicum opportunities for students.	Spring 2016
Cell and Molecular Biology.	Spring 2009	"	"	The program was combined with Biochemistry, Pharmacology, Molecular Physiology & Biophysics, and Microbiology & Molecular Genetics doctoral degree programs to form the new Cellular, Molecular and Biomedical Sciences graduate program (CMB). The combined programs now manage the graduate education of 66 doctoral students. Specific responses to APR recommendations: •acquired office space from the College of Medicine for administrative staff •acquired space for incoming graduate students (11 desks) in both the NGP and CMB Programs •CMB director is now compensated at 25% FTE for administering the CMB Program •Developed 300-level graduate courses that complement the training curriculum •Graduate stipend levels were raised from $21,178 to $24,000, as recommended. •As recommended, graduate students' health insurance is now covered at 100% (75% from the Graduate College, 25% by the Program) for the first two years. After the first two years, the remaining 25% is covered by funds from the student's advisor. • CMB Program has been awarded 36 Graduate Teaching Assistantships	Fall 2018

				•Outreach efforts to increase diversity among students and faculty	
Mathematics	Spring 2009	"	"	•Developed a 10-yr vision that incorporates recommendations on strategic faculty replacement hires to strengthen research productivity, achieve better gender balance (same for Statistics), and accommodate more Math majors •Grad Ed strengthened by incorporating Vermont Mathematics Institute as an MS program •Plans are in place to move M & S programs from current facility into Cook bldg as part of the STEM project. •Better tracking of grad students & outcomes •Little change to date in assessment of UG student outcomes	Fall 2019
Statistics/Biostastistics	Spring 2009	"	"	•Developed a 10-yr vision that includes expansion of faculty lines per APR recommendation. •Implemented plan to target higher impact periodicals for publications per rec. •Implemented alumni survey •Eliminated dependency on Math program to teach Stat courses Little change to date in assessment of UG student outcomes.	Fall 2019
Rubenstein School of Environment and Natural Resources	Fall 2009	"	"	•Incorporated NR 6 into Core Curriculum, and developed one activity that directly ties NR 6 with the other required F-Y course, NR 1 •Revision of advising survey to better assess issues with respect to student retention •ENVS, the major most strongly tied to the social sciences, developed a set of unofficial "tracks" to assist students with course planning. The tracks explicitly alert students to prerequisites for upper level courses, helping to ensure that they have the needed background (including lab sciences). •Moved IT specialist to a base-budgeted position •Appointed a Director for Spatial Analysis Lab •Developed and implemented new alumni survey	Fall 2015
Vermont Studies	Fall 2009	"	"	•Dedicated efforts to increase visibility including awards program •Established named VT Scholar Summer Research Award •Outreach to involve faculty with scholarly interests	Fall 2016

				in Vermont •Networking luncheons twice each year •Director of Center for Research on Vermont now advises all students enrolled in VT Studies major and minor	
Doctor of Physical Therapy	Fall 2009	"	"	The major recommendation was to add more faculty in order to maintain compliance with professional accreditation standards. •One faculty converted from 9 mo to 10 month appointment •Added one new 12-month faculty •Approval to search for two new lines	Spring 2020
Materials Science	Spring 2010	"	"	•Three new faculty added •The Director now receives one course release •Graduation rate has increased from 0.4 students/yr to 2/yr in the past 5 years. 12 students currently enrolled, mostly in the PhD program • Excellent trajectory in extramural funding and scholarly productivity	Fall 2019
German and Russian	Spring 2010	"	"	•The program faculty undertook an extensive trial of the Oral Proficiency Review as recommended, but decided not to adopt it. •Faculty agreed to use various aspects of a communicative approach to language teaching together with an emphasis on linguistic accuracy (an aspect not stressed by the OPI) •The faculty developed common learning goals for the beginning and the intermediate levels which will be formally adopted in fall 2014. •The program is offering a Proverb course taught in English by Prof. Mieder as a more feasible alternative to the advanced degree in Proverb Studies suggested by the external reviewer.	Fall 2017
Engineering Management	Spring 2010	"	"	There has been little change with this interdisciplinary program. An initiative to better link Engineering students with Business students was started and which provided modest financial support to engineering design teams that included Business students (including Engineering Management students) with the "assignment" that the team would develop a prototype and a related business plan. The goal was to increase the numbers of engineering management students as well as encourage the design teams to	Spring 2018

				commercialize their work. However, faculty availability has been a limiting factor due to workload issues and budget constraints.	
Environmental Studies (ENVS)	Spring 2010	"	"	As with ENSC, the primary recommendation was Institutional support for a formal structure. This spurred creation of a University Committee on Envisioning Environment. Actions on that report are being determined. Responses to APR recommendations: •Ramped up staffing to meet demand: one new lecturer and shared a hire with Geography re: political ecology •Developed two 1-cr courses on careers in ENVS & Sustainability •Developed webpage for students on careers & experience •Two new options for Senior capstone •Developed 12 learning outcomes for ENVS students w/ Senior exit assessment	Fall 2019
Engineering	Spring 2010	"	"	•New funds from Provost for expansion of faculty lines in strategic areas: 4 recruitments in FY 13 •faculty resources added to Civil Engineering to address identified weakness there •EE sought and received IGERT grant which will boost profile and enrollents •Space issues being addressed via STEM initiative •Reorganized the Senior Design capstone •Achieved full accreditation from ABET	Spring 2018
Integrated Biological Sciences (BISC)	Fall 2010	"	"	•started using undergraduate assistant TAs in addition to GTAs - allows for slightly increased lab sizes to help keep pace with the increased enrollments •Initiative to share staff with Animal Science dept for an additional section of introductory biology •Added a new accelerated intro biology course (BCOR 21) for students who arrive with AP credit - an effective recruiting tool and that helps ensure that the bright students are challenged •Space issues being addressed via STEM initiative	Spring 2017
Microbiology and Molecular Genetics	Fall 2011	"	"	The program was found to be strong and well functioning. APR resulted in no strong recommendations for the program, and as a result no substantive changes have been made on the	Fall 2019

