We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the a

VERMONT STATE COLLEGES

(a Component Unit of the State of Vermont)

Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

Introduction

The contribute
atements and notes. As this MD&A
hould be read in conjunction with

Vermont State College System

Comprised of four public colleges, including Community College of Vermont (CCV), Castleton University (CU), Northern Vermont University (NVU), and Vermont Techni-10 (hom)-2 4 (n)-4 t6u](Cc
educational programs at the certificate, associates, bachelors, and masters level. An
portion of the VSCS' portfolio includes continuing education and workforce
t.

In 2020, the VSCS embarked upon a significant period of transformation. This transformation, in partnership with the State of Vermont, includes expansion of the state appropriation, merger of three colleges into a single institution (Vermont State University) and aggressive administrative consolidation. The intended result is

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- Workforce development programs, funded via ARPA and Coronavirus Relief (CRF) grants as a pass through from the State of Vermont, were funded in FY2021, FY2022, FY2023. These programs, offering courses and certifications to Vermonters negatively affected by the COVID-19 Pandemic, have allowed upskilling and reskilling of more than two thousand Vermonters. Allocated funds for these programs included:
  - FY2021: $1.4M
  - FY2022: $3.0M
  - FY2023: $2.0M (budgeted, not yet incurred)

- For FY2022 and FY2023, legislatively-directed scholarship programs, funded via ARPA grants as a pass through from the State of Vermont, funded degree completion programs, scholarships for critical occupations, and practical nursing programs. These "last dollar" scholarship programs eliminated the need for students in these programs to accept loans for tuition. Allocated funds for these programs included:
  - Long Term Care Practical Nursing Program: $ 1.4M
  - Degree Completion Program: $ 3.0M
  - Critical Occupations Scholarships: $14.7M

- The pandemic that began in January 2020 had a significant impact on the Vermont State Colleges System's performance for FY2020 and FY2021. FY2022 saw some rebounding in terms of enrollment, specifically at Community College of Vermont and Castleton University. However, room participation and enrollment continues to stall at both Vermont Technical College and Northern Vermont University. Fortunately, two means of funding have had a positive impact on the Vermont State Colleges – Coronavirus Relief Funding allocated from the State of Vermont and federally allocated Higher Education Emergency Relief Funding (HEERF). Allocated funds from CRF and HEERF included:

	FY2020	FY2021	FY2022
Coronavirus Relief:	$ 6.6M	$15.7M	$ 4.3M
HEERF (institutional):	$ 2.9M	$15.1M	$ 5.8M
HEERF (student):	$ 2.6M	$ 3.5M	$11.6M

- Enrollment trends continue to be a concern for institutions of Higher Education. Across the country, enrollments have declined consistently since 2011. Although a national issue, these challenges to the industry are hitting New England and Vermont especially hard. There are declining numbers of traditional college students and increased competition among colleges for those students. Student preferences and attitudes toward higher e

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Using the Financial Statements

The following discussion and analysis provides an overview of the financial statements and activities of the Vermont State Colleges System (VSCS) for the year ended June 30, 2022 and selected comparative information. Since this MD&A is designed to focus on current activities, resulting changes and currently known facts, please read this in conjunction with the financial statements and notes that follow this section.

These financial statements have been prepared in accordance with Government Accounting Standards Board (GASB) principles. In June 1999, GASB released Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis. Changes in Statement No. 34 compared to prior GASB pronouncements require a comprehensive consolidated look at the entity as a whole, as well as at

STATEMENT OF NET POSITION

The Statement of Net Position

The restricted expendable portion of Net Position includes unexpended restricted gifts and grants, and unexpended endowment appreciation, subject to externally imposed conditions on their use.

There was a $4 million increase from June 30, 2021 to June 30, 2022. Over the 5-year period, expendable net assets have increased by $4 million, as earnings have outpaced the 5% spending on endowments permitted by Board policy; however, performance at the end of FY2022 reduced the gains from the prior year.

The unrestricted portion of the Net Position is largely affected by general operations, but the most significant impact to date has been the full recognition of future OPEB obligations, which are unfunded. As noted earlier in these materials, the VSCS saw a reduction in the OPEB accrual for FY2022 due to its move to a Medicare Advantage program for its retirees. It is anticipated that the obligation will increase through 2040 and reduce to below the FY2022 value by 2050.

Capital Assets and Debt Administration

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position reports total operating revenues, operating expenses, non-operating revenues and expenses, and other changes in net position, showing the total change in net position for the fiscal year. Table 3 shows the Condensed Statements of Revenues, Expenses, and Changes in Net Position for the past five fiscal years.

Table 3: Condensed Statements of Revenues, Expenses, and Changes in Net Position
($ in millions)

	2022	% Change	2021	% Change	2020	% Change	2019	% Change	2018
Net Student Revenues	82	-6%	87	-13%	100	-7%	107	-1%	108
Grants and contracts	19	6%	18	13%	16	0%	16	7%	15
Other Operating Revenues	17	113%	8	33%	6	-14%	7	0%	7
Operating Revenues	118	4%	113	-7%	122	-6%	130	0%	130
Operating Expenses	202	7%	188	3%	183	-2%	186	0%	186
Operating Loss	-84	12%	-75	23%	-61	9%	-56	0%	-56
Nonoperating Revenues (Expenses)									
Non Capital Appropriations	47	-23%	61	85%	33	10%	30	0%	30
Federal Grants & Contracts	73	70%	43	54%	28	75%	16	0%	16
Gifts currently expendable	2	-33%	3	50%	2	0%	2	-33%	3
Investment Income & Interest	-4	-157%	7	600%	1	-50%	2	0%	2
Interest Expense	-5	-17%	-6	20%	-5	0%	-5	0%	-5
Other nonoperating revenues	-2	0%	0	0%	0	0%	0	0%	0
Net Nonoperating Revenues	111	3%	108	83%	59	31%	45	-2%	46
Total Change before other Revenues	27	-18%	33	-1750%	-2	-82%	-11	10%	-10
Other Changes in Net Position									
Capital Appropriation	2	0%	2	0%	2	-33%	3	0%	3
Capital gifts and grants	0	0%	0	0%	0	0%	0	0%	0
Endowment gifts	1	0%	1	0%	1	0%	0	0%	0
Change in Net Position	30	-17%	36	3500%	1	-114%	-7	0%	-7

Table3: Condensed Statements of Revenues, Expenses, and Changes in Net Position

Operating and Non-operating Revenue

Accounting rules require that our audited financials include operating revenues and expenses (revenues and expenses from the operation of the Vermont State Colleges System) and non-operating revenues and expenses (revenues and expenses that come from other sources such as state entities, grants, contracts, and accounting transactions). The following sections provide an analysis of the total operating and non-operating revenues and expenses.

