VERMONT



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended JUNE 30, 2025

STATE OF VERMONT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended JUNE 30, 2025

Philip B. Scott

Governor

Prepared by the Department of Finance and Management

STATE OF VERMONT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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State of Vermont
Department of Finance & Management
109 State Street, Pavilion Building
Montpelier, VT 05620-0401
[phone] 802-828-2376

Adam Greshin, Commissioner

LETTER OF TRANSMITTAL

To The Honorable Philip B. Scott, Governor,
The Honorable John Rodgers, Lieutenant Governor,
Chairs of House Committees on Appropriations, Institutions and Ways and Means,
Senate Committees on Appropriations, Finance, and Institutions, and
the residents of the State of Vermont:

Pursuant to 32 VSA § 182 (a)(8), the Department of Finance and Management is pleased to present the Annual Comprehensive Financial Report (ACFR) of the State of Vermont for the fiscal year ended June 30, 2025. The Department prepared these financial statements and is responsible for the completeness and reliability of the information presented. To provide a reasonable basis for making these representations, the Department has established a comprehensive internal control framework designed to protect the state's assets from loss, theft, or misuse and to compile sufficient, reliable information for the presentation of this report in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The cost of internal controls should not outweigh their benefits. Vermont's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free of material misstatement. I believe the accompanying financial statements are accurate and fairly stated in all material respects and presented in a manner designed to report the State of Vermont's financial position, results of operations and changes in net position/fund balances.

Please pay particular attention to two important items contained in this ACFR. The first item is the Management's Discussion and Analysis (MD&A) that follows the Independent Auditors' Report. This analysis is designed to provide, in understandable terms, an overview of the state's financial position. The Basic Financial Statements (BFS) follow the MD&A. The BFS were prepared in conformity with GAAP as prescribed by the GASB. The BFS contain government-wide statements that present the state's financial activities in a manner similar to that of a private corporation. Fund statements report governmental, proprietary, and fiduciary fund financial activity; discretely presented component unit financial activity; and note disclosures that explain and enhance the basic financial statements.

In addition to the MD&A and BFS, this ACFR includes a Required Supplementary Information (RSI) section, Other Supplementary Information section, and a Statistical section. The RSI section contains various schedules relating to the state's defined benefit pension and other postemployment benefits plans, and Budget to Actual comparison schedules for the state's General and major special revenue funds with Notes reconciling budgetary fund balance to the governmental funds' GAAP fund balance. The Other Supplementary Information section contains combined fund financial statements for the state's Non-major Governmental, Proprietary, and Fiduciary Funds, and discretely presented Component Units. The Statistical section presents data relating to financial trends, revenue and debt capacity, and demographic and operating information about the State of Vermont. Please note that the information contained in the MD&A, RSI and Statistical sections is unaudited.

This ACFR includes the funds and entities for which the state is accountable based on GASB's criteria for

defining the financial reporting entity. The criteria include fiscal dependence, financial accountability, and legal standing. Please refer to Note I for more information regarding the reporting entity and the component units.

State Profile

Vermont, known as the Green Mountain State, was first settled by the French in 1666, then by the English in 1690, and joined the Union as the fourteenth state in 1791. Rural in character, the state measures 9,613 square miles of land and water area, ranking the state 43rd in terms of land and water area among the 50 states. Vermont's population, as measured by the 2020 decennial Census was 643,077, ranking the state 49th among the 50 states - unchanged from the 2010 and 2000 Censuses per the U.S. Bureau of the Census. The state capital is Montpelier, and the largest city is Burlington. As of calendar year 2024, 94.7 percent of Vermonters aged 25 or older were at least high school graduates (ranked number 3 in the country) while 45.1 percent had at least a college bachelor's degree or higher (ranked number 4 in the country), per the U.S. Bureau of the Census.

The State Constitution provides for three traditional branches of Government – the Legislative, the Executive, and the Judicial. The Legislative branch is comprised of the House of Representatives (150 members) and the Senate (30 members); all are elected for two-year terms. The Executive branch includes six elected officers – the Governor, Lieutenant Governor, Treasurer, Secretary of State, Auditor of Accounts, and the Attorney General – all elected for two-year terms, without term limitations. The Governor is responsible for the faithful execution of all laws and the management of the departments and agencies of the Executive Branch – including the agencies of Administration; Transportation; Natural Resources; Commerce and Community Development; Education; Agriculture, Food and Markets; Digital Services; and Human Services, as well as other departments – through which the functions of state government are carried out. The Judicial branch of the state comprises the Supreme Court, Superior Courts, and the Judicial Bureau. The judges are appointed by the Governor with the advice and consent of the Senate and serve six-year terms.

Budget Adoption and Legal Compliance/Budgetary Results

The Required Supplementary Information section includes Budget to Actual comparison schedules for the General Fund and the five budgeted major special revenue funds. The state's budgeting process is described in the Notes to the Budget to Actual comparison schedules. These schedules present each fund's original budget, final budget, actual expenditures incurred on a budgetary basis, and the variance between the final budget and actual expenditures incurred. The adopted budget provides legal control over spending. Vermont law prohibits expenditures in excess of amounts appropriated. Budgetary control is exercised by fund within appropriation.

The General Fund

The General Fund accounts for all revenues and other receipts that are not required by law to be accounted for or deposited in other funds, as well as the expenditures associated with these revenues. In fiscal year 2025, General Fund tax revenues accounted for 93.6 percent of total General Fund revenues. The three principal tax revenue contributors – the personal and corporate income tax, and the meals and rooms tax – accounted for 78.1 percent of General Fund total tax revenues, or approximately 73.0 percent of total General Fund revenues. General Fund expenditures used 64.0 percent of the total revenues, and these expenditures occurred in the following major governmental functional categories: General Government, Protection to Persons and Property, Human Services, Labor, General Education, Natural Resources, Commerce and Community Development, Transportation, capital outlay, and debt service. Most of the remainder of the resources provided by 2025 General Fund revenues were transferred to other funds and used for various purposes. Please see Note IV.D for a summary of these transfers.