				basis of APR..	
Environmental Sciences (ENSC)	Spring 2012	"	"	As with ENVS, the primary recommendation was Institutional support for a formal structure. This spurred creation of a University Committee on Envisioning Environment. Actions on that report are being determined.	Fall 2019
Biomedical Engineering	N/A	"	"	The MS in Biomedical Engineering did not undergo APR because it was terminated and recast as a PhD program. The proposal for the new PhD program underwent full review by the Curricular Affairs Committee of the Faculty Senate.	Fall 2018
Ecological Economics	N/A	"	"	Although this program had been scheduled for review in 2009, APR was waived because the program had been included as part of APR for the Rubenstein School of Environment and Natural Resources and was examined thoroughly.	N/A
APR II (Initiated in 2012)					
	The dates listed below are the dates of the Program Self-Study report under APR II	In APR II, there are two selected external site visitors who complete a written report.	A review subcommittee of the Faculty Senate's Curricular Affairs Committee vets the APR report with the full Committee. The subcommittee then presents the report in an "MOR meeting" involving the Provost, dean(s), Chairs, directors, etc.		The dates for APR III have not yet been set.
Animal Science	September 2013			N/A APR still in process	N/A
Plant Biology	October 2013			N/A APR still in process	N/A

CIHE DATA FORMS FOR REPORT ON DISTANCE EDUCATION PROGRAMS

INSTITUTION:

TABLE 1. Program and Certificate Description

Note : For Enrollment and other data, use data from current or most recently completed semester for which data are available.

Programs and Certificates in which 50% or more of the credit may be completed entirely on-line

Program or Certificate Name	Level of Degree (A, B, M, D) or Certificate (C)	Initiation Date (First Enrollment) (Year Only)	Number of Required Credits	No. of Credits Which May be Completed On-Line
Curriculum and Instruction (Educational Technology Track)	MEd	2006	30	18-30
Curriculum and Instruction (Library Media Track)	MEd	2006	30	18-30

Insert additional rows for more programs, if needed.

Scroll down to next table

CIHE DATA FORMS FOR REPORT ON DISTANCE EDUCATION PROGRAMS

INSTITUTION:

TABLE 2. Students

Note : For Enrollment and other data, use data from current or most recently completed semester for which data are available.

Programs and Certificates in which 50% or more of the credit may be completed entirely on-line

Program or Certificate Name	Matriculated Students	Degree or Certificate Completers to Date	Total Number of Students Taking Courses on Ground*	In-State Students Taking Courses On-Line	Out-of-State Students Taking Courses On-Line	Students Based in Other Countries Taking Courses	Total Number of Students Taking Courses On-Line
Curriculum and Instruction (Educational Technology Track)	5	8	1	4	0	0	4
Curriculum and Instruction (Library Media Track)	2	9	0	2	0	0	2
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
TOTAL	7	17	1	6	0	0	6

Insert additional rows for more programs, if needed.

***Students enrolled in programs described in this table.**

Scroll down to next table

CIHE DATA FORMS FOR REPORT ON DISTANCE EDUCATION PROGRAMS

INSTITUTION:

TABLE 3. Faculty

Note : For Enrollment and other data, use data from current or most recently completed semester for which data are available.

Programs and Certificates in which 50% or more of the credit may be completed entirely on-line

Program or Certificate Name	Faculty Teaching in The Program (Headcount)				FTE Faculty in Program	Number with Highest Degree	
	Faculty Employed Full Time at The Institution		Faculty Employed PT at The Institution	Total Faculty in Program			
	FT in Program	PT in Program				Ph.D or Equivalent	Masters or Equivalent
Curriculum and Instruction (Educational Technology Track)	0	2	3	5	<1.0	4	1
Curriculum and Instruction (Library Media Track)	0	2	1	3	<1.0	2	1
				0			
				0			
				0			
				0			
				0			
				0			
				0			
				0			
				0			
				0			
				0			
				0			
TOTAL	**0**	**4**	**4**	**8**	**0**	**6**	**2**

Insert additional rows for more programs, if needed.

CIHE DATA FORMS FOR REPORT ON DISTANCE EDUCATION PROGRAMS

Scroll down to next table

INSTITUTION:

TABLE 4. Course enrollments and completions

Note : For Enrollment and other data, use data from current or most recently completed semester for which data are available.

Programs and Certificates in which 50% or more of the credit may be completed entirely on-line

Courses Offered On-Line	Fall	Spring 2011	Year Total*	Fall	Spring 2012	Year Total*	Fall	Spring 2013	Year Total*
Undergraduate									
Total Number of courses	0	0	0	0	0	0	0	0	0
Total on-line enrollments	0	0	0	0	0	0	0	0	0
On-line course completions	0	0	0	0	0	0	0	0	0
Graduate									
Total Number of courses	5	6	11	4	8	12	6	9	15
Total on-line enrollments	70	86	156	58	79	137	53	87	140
On-line course completions	70	86	156	58	79	137	53	87	140
TOTAL									
Total Number of courses	**5**	**9**	**11**	**4**	**8**	**12**	**6**	**9**	**15**
Total on-line enrollments	**70**	**87**	**156**	**58**	**79**	**137**	**53**	**87**	**140**
On-line course completions	**70**	**86**	**156**	**58**	**79**	**137**	**53**	**87**	**140**

* For year total, include all offerings, including Fall and Spring terms, short-terms, summer, and non-term-based offerings