Prior to the pandemic, the VSCS's primary source of revenue was from student tuition and fees at approximately 57% of total. However, the unusual conditions related to the pandemic, and the

State of Vermont's investment in transformation has shifted the proportion of total operating and non-operating income attributed to net students from the historical average of 57% to 35%. This shift is wholly attributable to lower student revenues plus the receipt of bridge funding, ARPA, CRF, and HEERF grants. Several of these funding elements, specifically ARPA, CRF, and HEERF are included in the Federal Grants & Contracts category.

The State Appropriation for FY2022 included a $5 million increase to the base general fund for the Vermont State Colleges System together with a one-time $8 million appropriation to support transformation of the Vermont State Colleges. This differs from FY2021 by $13.4 million as the appropriation for FY2021 was inclusive of $28.8 million in bridge funding. Bridge funding for FY2022 equaling $21 million was allocated to the VSCS as an ARPA economic recovery grant.

Chart 1: Current Year Revenue

Chart 2: Prior Year Revenues

Tuition and Fee Revenue

Net Tuition and fees includes tuition and fees plus residence and dining fees less scholarship allowances. The charts below shows the trend for enrollments and corresponding Tuition and Fee Revenues from FY2018 through FY2022. For the System, student-based revenue has declined during this five-year period due to a combination of weaker enrollment and increased financial aid.

Chart 3 displays Full Time Equivalent (FTE) enrollment. The FTE is a reasonable proxy for revenue and reflects the average full-time participation of students. Since Fall 2017, the VSCS has seen a decline FTE of approximately 13%. However, as noted on this chart, the decline is not equal across institutions. CCV and Castleton are down less than 2% from Fall 2017, while NVU is down approximately 38% and VTC is down 16%.

The decline at Northern Vermont University and to a lesser degree Vermont Technical College, can be directly correlated to closure announcements for these locations, since averted. It is expected that it will take several years to return these campus locations to a stronger enrollment footing.
Fall 2021 was a marked increase in enrollment for Community College of Vermont. This increase can be directly attributed to three factors: 1) funding for workforce education for Vermonters negatively affected by the pandemic; 2) Vermont Student Assistance Corporation's

802 Opportunity Scholarship for low-income Vermonters, and 3) receipt of a McClure Foundation gift supplying all graduating high school seniors with a free course at Community College of Vermont.

Chart 1: Fall FTE Enrollment and Headcount by Institution

Chart 2 displays Net Tuition and Fees for each college during the five-year period. It is notable that CCV has by far the largest number of students – both FTE and Headcount, but their net tuition is consistently outpaced by the Universities. CCV, as a community college has the lowest tuition cost and charges for courses on a per credit basis, while the residential schools charge a higher tuition rate and on a semester basis.

Over the last five years, enrollment (headcount) has declined across all institutions with the most significant declines occurring at NVU and

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Economic Factors That Will Affect the Future

Vermont State Colleges Transformation

As noted at the beginning of this document, in 2020, the State of Vermont created the Select Committee on the Future of Public Higher Education in Vermont. Since the conclusion of the Committee's work in 2021, the Board of Trustees of the Vermont State Colleges endorsed the recommendations of the Select Committee and instructed the Chancellor to execute the recommendations. Since that time, the Vermont State Colleges have achieved the following:

1. The first $5 million in structural savings were achieved in advance of the FY2023 budget; an additional $5 million in structural savings will be achieved with each of the next four fiscal years
2. Launched a search for, and hired, the first president of Vermont State University
3.

In addition to base appropriation increases, the VSCS requires bridge funding to assist the system with transformation in a fiscally responsible and sustainable manner. To date, the State of Vermont has approved bridge funding in the amounts of $28.8 million (FY2021, general fund), $21 million (FY2022, ARPA economic support grant), and $14.9 million (FY2023, ARPA economic support grant). The VSCS will request three additional installments of bridge funding totaling $26.5 million (FY2024: $11.5 million, FY2025: $10 million, FY2025: $5 million).

Receipt of the increase to base appropriation and the final installments of bridge funding is vital to the success of the VSCS’ transformation. To that end, the Chancellor and senior leadership team continue to work tireless with the Governor and his administration and the Legislature to provide the funding necessary to support transformation.

Employee and Contractual Obligations

The VSCS employs nearly than three thousand people annually, the majority of whom are covered by collective bargaining agreements. Wages and benefits are the single biggest expense of the VSCS, with more than 62% of all expenses related to employees.

The VSCS has seven collective bargaining units – four full-time units and three part-time faculty units. Th

	2022	(Restated) 2021
Current Assets:		
Cash and equivalents (Note 3)	$ 101,581,584	$ 75,370,827
Restricted cash and equivalents	-	4,655,455
Accounts receivable, net (Note 4)	22,159,504	12,887,694
Deposit with bond trustees (Note 3)	1,087,625	1,068,825
Other current assets	2,515,874	1,906,174
Total Current Assets	127,344,587	95,888,975
Non-Current Assets:		
Cash and equivalents (Note 3)	896,203	936,856
Long-term investments (Note 3)	48,187,071	54,904,256
Notes receivable, net (Note 4)	1,469,809	3,279,122
Other assets	88,697	99,207

	2022	(Restated) 2021
Current Liabilities:		

	2022	(Restated) 2021
Operating Revenues:		
Tuition and fees	$ 107,370,762	$ 109,090,525
Residence and dining	13,020,293	8,753,469
Less: scholarship allowances	(38,117,532)	(31,329,730)
Net Tuition, Fees, and Residence and Dining Revenue	82,273,523	86,514,264