Economic Condition

Vermont's economy in fiscal year 2025 was shaped by the tail end of the post-pandemic recovery, the expanding influence of artificial intelligence, and significant new federal policy shifts. Tariff increases, tightened immigration enforcement, deregulation, federal workforce reductions, and a more isolationist foreign policy all contributed to heightened uncertainty, swings in national and state output, and concerns about the durability of the U.S. expansion. Despite a mid-2025 rebound in national growth, analysts expect slowing economic activity into 2026 as labor markets soften, tech-driven investment concentrates risk, and federal policies create additional economic headwinds.

Within Vermont, the pandemic recovery remained uneven but improved, with the State regaining nearly all lost workforce by mid-2025 despite demographic challenges, lower labor force participation, and reduced immigration. Remote and hybrid work supported population immigration, reversing older narratives of long-term population decline. Labor markets remained tight, with consistently high ratios of job openings to unemployed workers and one of the lowest unemployment rates in the country, though nonfarm payroll recovery lagged the U.S. and most of New England. Job gains were strongest in Leisure and Hospitality, Professional and Business Services, and Trade and Transportation, while sectors such as Construction, Manufacturing, and Information saw declines. Weather-related disruptions, lingering health impacts, shifting asset prices, and fluctuating state revenues further complicated the economic landscape.

Looking ahead, Vermont's consensus forecast anticipates modest but steady growth through 2028, generally tracking national trends. Output, employment, and income are expected to expand at moderate rates, bolstered by remaining federal pandemic and disaster-relief funds, though risks from tariffs, immigration policy, and reduced federal employment remain elevated. Housing prices, which have surged in recent years due to limited supply, are projected to soften slightly from 2026 to 2028 before stabilizing. Overall, the forecast reflects cautious optimism, acknowledging both ongoing recovery momentum and unusually high uncertainty in the broader policy and economic environment.

Long-term Financial Planning

As part of the state's long-term financial planning, the Legislature created a Capital Debt Affordability Advisory Committee which is required to present to the Governor and General Assembly, no later than September 30th of each year, a recommendation as to the maximum amount of net tax-supported debt the state may prudently issue for the ensuing fiscal year while maintaining the state's Aa1/AA+ debt rating. The recommendation is calculated and presented in accordance with certain debt affordability guidelines and other matters that may be relevant to the proposed debt to be authorized. At its September 2025 meeting the Committee made a recommendation of net tax-supported debt not to exceed $100.0 million for the 2026-2027 fiscal year biennium, a reduction of $8.0 million from the prior recommendation for the 2024-2025 fiscal year biennium. During the 2025 fiscal year legislative session, the General Assembly authorized $112.0 million in total capital project spending to be funded with $100.0 million in new general obligation debt, $6.9 million in bond premiums that were received, and $5.1 million in transfers and reallocations.

Independent Audit of These Financial Statements

CliftonLarsonAllen LLP, an independent certified public accounting firm, performed an independent audit of the state's basic financial statements for the fiscal year ended June 30, 2025. The auditors have issued unmodified opinions, the most favorable outcome of the audit process. The audit described in the auditor's report is not intended to meet all requirements of the Uniform Administrative Requirements, Cost Principles, and Audit

Requirements for Federal Awards rule (commonly called "Uniform Guidance") implemented in December 2014. Rather, the Uniform Guidance Audit Report for Vermont is issued under separate cover.

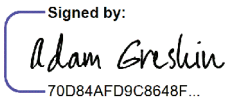
Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Vermont for its ACFR for the fiscal year ended June 30, 2024. This was the seventeenth year Vermont has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report involved the dedicated work of staff in the Department of Finance and Management, the Office of the State Treasurer, the Office of the Auditor of Accounts, and the support of all state agencies, departments, component units, the Legislature, and the Judiciary. We welcome inquiries concerning this report and the finances of the State of Vermont.