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Statements of Cash Flows

For the Years Ended June 30,

	2022	(Restated) 2021
Cash Flows from Operating Activities:		
Tuition and fees	$ 56,896,667	$ 74,734,760
Grants and contracts	8,288,977	19,864,627
Sales and services of educational activities	14,243,165	9,070,503
Interest received	739,623	117,412
Payments to suppliers	(54,765,925)	(41,623,567)
Payments to employees	(113,134,553)	(110,503,485
Collection of loan payments	1,809,313	209,664
Other cash receipts	2,015,237	778,761
Net Cash Applied to Operating Activities	(83,907,496)	(47,351,325)
Cash Flows from Non-Capital Financing Activities:		
State appropriations	47,331,892	60,725,199
Non-operating federal grants	68,171,124	44,113,650
Gifts and grants	1,730,252	2,540,294
Net Cash Provided by Non-Capital Financing Activities	117,233,268	107,379,143
Cash Flows from Capital and Related Financing Activities:		
Capital and non-expendable grants and gifts	1,458,935	1,393,560
Capital appropriations	2,000,000	2,000,000
Purchase of capital assets	(8,133,110)	(5,407,875)
Change in deposits with bond trustee	(18,800)	(7,041)
Proceeds from sale of capital assets	2,612,560	1,669,512
Payments on capital debt	(2,816,318)	(2,631,028)
Interest expense on capital debt	(7,941,707)	(5,690,689)
Other receipts	(1,803,824)	168,820
Net Cash Applied to Capital and Related Financing Activities	(14,642,264)	(8,504,741)

	2022	(Restated) 2021

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Notes to the Financial Statements

June 30, 2022 and 2021

Note 1 - **Summary of Significant Accounting Policies**

Organization

Vermont State Colleges (the “Colleges) include the following entities: System Office and Services, Community College of Vermont (“CCV”), Castleton University (“CU”), Northern Vermont University (“NVU”), Vermont Technical College (“VTC”), Vermont Manufacturing Extension Center (“VMEC”), Small Business Development Center (“SBDC”), and Vermont Tech Office of Continuing Education and Workforce Development (“TED”).

On March 11, 2020, the World Health Organization declared the global outbreak of the novel coronavirus (COVID-19) as a pandemic. During the year ended June 30, 2021, COVID-19 had a significant effect on the Colleges operations 1 (une)Tw 0.33 0D-4 (oe.78

The Colleges have been awarded the following HEERF and SIP funds as of June 30, 2022:

	Student Aid Award	Institutional Award	Strengthening Institution Program	Total
CARES	$ 3,070,616	$ 3,070,616	$ 302,823	$ 6,444,055
CRRSAA	3,070,616	9,914,094	542,363	13,527,073
ARPA	11,630,099	10,880,450	834,626	23,345,175
Total	$ 17,771,331	$ 23,865,160	$ 1,679,812	$ 43,316,303

The College have recognized the following funds as non-operating Federal grants for the years ended June 30, :

	2022			
	Student Aid Award	Institutional Award	Strengthening Institution Program	Total
CARES	$ -	$ -	$ -	$ -
CRRSAA	-	820,877	-	820,877
ARPA	11,624,508	9,524,584	505,015	21,654,107
Total	$ 11,624,508	$ 10,345,461	$ 505,015	$ 22,474,984

The Colleges have determined that they function as a business-type activity, as defined by GASB. The effect of interfund activity has been eliminated from these financial statements. The basic financial statements (c f)-1e2tsiuimis Tc 0 Tw ( )Tj[e)4 (u

Restricted Cash and Equivalents

The Colleges restricted cash consists of CRF funds that were funded to the Colleges from the State but were not expended as of the years ending June 30, 2022 and 2021. Funds are restricted as they must be used to cover expenses that were incurred due to the COVID-19 pandemic.

Allowance for Doubtful Accounts

Provisions for losses on receivables are determined on the basis of loss experience, known and inherent risks, and current economic conditions.

Capital Assets

Real estate assets, including improvements, are generally stated at cost. Furnishings and equipment are stated at cost as of date of acquisition or, in the case of gifts, at fair value as of the date of donation. In accordance with the Board's capitalization policy, vehicles, equipment and works of art and historical treasures with a unit cost of at least $5,000 are capitalized. Land, building, leasehold and infrastructure improvements with a unit cost of $50,000 or more are capitalized. Software with a unit cost of $500,000 or more is capitalized. Interest costs on debt related to capital assets were capitalized during the construction period for projects before July 1, 2021. Beginning on July 1, 2021, interest on debt costs on debt related to capital assets were expensed during the construction period. The Colleges' capital assets, with the exception of land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives, which range from 3 to 50 years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Right of use assets are recorded in these financial statements in accordance with GASB 87 and represent the College's authority (right) to utilize a leased item over the duration of an agreed-upon lease term with another entity or vendor. The right to use assets, measured at the shorter of the estimated useful life or lease term, within these financials are for buildings and space rental with various vendors.

Restricted - expendable net position includes certain capital funds appropriated by the State of Vermont to the Vermont Department of Buildings and General Services for the benefit of VSC and unexpended as of fiscal year-end.

Investments

Investments are stated at fair value. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of the investment securities will occur and that such changes could materially affect the amounts reported in the statements of net position.

Other Significant Accounting Policies

The Colleges' employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for those accumulated vacation days allowable in accordance with the applicable union contract in force or in the case of non-union personnel, according to the State or Colleges' policy.

Amounts of vested and accumulated vacation leave are reported as accrued compensation and benefits. Amounts are determined based upon the personal service rates in effect as of the balance sheet date. No liability is recorded for non-vesting accumulating rights to receive vacation benefits.

Refundable Grants

Refundable grants are refundable to the federal government for Federal Perkins and Nursing Student loans.

The Federal Perkins Loan Program Extension Act of 2015 (the "Extension Act"), enacted on December 18, 2015, extended the Perkins Loan Program through September 30, 2017. The Extension Act states that new Perkins Loans cannot be disbursed to students after September 30, 2017. No further extensions were granted for the program as of the date of these financial statements.

Unearned Revenue and Deposits

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Notes to the Financial Statements - Continued

June 30, 2022 and 2021

Bond and Note Premiums

Bond and note underwriters' premiums are amortized on the straight-line basis over the life of the respective bond. VSC incurred bond premiums related to the 2013, 2017, and 2020 bonds at the time of the issuance of the bonds. The bond premium for the 2013 bond of $1,898,889 is amortized over 20 years. The bond premium for the 2017 bond of $10,557,129 is amortized over 20.5 years. The bond premium for the 2020 bond of $4,538,755 is amortized over 21.7 years. Cumulative amortization of the bond premium totaled $4,052,316 and $3,218,862 as of June 30, 2022 and 2021, respectively. Cumulative unamortized balances of bond premiums totaled $12,942,457 and $13,775,911 as of June 30, 2022 and 2021, respectively. The bond premiums are included in bonds and notes payable.

Post-employment Benefits Other Than Pensions ("OPEB")

GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions ("GASB 75"), require governments to account for other post-employment benefits ("OPEB"), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the total OPEB liability is to be measured as the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service.

The Statement requires that the actuarial present value of projected benefit payments be attributed to the periods of employee services using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay.

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Use of Estimates in Financial Statement Preparation

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of copoeronsnd dio.0n7 (c)4

Note 3 - **Cash and Equivalents, and Investments**

Cash and Equivalents

Cash and equivalents with maturities of 90 days or less from purchase date are recorded at cost, which approximates market value.

In operating a central treasury and investment pool, individual college cash receipts (except the federal loan funds) are deposited in separate collection deposit accounts in the name of VSC. Disbursements are made from other bank accounts that are funded by transfers from the central treasury.

In accordance with the Uniform Prudent Management of Institutional Funds Act, VSC deems all realized and unrealized gains on permanently restricted investments to be temporarily restricted if the income is restricte

At June 30, 2021, the balance of current assets - cash and equivalents and restricted cash and equivalents, consists of approximately $14,300 in petty cash, and the remainder deposited in Federal Deposit Insurance Corporation ("FDIC") insured banking institutions of approximately $80,012,000 per the accounting records of the Colleges, and approximately $81,529,000 per bank records. Of the bank balances, approximately $628,000 was covered by federal depository insurance and approximately $80,901,000 was uninsured and uncollateralized at June 30, 2021.

At June 30, 2021, the balances of non-current assets -

Investments of the various funds at June 30, 2021 are as follows:

	Fair Value	Cost
U.S. Government bonds	$ 6,438,074	$ 6,078,575
Corporate bonds	6,208,330	5,890,960
Common stock and ETF's	18,645,031	11,865,354
Hedge fund shares	4,038,558	3,906,602
Mutual funds	9,998,621	8,512,329
Money market	9,575,642	9,575,642
Held by bond trustee	1,068,825	1,068,825
Total Investments	$ 55,973,081	$ 46,898,287

Investment maturities include deposits held by the bond trustee, which are invested in various government securities, corporate bonds, commercial grade paper, and money market accounts. The majority of these funds are related to the 2013 bond, and they are held in the bond fund, the reserve fund, and the construction fund. Within the bond fund, there is a principal account, an interest account, and a sinking fund account.

Investment Type	**Market Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
Money Market Investments					

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Notes to the Financial Statements - Continued

June 30, 2022 and 2021

2021
Investment Maturities (in years)

Investment Type	Market Value	Less than 1	1-5	6-10	More than 10
Money Market					
Investments	$ 9,575,642	$ 9,575,642	$ -	$ -	$ -
Corporate Bonds	6,208,330	1,428,430	4,050,902	728,998	-
U.S. Govt. Bonds	6,438,074	1,465,385	3,771,343	1,201,346	-
Total	$ 22,222,046	$ 12,469,457	$ 7,822,245	$ 1,930,344	$ -
Other Investments					
Common Stock and					
Mutual Funds	32,682,210				
Held by Bond Trustee	1,068,825				
Total	$ 55,973,081				

The risk categories for the bond fund holdings held by VSC at June 30, are as follows:

Investment rating*	**2022**	2021
AAA	**$ 4,913,874**	$ 6,684,425
AA+	**75,228**	77,674
AA	**333,638**	1,431,306
AA-	**228,052**	4,133
A+	**367,683**	643,895
A	**507,928**	1,951,764
A-	**1,222,039**	772,682
BBB+	**952,898**	847,204
BBB	**209,633**	233,321
Unrated	**12,551,794**	9,575,642
	$ 21,362,768	$ 22,222,046

*These ratings are determined by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. All ratings represent the opinions of the research provider and are disclaimed as not representations or guarantees of performance.

The applicable risk ratings as defined by Standard & Poor's are as follows:

AAA - An obligation rated 'AAA' has an extremely strong capacity to meet its financial commitments. It is the highest rating given to an obligor.

AA - An obligation rated 'AA' differs from the highest rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

A - An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB -

changes in ci tonomi exhibits adequate pro cihangesrameters. However, adverse ehaic conditions or changing circumstances are more 1.15 Td[c)kely to lead to a we

BB - An obligation rated 'BB' is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

B - An obligation rated 'B' is more vulnerable to non-payment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

CCC - An obligation rated 'CCC' is currently vulnerable to non-payment and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

Plus (+) or minus (-): The ratings from 'AAA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Fair Value Hierarchy

The fair value hierarchy categorizes inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted market prices for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, directly or indirectly. Level 3 inputs are unobservable inputs. The highest priority is assigned to Level 1 inputs and the lowest to Level 3 inputs. If the fair value is measured using inputs from more than one level of the hierarchy, the measurement is considered to be based on the lowest priority input level that is significant to the entire measurement. Valuation techniques used should maximize the use of the observable inputs and minimize the use of unobservable inputs.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for assets at fair value on a recurring basis.