Sincerely,



Adam Greshin
Commissioner
Department of Finance and Management
December 23, 2025

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Vermont

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO



*** Component Unit**

SELECTED STATE OFFICIALS
As of June 30, 2025

EXECUTIVE

Philip B. Scott
Governor

John Rodgers
Lieutenant Governor

Sarah Copeland Hanzas
Secretary of State

Charity Clark
Attorney General

Douglas R. Hoffer
Auditor of Accounts

Mike Pieciak
State Treasurer

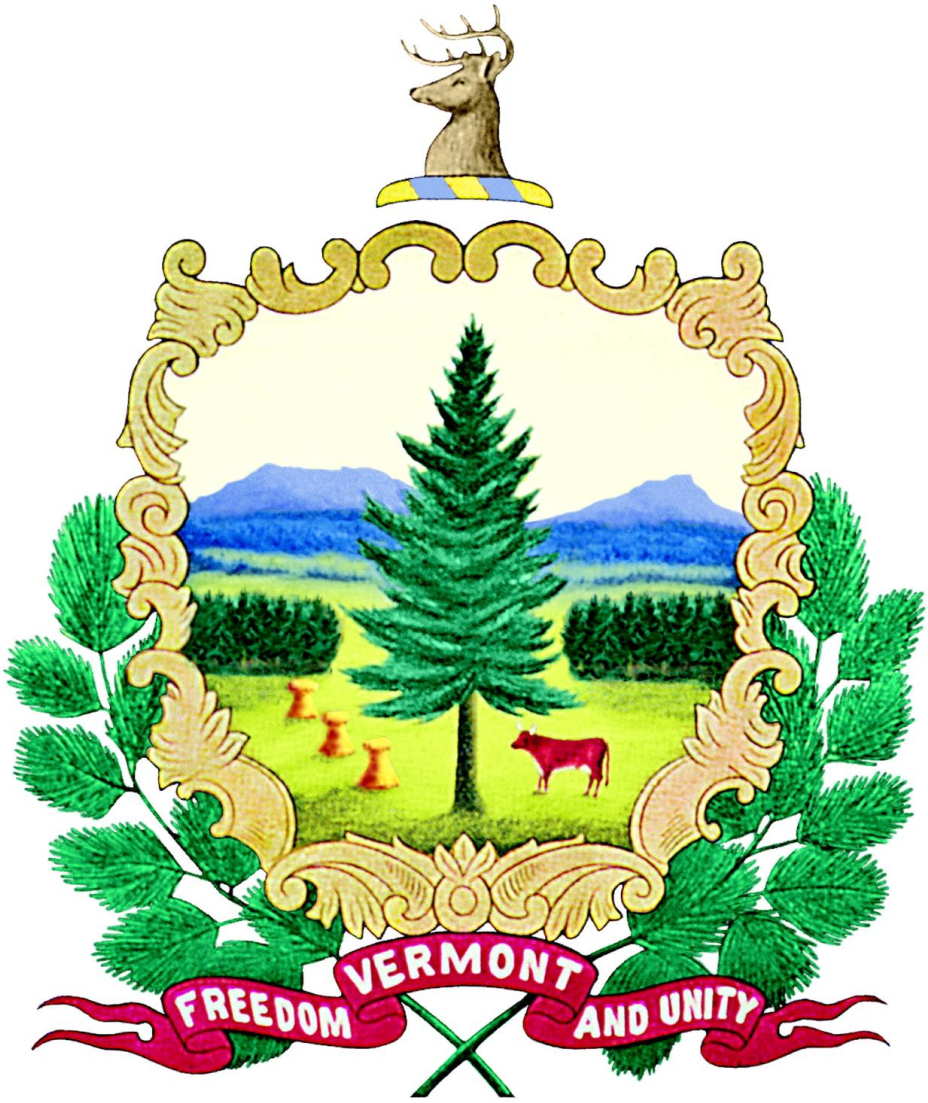
JUDICIAL

Paul L. Reiber
Chief Justice

LEGISLATIVE

Philip Baruth
President Pro Tempore of the State Senate
(30 Senators)

Jill Krowinski
Speaker of the House of Representatives
(150 Representatives)



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Speaker of the House of Representatives,
President Pro-Tempore of the Senate,
and the Governor of the State of Vermont

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Vermont (the State), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain funds and component units of the State, which represent the indicated percentages of total assets and total revenues of the opinion units as presented in the table below. Additionally, we did not audit the information disclosed in Note V-E. Those financial statements and information in Note V-E were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it related to the amounts included for those funds and component units, is based solely on the reports of the other auditors.

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets	Revenues / Additions
Governmental Activities	Universal Service Fund	0.02%	0.05%
Business-Type Activities	State Lottery Fund; Energy Efficiency Utility Fund	13.96%	53.16%
Special Fund	Universal Service Fund	0.25%	0.89%
State Lottery Fund	State Lottery Fund	100.00%	100.00%
Aggregate Remaining Fund Information	Energy Efficiency Utility Fund	0.51%	3.07%
Aggregate Discretely Presented Component Units	University of Vermont and State Agricultural College; Vermont State Colleges; Vermont Housing Finance Agency; Vermont Economic Development Authority; Vermont Housing and Conservation Board; Vermont Veterans' Home	78.13%	92.61%

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Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note V-G to the financial statements, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during fiscal year 2025. The provisions of GASB Statement No. 101 have been applied to the State's net position at July 1, 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 State's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the accompanying table of contents (collectively referred to as RSI) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The combining and individual fund statements and schedules (the supplementary information) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

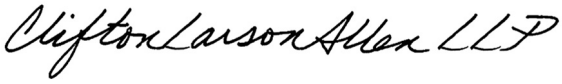
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Speaker of the House of Representatives,
President Pro-Tempore of the Senate
and the Governor of the State of Vermont

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of the State'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 solely 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 the effectiveness of the State's 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 State's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Boston, Massachusetts
December 23, 2025

INTRODUCTION

We are pleased to present this analysis and discussion of Vermont's financial performance for the fiscal year ended June 30, 2025. This Management Discussion & Analysis (MD&A) section is intended to serve as an introduction to the state's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The MD&A is designed to assist the reader in focusing on significant financial matters, provide an easily readable overview of the state's financial activities, identify any material changes from the original budget, and highlight financial matters that occurred during fiscal year 2025. The following presentation is in summary form; to gain a thorough understanding of the state's financial condition, the following financial statements, notes and required supplementary information should be reviewed in their entirety.

FINANCIAL HIGHLIGHTS

Government-wide

- Vermont reported a positive net position of $1.765 billion, comprised of $8.167 billion in total assets and $1.195 billion in deferred outflows offset by $6.742 billion in total liabilities, and $0.856 billion in deferred inflows at June 30, 2025 (Table 2). Of this positive net position amount, $3.320 billion represents the net investment in capital assets, $1.197 billion is restricted for various purposes, and $2.751 billion represents a deficit unrestricted net position. The reasons for the deficit unrestricted net position are discussed in the Government-wide Financial Analysis section.

- The primary government's net position has increased by $716.6 million as a result of this year's operations. The net position for governmental activities decreased $680.7 million and net position for business-type activities increased by $35.9 million (Table 3).

Fund level

- Vermont's governmental funds reported a combined ending fund balance of $2.538 billion, an increase of $334.3 million or 15.2% above the prior year. Of this ending fund balance, $129.3 million is nonspendable, $770.5 million is restricted for specific purposes, and $1.638 billion is available for spending (committed, assigned, and unassigned fund balance). The increase in ending fund balance is primarily attributable to an increase in the fund balance of the General Fund of $221.8 million, an increase in the Federal Revenue Fund of $114.0 million, and an increase in the Special Fund of $15.6 million, offset by decreases in the Education Fund of $18.1 million, and the non-major governmental funds of $29.3 million.

- Vermont's General Fund reported an ending fund balance of $1.120 billion, of which $998.6 million is available for spending (committed, assigned and unassigned).

- Vermont's enterprise funds reported a combined net position of $369.4 million, an increase of $36.1 million over last year.

Capital assets

- The carrying amount of capital assets for the primary government increased to $3.836 billion, an increase of $139.8 million over last year. The increase is primarily due to increases in Infrastructure by $98.3 million, Intangible right-to-use assets by $18.8 million, Construction in Process by $17.5 million, Land Use Rights and Land Improvements by $4.0 million and in Buildings and Improvements by $1.9 million.