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Notes to the Financial Statements - Continued

June 30, 2022 and 2021

The following tables set forth by level, within the fair value hierarchy, the fair value of the Colleges assets measured on a recurring basis:

Assets at Fair Value as of June 30, 2022

	Level 1	Level 2	Level 3	Total
U.S. Government bonds	$ **4,685,511**	$ **-**	$ **-**	$ **4,685,511**
Corporate bonds	**-**	**4,125,463**	**-**	**4,125,463**
Common stock and ETF's	**12,533,851**	**-**	**-**	**12,533,851**
Hedge fund shares	**-**	**4,421,493**	**-**	**4,421,493**
Mutual funds	**9,868,959**	**-**	**-**	**9,868,959**
Money market	**12,551,794**	**-**	**-**	**12,551,794**
Held by bond trustee	**1,087,625**	**-**	**-**	**1,087,625**
Total Assets at Fair Value	$ **40,727,740**	$ **8,546,956**	$ **-**	$ **49,274,696**

Assets at Fair Value as of June 30, 2021

	Level 1	Level 2	Level 3	Total
U.S. Government bonds	$ 6,438,074	$ -	$ -	$ 6,438,074
Corporate bonds	-	6,208,330	-	6,208,330

Note 4 - **Accounts Receivable, Notes Receivable and Allowance for Bad Debts**

The composition of the Colleges' accounts receivable at June 30, is summarized as follows:

	2022	2021
Student accounts receivable	**$ 10,615,442**	$ 12,231,000
Grants receivable	**17,382,522**	6,682,679
Other receivable	**895,491**	1,285,705
Subtotal	**28,893,455**	20,199,384
Allowance for doubtful accounts	**(6,733,951)**	(7,311,690)
Total accounts receivable, net	**$ 22,159,504**	$ 12,887,694

VERMONT STATE COLLEGES
(a Component Unit of the State of Vermont)

Notes to the Financial Statements - Continued

June 30, 2022 and 2021

Note 5 - **Long-Term Liabilities**

Long-term liabilities consist of the following at June 30,:

	2022				
	Beginning balances	**Additions**	**Reductions**	**Ending balances**	**Current portion**
Long-term liabilities					
Bonds and notes payable	**$ 117,960,911**	**$ -**	**$ 4,258,455**	**$ 113,702,456**	**$4,428,454**
Total OPEB obligation	**238,004,493**	**-**	**77,269,765**	**160,734,728**	**-**
Lease liability	**16,590,959**	**223,592**	**2,006,318**	**14,808,233**	**1,916,423**
Other liabilities	**142,476**	**87,287**	**142,476**	**87,287**	**-**
Refundable grants	**4,029,353**	**-**	**473,065**	**3,556,288**	**-**
Total long-term liabilities	**$ 376,728,192**	**$ 310,879**	**$ 84,150,079**	**$ 292,888,992**	**$ 6,344,877**

	Beginning balances	Additions	Reductions	Ending balances	Current portion
Long-term liabilities					
Bonds and notes payable	$ 119,574,365	$ -	$ 1,613,454	$ 117,960,911	$4,258,455
Total OPEB obligation	194,057,554	43,946,939	-	238,004,493	-
Lease liability	18,441,987	-	1,851,028	16,590,959	2,013,498

\- 2385abl .25 0alLeQ13[L)8795,74,365

Revenue Bonds, Series 2017: 4.0% - 5.0% serial bonds aggregating $67,660,000 maturing 2021 through 2037 and Interest on serial bonds is paid semi-annually on the unpaid balances. Unamortized bond premium of $7,909,741 and $8,428,413 has been added to the liability at June 30, 2022 and 2021, respectively. [2]	**72,954,742**	76,088,414
Revenue Bonds, Series 2013: 4.0% - 5.0% serial bonds aggregating $13,715,000 maturing 2015 through 2032 and 3.125% - 5.0% term bonds aggregating $4,450,000 maturing 2027 through 2030. Interest on serial bonds is paid semi-annually on the unpaid balances. Unamortized bond premium of $1,020,657 and $1,115,601 has been added to the liability at June 30, 2022 and 2021, respectively.	**12,550,657**	13,455,600
	$ 113,702,457	$ 117,960,911

,600cT6]TJ2

[1] [illegible]

VERMONT STATE COLLEGES

VERMONT STATE COLLEGES
(a Component Unit of the State of Vermont)

Notes to the Financial Statements -

Note 7 - **Functional Expense Classification**

The following table details VSC's operating expenses by functional expense classification as of June 30,:

	2022	(Restated) 2021
Instructions	**$ 53,440,088**	$ 52,604,295
Research	**110,345**	17,395
Public Service	**12,092,190**	10,145,080
Academic Support	**16,614,214**	17,701,662
Student Services	**40,373,031**	33,286,109
Institution Support	**34,549,148**	42,871,394
Physical Plant	**8,165,910**	8,237,269
Student Financial Support	**24,400,408**	11,080,703
Depreciation	**12,973,552**	12,298,223
	$ 202,718,886	$ 188,242,130

Note 8 - **Appropriations**

VSC's operating appropriation from the State of Vermont is made directly to the Colleges and is drawn down on the basis of a monthly allotment. In addition to their operating appropriation, the Colleges received an additional $5,000,000 for the Transformation Project, $400,000 designated for the Dental Therapy Program and $10,000,000 for various scholarships. Also included in the annual State appropriation for operations is funding for Allied Health of approximately $1,158,000 in fiscal years 2022 and 2021; VMEC of approximately $428,000 in fiscal year 2022 and 2021.

Capital appropriations for VSC made from the State Bond Funds were approximately $2,000,000 for fiscal years 2022 and 2021, respectively.