Long-term debt

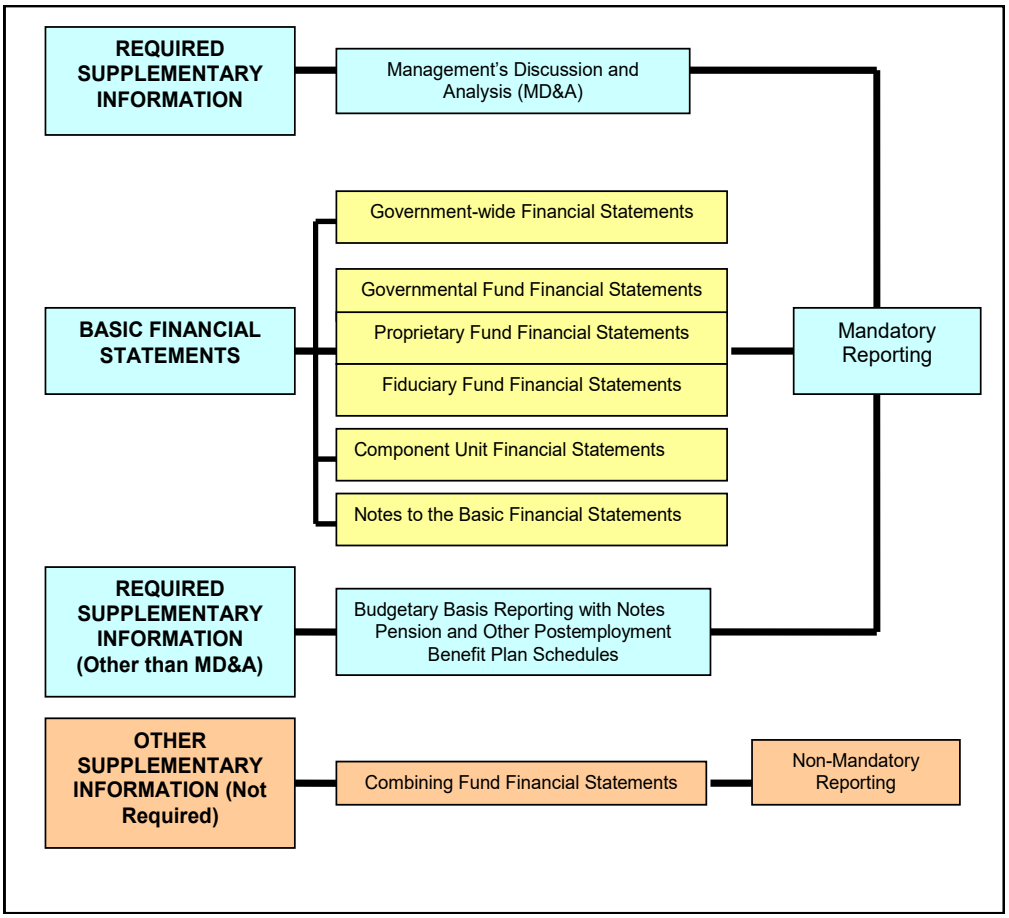
- Vermont's debt outstanding for general obligation bonds decreased $56.1 million as compared to fiscal year 2024. In 2025, through redemptions Vermont retired $56.1 million in general obligation bonds.

More information regarding the government-wide financial statements, fund level financial statements, capital asset activity and long-term debt activity can be found beginning on page 24.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Comprehensive Financial Report (ACFR) consists of an introductory section, a financial section, and a statistical section. The financial section contains the Independent Auditor's Report, this discussion and analysis section, the basic financial statements (BFS) with required supplementary information (RSI), and other supplementary information. Additional information regarding the above sections may be found below as well as in the notes to the financial statements.

The layout of the financial section and the relationship of the financial statements and supplementary information is presented in the following diagram. Notice the relationships between the various elements of the ACFR, such as "mandatory versus non-mandatory" reporting, or "required versus not required" supplementary information. This diagram is designed to illustrate how the various elements of the state's financial activity fit together in this ACFR.



Basic Financial Statements

Vermont's basic financial statements (BFS) consist of four components: 1) government-wide financial statements, 2) funds' financial statements, 3) component units' financial statements, and 4) notes to the financial statements. The fund financial statements include governmental, proprietary, and fiduciary types of funds that will be described later in this analysis. Notes to the financial statements provide explanations and/or additional detail for all of the above financial statements and are considered an integral part of the financial statements.

Table 1 summarizes the major features of the basic financial statements with further explanations below:

Table 1 - Major Features of the State's Government-wide and Fund Financial Statements				
	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire State government (except fiduciary funds) and the State's discretely presented component units	The activities of the state that are not proprietary or fiduciary, such as Human Services and Transportation	Activities the state operates similar to private businesses, such as the Liquor Control Fund and State Lottery Fund	Instances in which the state is the trustee or agent for someone else's resources, such as the retirement plans for public employees
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, and both short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and both short-term and long-term	All assets and liabilities, both financial and capital, and both short-term and long-term
Type of inflow / outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

1) Government-Wide Financial Statements

Vermont's government-wide financial statements, which follow this MD&A section, are designed to present a broad view of the state's operations and financial position in a manner similar to the accounting principles used by most private-sector businesses. All of Vermont's activities except its fiduciary funds' activities are reported in government-wide statements. Fiduciary activities are not included because the resources of these funds are not available to support Vermont's own programs.

The government-wide statements contain both short-term and long-term information about the state's financial position and assist in assessing the state's economic condition at the end of each fiscal year. Vermont prepares these statements using the "flow of economic resources" measurement focus and the accrual basis of accounting. The methods utilized to prepare these statements are similar to those used by most private sector businesses. They consider all financial activity connected with the reported fiscal year including revenues, expenses, transfers, sales or acquisitions of capital assets, and any other activity affecting or possibly affecting the financial condition of the state, even if cash involved has not yet been received or paid.

The government-wide financial statements present two statements:

The *Statement of Net Position* presents a snapshot of both the primary government's and its component units' assets, liabilities, deferred outflows, and deferred inflows, as of the date of this report, with the difference between the assets and deferred outflows, and liabilities and deferred inflows, reported as "net position". Over time, increases or decreases in the primary government's net position may indicate whether the financial position of the state is improving or deteriorating.

The *Statement of Activities* presents the reported year's financial activity and hence, the reason(s) for the changes in net position included on the Statement of Net Position. All changes in financial activities are recognized as soon as the underlying event(s) giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, some revenues and expenses reported in this statement will not result in cash flows until future fiscal periods. This statement also presents the relationship between the state's major expenditure functions and the sources of program revenues associated with each expenditure function.

Both above financial statements segregate Vermont's financial activity into three categories: governmental activities, business-type activities, and discretely presented component unit activities. The governmental activities and business-type activities are combined to report on what is termed *primary government activities* which are separate and distinct from the *component units' activities* of the discretely presented component units.

Primary Government Activities

Governmental Activities – The financial activities reported in this section generally represent those services (functions) normally performed by a government entity. These activities are classified as either major or non-major, depending upon their financial size relative to each other and to the group. The governmental activities include public education, general government, public health services, legal and judiciary services, natural resources, public safety, regulatory services, social services, and public transportation. Taxes, grants, and intergovernmental revenues are the main sources of funding for these activities.

Business-Type Activities – These business-type activities of the state include the operations of Vermont's enterprise activities. For financial reporting purposes, these activities are classified as either major or non-major, depending upon their financial size relative to each other and to the group. Activities categorized as major include the Unemployment Compensation Trust Fund program, Liquor Control Fund, and the State Lottery Fund. Activities reported as non-major include the Federal Surplus Property Program, equipment and energy project loans to municipalities, and several other activities. Both major and non-major activities normally recover all or a portion of their costs through user fees and charges to the consumers of their goods and services, much like a private business.

Component Units' Activities

Discretely Presented Component Units – These are legally separate (incorporated) entities for which the primary government can impose its will on the entity, receive a benefit from activities of the entity, or incur a financial burden due to the activities of the entity. Vermont's discretely presented component units are presented in the aggregate in government-wide statements. This aggregate total consists of four major and five non-major component units. This categorization is determined by the entity's relative significance to Vermont. Additional information or financial statements for each of these individual component units can be obtained from their respective administrative offices. Addresses and additional information about the component units are presented in Note I to the financial statements.

Blended Component Units – Vermont has no blended component units.

Included with the basic financial statements are two schedules that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with governmental activities (accrual basis of accounting) on the government-wide statements.

The following summarizes some of the differences in modified accrual and accrual accounting:

- Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental fund statements.
- Certain revenues that are earned, but not available, are reported as revenues of governmental activities, but are reported as unavailable revenue on the governmental fund statements.
- Unless currently due and payable, long-term liabilities, such as lease and subscription-based information technology arrangements (SBITA's) liabilities, compensated absences, net pension and other postemployment benefit obligations, and bonds and notes payable appear as liabilities in the government-wide statements but are not reported in the governmental fund statements.
- Internal service funds are reported primarily as governmental activities but reported as proprietary funds in the fund financial statements.
- Capital outlay spending results in recording capital assets on the government-wide statements but is reported as an expenditure on the governmental fund statements.
- Bond, note, lease, and SBITA proceeds result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements. Payments of bond, note, lease, and SBITA principal result in a reduction in liabilities on the government-wide statements but are reported as expenditures on the governmental fund statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund statements.
- Net position balances are allocated as *net investment in capital assets* (capital assets, net of accumulated depreciation, and reduced by outstanding balances for bonds, notes, lease, SBITA liabilities attributable to those assets) *restricted net position* (those with constraints placed on their use by external sources or imposed by law through constitutional provision or enabling legislation) and *unrestricted net position* (the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet any of the above restrictions).

The notes to the basic financial statements provide additional information that is integral to understanding the data provided in the government-wide and fund financial statements.

2) Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. In line with practices of other state and local governments, Vermont uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus and report on the state's activities in more detail than the government-wide statements. All of Vermont's funds have been divided into three categories for reporting purposes: governmental, proprietary, and fiduciary. For governmental activities, the governmental funds financial statements indicate how these services are financed in the short-term as opposed to the government-wide statements, which present a long-term view of the state's finances.

In accordance with GASB Statement No. 34, the focus of governmental fund financial statements has shifted from fund types to reporting on the most significant funds of the state, or major funds. Accordingly, the governmental and proprietary funds are divided into major and non-major categories as required by the Governmental Accounting Standards Board. For the governmental and proprietary funds, the major funds are reported in individual columns in the fund financial statements while the non-major funds are presented in a consolidated column in the fund financial statements. Combining schedules or statements in the Other Supplementary Information section present detailed non-major fund activity. Fiduciary funds are reported by fiduciary type (pension and other postemployment benefit trusts, private purpose trusts, and custodial funds). Combining schedules or statements for the individual pension, other postemployment benefits, and custodial funds are presented in the Other Supplementary Information section.

The three categories of funds are Governmental Funds, Proprietary Funds, and Fiduciary Funds. These fund categories use different accounting methods and should be interpreted differently as described below. Following is a brief overview of these three major categories of funds.

Governmental Funds

Most of the state's basic services are accounted for in governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as the balances of resources available at the end of the fiscal year. This approach uses the "flow of current financial resources" measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the state's finances that help determine whether adequate financial resources are available to meet the current needs of the state.

Because the time period focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Schedules reconciling the governmental funds' Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances to their respective government-wide statements are provided on the pages immediately following each governmental fund financial statement to facilitate this comparison.

Vermont reports nineteen governmental funds of which six are classified as "major" governmental funds. These major funds are the General Fund, Transportation Fund, Education Fund, Special Fund, Federal Revenue Fund and Global Commitment Fund. Each major fund is presented in a separate column in the Governmental Funds' *Balance Sheet* and in the *Statement of Revenues, Expenditures, and Changes in Fund Balances*. The "non-major" governmental funds include the Fish and Wildlife Fund, two capital projects funds, one debt service fund, and nine permanent funds, all of which are presented in one consolidated column in the governmental fund statements. Combining and individual non-major governmental fund statements are reported in the Other Supplementary Information section of this report.