VERMONT STATE COLLEGES
(a Component Unit of the State of Vermont)

Notes to the Financial Statements - Continued

June 30, 2022 and 2021

Note 9 - **<u>Retirement Plans</u>**

Eligible faculty and staff participate in a defined contribution retirement plan administered by Teachers Insurance Annuity Association and College Retirement Equities Fund ("TIAA-CREF"). For the years ended June 30, 2022 and 2021, the Colleges' total payroll expense was approximately $75,406,000 and $73,287,000, respectively, of which approximately $53,101,000 and $50,728,000 represented salaries and wages of employees covered under the defined contribution plan, respectively. The Colleges' requirements to contribute to the retirement plan are specified by four collective bargaining agreements and by personnel policies for non-represented employees. Employer contribution rates are established by employee category. Ther [illegible]

VERMONT STATE COLLEGES
(a Component Unit of the State of Vermont)

Notes to the Financial Statements - Continued

June 30, 2022 and 2021

The early retirement benefit is no longer being offered to faculty employees hired after February 10, 2005, but those employees who were eligible for early retirement before the benefit was discontinued have the option of electing for early retirement in October of every year. The benefit will be completely phased out when those employees currently eligible for early retirement [illegible]

VERMONT STATE COLLEGES
(a Component Unit of the State of Vermont)

Notes to the Financial Statements - Continued

June 30, 2022 and 2021

	2022	2021
Interest on total OPEB obligation	**$ 5,179,166**	$ 6,671,317
Service Cost	**5,231,085**	3,672,170
Amortization of current year for difference between expected and actual experience	**(536,788)**	991,437
Amortization of current year for changes in plan actuarial assumptions	**-**	5,300,477
Annual OPEB cost	**9,873,463**	16,635,401
Difference between expected and actual experience to be recognized in future years	**536,788**	(991,437)
Difference between changes in plan actuarial assumptions to be recognized in future years	**(67,475,590)**	35,199,955
Difference between expected and actual experience of the Total OPEB liability	**(12,898,213)**	-
Benefit payments	**(7,306,213)**	(6,896,981)
Increase in total OPEB obligation	**(77,269,765)**	43,946,938
Total OPEB obligation - Beginning of Year	**238,004,492**	194,057,554
Total OPEB obligation - End of Year	**$ 160,734,727**	$ 238,004,492

Deferred Outflows of Resources related to OPEB:

VSC reported deferred outflows of resources related to OPEB from the following sources for the year ended June 30,:

Deferred Outflows of Resources		2021
Differences between projected and actual experience	**$ 6,113,668**	$ 7,408,076
Changes in plan actual assumptions	**29,622,103**	35,292,123
Contributions subsequent to the measurement date	**7,024,702**	7,306,213
Total	**$ 42,760,473**	$ 50,006,412

Measurement date	June 30, 2021	June 30, 2020
Inflation	2.3%	2.5%
Salary Increases	3.5% per year	3.5% per year
Discount Rate	2.16%	2.21%
Healthcare Cost Trend Rate	5.9%, then decreasing incrementally to an ultimate rate of 3.6% in 2060	4.7%, increasing incrementally to an ultimate rate of 5.2% in 2023, then decreasing incrementally to an ultimate rate of 3.8% in 2050

The discount rate was based on the Bond Buyer 20-Bond GO Index.

Future Employment: Age-related turnover rates were developed based on the experience from July 1, 2017 to July 1, 2020. These rates were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid. Employees less than 40 had an annual turnover rate of 8.5%, which was the same rate used in the prior measurement date. Employees less than 65 had an annual turnover rate of 3.5%, which was the same rate used in the prior measurement date.

Mortality: Life expectancies were based on the RP-2006 Table (base rates underlying RP-2014) projected

VERMONT STATE COLLEGES
(a Component Unit of the State of Vermont)

Notes to the Financial Statements - Continued

June 30, 2022 and 2021

	(Restated) Balance June 30, 2020	Additions	Transfers	Retirements	(Restated) Balance June 30, 2021
Land	$ 9,004,664	$ -	$ -	$ (334,316)	$ 8,670,348
Construction-in-process	2,866,436	4,180,657	(2,187,628)	-	4,859,465
Subtotal - Capital assets not depreciated	11,871,100	4,180,657	(2,187,628)	(334,316)	13,529,813
Infrastructure	41,568,376	56,634	771,866	(66,863)	42,330,013
Buildings and improvements	261,963,614	-	1,343,935	(1,976,446)	261,331,103
Leasehold improvements	4,090,271	-	-	-	4,090,271
Equipment	36,932,380	1,170,583	71,827	(131,226)	38,043,564
Leased buildings	18,441,987	-	-	-	18,441,987
Subtotal - Capital assets depreciated	362,996,628	1,227,217	2,187,628	(2,174,535)	364,236,938
Less accumulated depreciation					
Capital assets	(205,446,665)	(9,973,768)	-	839,340	(214,581,093)
Right of use assets	-	(2,324,455)	-	-	(2,324,455)
Capital assets, net	$ 169,421,063	$ (6,890,349)	$ -	$ (1,669,511)	$ 160,861,203

Note 12 - **Contingencies and Commitments**

VERMONT STATE COLLEGES

SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

VERMONT STATE COLLEGES

(a Component Unit of the State of Vermont)

Schedule of Changes in Total OPEB Liability (Unaudited)

Year ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Valuation date	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017
Total OPEB liability					
Service Cost	$ 5,231,085	$ 3,672,170	$ 4,532,612	$ 4,515,546	$ 4,359,477
Interest	5,179,166	6,671,317	7,194,823	6,647,387	6,185,678
Changes of benefit terms	-	-	-	-	
Benefit payments					
	(7,306,213)	(6,896,981)	(6,181,621)	(6,399,026)	(6,464,225)
Net change in total OPEB liability	(77,269,765)	43,946,938	5,054,004	505,402	16,989,502
Total OPEB liability - beginning	238,004,492	194,057,554	189,003,550	188,498,148	171,508,646

Total OPEB liabili500,074,9473,219,6461,380,910

467.20% 394.27% 377.44% 366.86%

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginnir
June 15, 2017 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

Note 1 - **Change in Plan Assumptions**

Measurement date – June 30, 2021

Change in Discount Rate

The discount rate decreased from 2.21% to 2.16%.

Mortality Rates

Mortality rates used general scale MP-2021 for males and females. In the prior measurement date, general scale MP-2019 was used.

Health Care Cost Trend

Updated to use the most recent Getzen Model (v, 2021-f4)

Employee Retirement Rates

The valuation retirement rates have been updated as of 7/1/2021 to reflect the overall trend towards later retirement ages, with some exceptions in the 60-64 age range which experienced higher retirement rates.

Participation Rates

Review of reports show show a decrease in the percentage of retirees who elect to
-- receive health care benefits in retirement, has decreased from 95% to 90%.

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

To the Board of Trustees of
Vermont State Colleges
Montpelier, Vermont

We have audited, 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, the financial statements of Vermont State Colleges (a component unit of the State of Vermont) (the "Colleges"), which comprise the statements of net position as of June 30, 2022, the related statements of revenues,

ancial Reporting

dits of the financial statements, we considered the Vermont over financial reporting ("internal control") as a basis for are appropriate in the circumstances for the purpose of ancial statements, but not for the purpose of expressing an Colleges' internal control. Accordingly, we do not express an Colleges' internal control.

s when the design or operation of a control does not allow e normal course of performing their assigned functions, to misstatements on a timely basis. A material weakness is a ficiencies, in internal control, such that there is a reasonable me

VERMONT STATE COLLEGES

(a Component Unit of the State of Vermont)

INDEPENDENT AUDITORS' REPORTS AS REQUIRED BY

VERMONT STATE COLLEGES

(a Component Unit of the State of Vermont)

Independent Auditors' Reports as Required by the Uniform Guidance and Government Auditing Standards and Related Information

June 30, 2022

C O N T E N T S

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

7R WKH %RDUG RI 7UXVWHHV RI
9HUPRQW 6WDWH &ROOHJHV
0RQWSHOLHU 9HUPRQW

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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&ROOHJHV FRPSOLDQFH ZLWK WKH W\SHV RI FRPSOLDQ
Compliance Supplement WKDW FRXOG KDYH D GLUHFW DQG PDWHULDO
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IHGHUDO SURJUDPV IRU WKH \HDU HQGHG -XQH

Basis for Opinion on Each Major Federal Program

:H FRQGXFWHG RXU DXGLW RI FRPSOLDQFH LQ DFFRUGDQFH
LQ WKH 8QLWHG 6WDWHV RI $PHULFD WKH VWDQGDUGV D
Government Auditing Standards LVVXHG E\ WKH &RPSWUROOHU *HQHUDO
WKH DXGLW UHTXLUHPHQWV RI *Code of Federal Regulations* 3DUW *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
8QLIRUP *XLGDQFH 2XU UHVSRQVLELOLWLHV XQGHU WKR
IXUWKHU GHVFULEHG LQ WKH $XGLWRUV¶ 5HVSRQVLELOLW
UHSRUW

:H DUH UHTXLUHG WR EH LQGHSHQGHQW RI WKH &ROOHJHV DQG WR PHHW RXU R
DFFRUGDQFH ZLWK UHOHYDQW HWKLFDO UHTXLUHPHQWV U
HYLGHQFH ZH KDYH REWDLQHG LV VXIILFLHQW DQG DSSUR
FRPSOLDQFH IRU HDFK PDMRU IHGHUDO SURJUDP 2XU DXG
&ROOHJHV¶ FRPSOLDQFH ZLWK WKH FRPSOLDQFH UHTXLUHP

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27 Church Street • Winchester, MA 01890 • P:781.729.4949 F:781.729.5247
www.ocd.com

Government Auditing Standards U H T X L U H V W K H D X G L W R U W R S H U I R U P
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Report on Internal Control over Compliance

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INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER

Report on Compliance and Other Matters

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IUHH IURP PDWHULDO PLVVWDWHPHQW ZH SHUIRUPHG WHV
ODZV UHJXODWLRQV FRQWUDFWV DQG JUDQW DJUHHPHQW
DQG PDWHULDO HIIHFW RQ WKH ILQDQFLDO VWDWHPHQWV
ZLWK WKRVH SURYLVLRQV ZDV QRW DQ REMHFWLYH RI RXU
DQ RSLQLRQ 7KH UHVXOWV RI RXU WHVWV GLVFORVHG QR
DUH UHTXLUHG WR EH UHSRUWHG XQGHU Government Auditing Standards

Purpose of this Report

7KH SXUSRVH RI WKLV UHSRUW LV VROHO\ WR GHVFULEH W
FRPSOLDQFH DQG WKH UHVXOWV RI WKDW WHVWLQJ DQG
WKH &ROOHJHV LQWHUQDO FRQWURO RU RQ FRPSOLDQFH
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SXUSRVH

Certified Public Accountants
Braintree, Massachusetts

2FWREHU

Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Award Number	Total	Amounts to Sub-recipients

Total

	Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Award Number	Total	Total Amounts to Sub-recipients
NON-CLUSTER - CONTINUED					

	Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Award Number	Community College of Vermont	Castleton University	Northern Vermont University	Vermont Technical College	Workforce	System Offices & Services	Total	Total Amounts to Sub-recipients
STUDENT FINANCIAL ASSISTANCE CLUSTER											
U.S. Department of Education:											
Direct Awards:											
)HGHUDO 6XSSOHPHQWDO (GXFDWLRQDO 2SSRUWXQLW\ *UDQW		1 $	1 $								
)HGHUDO :RUN 6WXG\ 3URJUDP		1 $	1 $								
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)HGHUDO 3HOO *UDQW 3URJUDP		1 $	1 $								
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TRIO CLUSTER											
U.S. Department of Education:											
Direct Awards:											

Assistance Listing	Pass-Through Entity	Community College	Northern	Vermont	System	Total

	Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Award Number	Community College of Vermont	Castleton University	Northern Vermont University	Vermont Technical College	Workforce	System Offices & Services	Total	Total Amounts to Sub-recipients
NON-CLUSTER - CONTINUED											
Northern Border Regional Commission:											
Direct Awards:											
1RUWKHUQ %RUGHU 5HJLRQDO 'HYHORSPHQW		1 $	1 $								

VERMONT STATE COLLEGES

(a Component Unit of the State of Vermont)

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

1 R W H Basis of Presentation

7KH DFFRPSDQ\LQJ 6FKHGXOH RI ([SHQGLWXUHV RI)H
DZDUG DFWLYLW\ RI 9HUPRQW 6WDWH &ROOHJHV WI

VERMONT STATE COLLEGES

(a Component Unit of the State of Vermont)