Fund balance (the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources) is classified as nonspendable, restricted, and unrestricted (committed, assigned or unassigned).

Vermont budgets and controls its financial activities on the cash basis of accounting. State law requires financial transactions to be recorded in either of two major categories – the General Fund or various special revenue funds. References to these funds in this report include the terms "budgetary" or "budgetary basis" to differentiate them from the GAAP funds of the same name which encompass different funding categories. Vermont adopts an annual appropriated budget for its budgetary General Fund and each major special revenue fund. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with the approved budgets. These schedules can be found as part of the required supplementary information section of this report.

The governmental funds' financial statements immediately follow the government-wide financial statements.

Proprietary Funds

This category of funds includes enterprise funds (business-type) and internal service funds. These funds report activities that operate much like those of commercial enterprises. These funds' financial reports include a *Statement of Net Position;* a *Statement of Revenues, Expenses and Changes in Net Position*; and a *Statement of Cash Flows*.

Enterprise funds provide the same type of information as the business-type activities section in the government-wide financial statements, only in more detail and at the fund level. Like the government-wide financial statements, enterprise fund financial statements use the accrual basis of accounting. Enterprise funds account for services provided to the public, government, and non-state government entities. They normally derive their revenue by charging user fees to cover the cost of their services.

Vermont reports ten enterprise funds of which three are reported as major funds in separate columns on the proprietary fund statements. These three are the Unemployment Compensation Fund, the Liquor Control Fund,

and the State Lottery Fund. The other seven enterprise funds are reported as "non-major funds" and are consolidated into one column on the proprietary fund statements.

Internal service funds are used to report activity that provides goods and services to other funds, departments, or agencies of the primary government and its component units, or to other governments on a cost reimbursement basis. These funds provide communication and information technology, facilities and property management, fleet management, printing, risk management and insurance services. The internal service fund activities are allocated proportionately between the governmental activities (predominately) and the business-type activities in the government-wide statements based on the benefit of the services provided to these activities. The reconciliation between the government-wide financial statements for business-type activities and the proprietary fund statements is presented at the end of the proprietary fund financial statements.

Vermont reports twenty-five internal service funds, which are reported in one consolidated column entitled "Governmental Activities – Total Internal Service Funds" on the Proprietary Funds Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows.

The proprietary funds' financial statements immediately follow the governmental fund financial statements. Combining non-major enterprise and combining internal service fund statements may be found in the Other Supplementary Information section of this report.

Fiduciary Funds

The fiduciary funds are used to account for assets held by Vermont in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. Fiduciary funds are excluded from the government-wide financial statements because Vermont cannot use these assets to finance its operations. The fiduciary funds use the accrual basis of accounting.

Vermont's fiduciary funds are divided into the following three basic categories: Pension and Other Postemployment Benefit Trust Funds (includes three separate defined benefit pension plans, three separate defined contribution pension plans, two defined benefit other postemployment benefit plans, and one defined contribution other postemployment benefit plan); a Private Purpose Trust Fund (which reports only the Unclaimed Property Fund); and Custodial Funds (five custodial funds which account for the assets held for distribution by Vermont on behalf of other governmental units, organizations or individuals). These funds' financial statements include a *Statement of Fiduciary Net Position,* and a *Statement of Changes in Fiduciary Net Position*.

The fiduciary funds financial statements can be found immediately following the proprietary funds' financial statements. Individual pension and other postemployment benefit trust funds' and custodial funds' financial statements are reported in the Other Supplementary Information section of this report.

3) Discretely Presented Component Units' Financial Statements

As mentioned previously, Vermont has included the net position and activities of four major component units in individual columns and five non-major component units in a single column on the statements. The component units' financial statements can be found immediately after the fiduciary funds. Combining individual non-major component units' financial statements can be found in the Other Supplementary Information section of this report.

4) Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data presented in the government-wide and the fund financial statements. They are an integral part of the financial statements and focus on the primary government and its activities. The notes also explain some of the information contained in the financial statements and provide more detail than is practical in the financial statements.

The notes include a summary of significant accounting policies; additional information regarding the reconciliation of government-wide and fund financial statements; discussions on stewardship, compliance, and accountability; detailed notes on all activities and funds; and other information. The notes to the financial statements immediately follow the component units' financial statements.

Required Supplementary Information Other Than MD&A
The basic financial statements are followed by a section of required supplementary information. This section includes:

- The Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Investment Returns, the Schedule of Employer and Non-employer Contributions, and the Schedule of the State's Proportionate Share of the Net Pension Liability for the two defined benefit pension trusts are included in the required supplementary information section. Also, this section includes the Schedule of Changes in Net OPEB Liability and Related Ratios, The Schedule of Investment Returns, Schedule of Employer and Non-employer Contributions, and the Schedule of the State's Proportionate Share of the Net OPEB Liability for the other postemployment benefit plans.

- Schedules for the General Fund and budgeted Special Revenue Funds comparing their original budgeted amounts; final budgeted amounts; actual inflows, outflows, and balances stated on a budgetary basis; and variances between the final budgeted amounts and actual amounts presented on a budgetary basis. See Note III.A for additional information regarding the budgetary process, including the budgetary basis.

- Notes to Required Supplementary Information include a schedule reconciling the statutory fund balance presented on a budgetary basis to the fund balance prepared on a modified accrual basis as presented in the governmental fund financial statements for the general fund and each budgeted special revenue fund, as well as additional information regarding the budgetary process.

Other Supplementary Information
The combining fund financial statements referred to earlier in connection with non-major funds and non-major component units are presented following the Required Supplementary Information section. The total columns of these combining financial statements carry to the applicable fund financial statement. These combining statements include the following:

- Non-major governmental funds
- Non-major proprietary (enterprise) funds
- Internal service funds
- Fiduciary funds (including individual pension and other postemployment benefit trust funds, and custodial funds)
- Non-major component units

Statistical Section
A statistical section containing information regarding financial trends, revenue capacity, and debt capacity, as well as operating, economic and demographic information is presented immediately following the combining financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position
The following primary government condensed financial statement information is derived from Vermont's June 30, 2025, and June 30, 2024 government-wide Statement of Net Position. Although the government-wide statements include discretely presented component unit activity, the component unit activity has not been included in these condensed statements.

Vermont's combined positive net position (governmental and business-type activities) totals $1.765 billion at the end of fiscal year 2025, as shown in Table 2. Approximately $3.320 billion of the combined net position represents Vermont's investment in capital assets such as land, buildings, equipment, infrastructure (roads, bridges, and other immovable assets), and intangible right-to-use assets less any related debt still outstanding used to acquire those assets. This net investment in capital assets represents resources used to provide services to citizens and therefore not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets

themselves cannot be used to liquidate these liabilities.

The Primary Government's capital assets net of accumulated depreciation increased by $139.8 million. The increase in Governmental Activities was driven by $98.3 million transportation infrastructure improvements (railroads, bridges, and highways), $17.5 million in construction in process costs and $1.9 million in buildings and improvements. Business-type Activities for capital assets net of accumulated depreciation decreased by $0.14 million.

An additional portion of the primary government's net position in the amount of $1.197 billion represents resources subject to external restrictions on how they may be used. This is an increase of $145.3 million and is primarily a result of additional amounts that are restricted for Natural Resources by $65.5 million, Protection to Persons and Property by $39.5 million, Human Services by $25.5 million, Unemployment by $17.4 million; offset by decreases in amounts restricted for Commerce and Community Development by $3.0 million, and Transportation by $0.9 million.

Internally imposed designations of resources are not presented as restricted net position. The remaining balance of unrestricted net position is a deficit of $2.751 billion. The governmental activities' negative unrestricted net position balance is mainly the result of three actions: 1) the net pension and net other postemployment benefit liabilities; 2) the amount of net position that is restricted for various purposes; and 3) long-term debt issued by Vermont for municipal, non-profit or component unit capital purposes in the amount of $209.9 million remaining outstanding at June 30, 2025 that does not result in a governmental activities' capital asset.

Current assets decreased by $127.1 million primarily due to reductions in cash and cash equivalents of $127.3 million; decreases in investments by $105.9 million, loans and notes receivables by $6.3 million, offset by increases in federal grants receivables by $78.6 million, taxes receivables by $24.7 million, other receivables by $8.4 million, and inventories by $1.8 million.

Long term liabilities increased by $7.1 million primarily due to the increases in net pension liabilities and net other postemployment benefit liabilities by $51.1 million, lease liabilities by $8.8 million, SBITA liabilities by $3.4 million, other long-term liabilities by $2.9 million, and compensated absences by $2.3 million, offset by decreased bonds and notes payable by $61.9 million.

At the end of fiscal year 2025, Vermont reported positive total net position balances in its governmental activities, business-type activities and its discretely presented component units.

(Table on next page.)

TABLE 2
State of Vermont's Net Position
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current assets	$ 3,211.7	$ 3,356.6	$ 415.2	$ 397.4	$ 3,626.9	$ 3,754.0
Other assets	702.1	617.7	2.0	1.2	704.1	618.9
Capital assets	3,828.5	3,688.5	7.8	8.0	3,836.3	3,696.5
Total assets	7,742.3	7,662.8	425.0	406.6	8,167.3	8,069.4
DEFERRED OUTFLOWS OF RESOURCES						
Total deferred outflows of resources.	1,184.5	1,259.9	10.6	12.5	1,195.1	1,272.4
LIABILITIES						
Current liabilities	1,279.0	1,696.1	33.4	52.3	1,312.4	1,748.4
Long-term liabilities	5,404.2	5,399.3	25.1	22.9	5,429.3	5,422.2
Total liabilities	6,683.2	7,095.4	58.5	75.2	6,741.7	7,170.6
DEFERRED INFLOWS OF RESOURCES						
Total deferred inflows of resources	846.6	1,104.8	9.0	11.6	855.6	1,116.4
NET POSITION						
Net Investment in capital assets	3,316.2	3,187.2	3.3	3.4	3,319.5	3,190.6
Restricted	845.2	721.0	351.7	330.5	1,196.9	1,051.5
Unrestricted (deficit)	(2,764.4)	(3,185.7)	13.1	(1.6)	(2,751.3)	(3,187.3)
Total net position	$ 1,397.0	$ 722.5	$ 368.1	$ 332.3	$ 1,765.1	$ 1,054.8

Totals may not add due to rounding.

Changes in Net Position

Governmental type activities had an overall increase in net position of $680.7 million, or a 95.0% increase in the net position, resulting from revenues being greater than expenses by $634.6 million offset by transfers in from business-type activities of $46.1 million. The $910.3 million increase in revenues over 2024 was primarily due to increases in program revenues by $387.9 million and general revenues by $522.4 million. The increase in general revenues is largely due to higher tax collections and investment earnings.

Business-type activities had an overall increase in net position of $35.9 million or 10.8%, resulting from revenues exceeding expenses by $82.0 million offset by transfers out of $46.1 million. The bulk of transfers out was represented by a $30.0 million transfer from the State Lottery Fund to support education and a $9.6 million transfer from the Liquor Control Fund to the General Fund. Revenues decreased $16.5 million from 2024, primarily due to decreases in federal grants for unemployment by $15.0 million, and decreases in lottery ticket sales by $13.2 million, offset by increases in sports wagering charges by $6.2 million, and unemployment taxes by $5.5 million.

The primary government condensed financial statement information is derived from Vermont's June 30, 2025, and June 30, 2024, government-wide Statement of Changes in Net Position. Although the government-wide statements include discretely presented component unit activity, the component unit activity has not been included in these condensed statements.

As of July 1, 2024, the beginning net position for the Governmental and Business-type Activities was restated for the implementation of GASB 101, a new accounting standard for Compensated Absences.

(Table on next page.)