Notes to Schedule of Expenditures of Federal Awards - Continued

Year Ended June 30, 2022

1RWH Federal Student Loan Program - Continued

Direct Student Loan Program

7KH &ROOHJHV GLVEXUVHG RI ORDQV XQGHU WKH)HGHUDO 'L
SURJUDP ZKLFK LQFOXGH 6WDIIRUG 6XEVLGL]HG DQG
/RDQV ,W LV QRW SUDFWLFDO WR GHWHUPLQH WKH E
RI WKH VWXGHQWV &ROOHJHV XQGHU WKH SURJUDP DV 7KH &ROOHJHV LV RQO\
UHVSRQVLEOH IRU WKH SHUIRUPDQFH RI FHUWDLQ DGPL
ORDQV DUH QRW LQFOXGHG LQ WKH &ROOHJHV¶ ILQDQFLDO VWDWHPHQWV

VERMONT STATE COLLEGES

(a Component Unit of the State of Vermont)

Schedule of Current Year Findings and Questioned Costs

Year Ended June 30, 2022

Section I – Summary of Auditors' Results

Financial Statements

7\SH RI DXGLWRUV¶ UHSRUW LVVXHG 8

,QWHUQDO FRQWURO RYHU ILQDQFLDO UHSRUWLQJ

x 0DWHULDO ZHDNQHVVHV LGHQWLILHG" ____ [QR

x 6LJQLILFDQW GHILFLHQFLHV LGHQWLILHG WKDW DUH QRW FRQVLGHUHG WR EH PDWHULDO ZHDNQHVVHV" ____ [QR

1RQFRPSOLDQFH PDWHULDO WR WKH ILQDQFLDO VWDWHPHQWV QRWHG" ____ \HV [QR

Federal Awards

7\SH RI DXGLWRU¶V UHSRUW LVVXHG 8QPRGLILHG

,QWHUQDO FRQWURO RYHU PDMRU SURJUDPV

x 0DWHULDO ZHDNQHVVHV LGHQWLILHG" ___ QR

x 6LJQLILFDQW GHILFLHQFLHV LGHQWLILHG WKDW DUH QRW FRQVLGHUHG WR EH PDWHULDO ZHDNQHVVHV" ____ [QR

$Q\ DXGLW ILQGLQJV GLVFORVHG WKDW DUH UHTXLUHG WR EH UHSRUWHG LQ DFFRUGDQFH ZLWK WKH 8QLIRUP *XLGDQFH" ____ ____ [QR \H

VERMONT STATE COLLEGES
(a Component Unit of the State of Vermont)

Schedule of Current Year Findings and Questioned Costs - Continued

Year Ended June 30, 2022

Identification of Major Programs:

Name of Federal Program or Cluster	CFDA Number
Education Stabilization Fund	
COVID Higher Education Emergen Student Aid Portion	84.425E
COVID Higher Education Emergen Institutional Portion	84.425F
COVID Higher Education Emergen Strengthening Institutions Program	84.425M

Section II – Financial Statement Findings

1RQH

Section III – Federal Award Findings and Questioned Costs

Finding number:
Federal agency: 8 6 'HSDUWPHQW RI (GXFDWLRQ
Programs: 6WXGHQW)LQDQFLDO $VVLVWDQFH &OXVWH
CFDA #:
Award year:

Criteria
$FFRUGLQJ WR &)5 E

8QOHVV ≥WKH LQVWLWXWLRQ@ LW H[SHFWV WR VXEPLW LWV QH[

VERMONT STATE COLLEGES

(a Component Unit of the State of Vermont)

Schedule of Current Year Findings and Questioned Costs – Continued

Year Ended June 30, 2022

Condition

7KH)HGHUDO *RYHUQPHQW &RUHTXLUHV WKDW VWXGHQW HQUROO
1DWLRQDO 6WXGHQW /RDQ 'DWD 6\VWHP ³16/'6´ ZLWKLQ
PDQDJHPHQW RI WKH &ROOHJHV IDLOHG WR UHSRUW HQUR
JUD

VERMONT STATE COLLEGES
(a Component Unit of the State of Vermont)

Management's Summary Schedule of Prior Audit Findings

Year Ended June 30, 2022

Finding number:
Federal agency: 8 6 'HSDUWPHQW RI (GXFD
Programs: 6WXGHQW)LQDQFLDO $VVLVWDQFH &OXVWH
CFDA #:
Award year:

Condition
7KH &ROOHJH LV WR UHSRUW VWXGHQW HQUROOPHQW W
6WXGHQW &OHDULQJKRXVH 7KH &ROOHJH XVHV ³16&´ XWLOL]HG WKH 16& WR I
QRWLI\ WKH 1DWLRQDO 6WXGHQW /RDQ 'DWD 6\VWHP ³16/'6
VWXGHQWV +RZHYHU WKH &ROOHJHV DUH XOWLPDWHO\ UH
WLPHO\ QRWLILHG RI DOO VWXGHQW HQUROOPHQW VWDWX
VWDWXV DQG VXEVHTXHQW FKDQJHV WR WKH 16& WKURXJK
VFKHGXOH WKURXJKRXW HDFK VHPHVWHU

Award Year 2021:

Management’s Corrective Action Plan

Finding number:
Federal agency: 8 6 'HSDUWPHQW RI (GXFDWLRQ
Programs: 6WXGHQW)LQDQFLDO $VVLVWDQFH &OXVWH
CFDA #:
Award year:

Corrective Action Plan:

$Q [WHUQDO FRQVXOWDQW +LJKHU (GXFDWLRQ $VVLVWDQ
198¶V UHTXLUHG UHSRUWLQJ IRU HQUROOPHQW DQG VWXG
WHU7KLV ZRUN ZDV FRPSOHWH 6HSWHPEHU /HWWHUV
(GXFDWRUV $XJXVW DQG ZHLH PS DF WKH 6HSWHPEHU 198 KDV
UHFHLYHG VXSSRUW IURP WKH UHJLVWUDU DW RXU VLVW
&&9 &&9¶V UHJLVWUDU KDV FRRUGLQDWHG ZLWK WKH 1D
WKH ILUVW RQJRLQJ HQUROOPHQW WR 1VOG 198 `S@D QDWLRQ