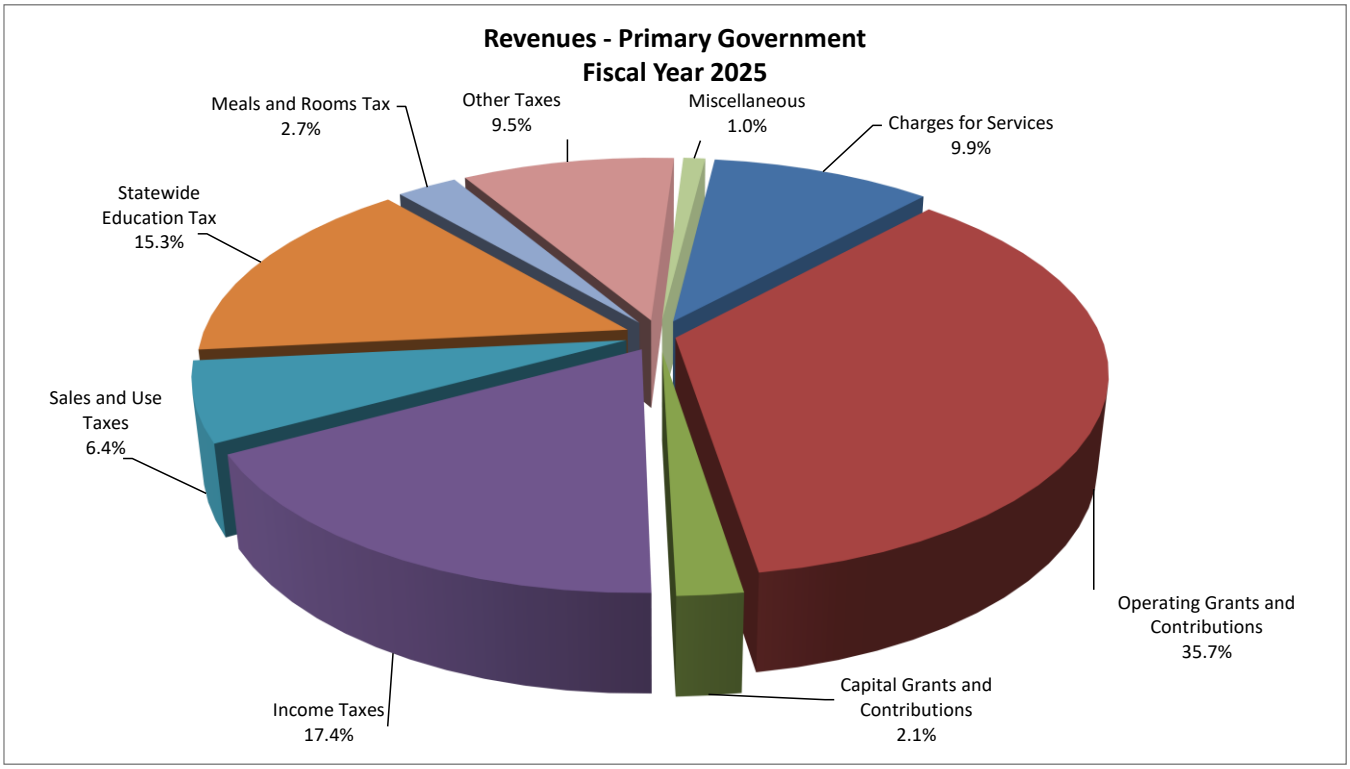
TABLE 3
State of Vermont's Changes in Net Position
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	$ 548.7	$ 538.5	$ 413.1	$ 416.0	$ 961.8	$ 954.5
Operating grants and contributions	3,468.2	3,088.4	9.9	22.5	3,478.1	3,110.9
Capital grants and contributions	202.8	204.9	-	-	202.8	204.9
General revenues						
Income taxes	1,699.1	1,518.5	-	-	1,699.1	1,518.5
Sales and use taxes	620.1	599.0	-	-	620.1	599.0
Statewide education tax	1,494.5	1,301.2	-	-	1,494.5	1,301.2
Meals and rooms tax	264.5	247.8	-	-	264.5	247.8
Other taxes	927.2	784.6	-	-	927.2	784.6
Miscellaneous	93.6	125.5	1.7	2.7	95.3	128.2
Total revenues	9,318.7	8,408.4	424.7	441.2	9,743.4	8,849.6
Expenses						
General government	244.8	237.5	-	-	244.8	237.5
Protection to persons and property	697.7	659.9	-	-	697.7	659.9
Human services	3,699.6	3,467.1	-	-	3,699.6	3,467.1
Labor	43.6	38.3	-	-	43.6	38.3
General education	2,916.6	2,948.2	-	-	2,916.6	2,948.2
Natural resources	240.0	199.0	-	-	240.0	199.0
Commerce and community development	153.9	190.6	-	-	153.9	190.6
Transportation	669.8	726.6	-	-	669.8	726.6
Interest on long-term debt	18.1	16.6	-	-	18.1	16.6
Unemployment compensation	-	-	67.9	62.2	67.9	62.2
State Lottery and sports wagering	-	-	124.2	134.6	124.2	134.6
Liquor control	-	-	82.6	83.0	82.6	83.0
Other business type expenses	-	-	68.0	70.0	68.0	70.0
Total expenses	8,684.1	8,483.8	342.7	349.8	9,026.8	8,833.6
Change in net position before transfers	634.6	(75.4)	82.0	91.4	716.6	16.0
Transfers net in (out)	46.1	60.6	(46.1)	(60.6)	0.0	0.0
Change in net position	680.7	(14.8)	35.9	30.8	716.6	16.0
Net position, beginning of year, as restated	716.3	737.3	332.2	301.5	1,048.5	1,038.8
Net position, end of year	$ 1,397.0	$ 722.5	$ 368.1	$ 332.3	$ 1,765.1	$ 1,054.8

Totals may not add due to rounding.

The following graph illustrates the revenues of Vermont's primary government for fiscal year 2025. Approximately 37.8% comes from other entities and governments in the form of operating and capital grants and contributions (primarily federal grant revenues), and 32.8% of total revenues are generated by the statewide education and income taxes.

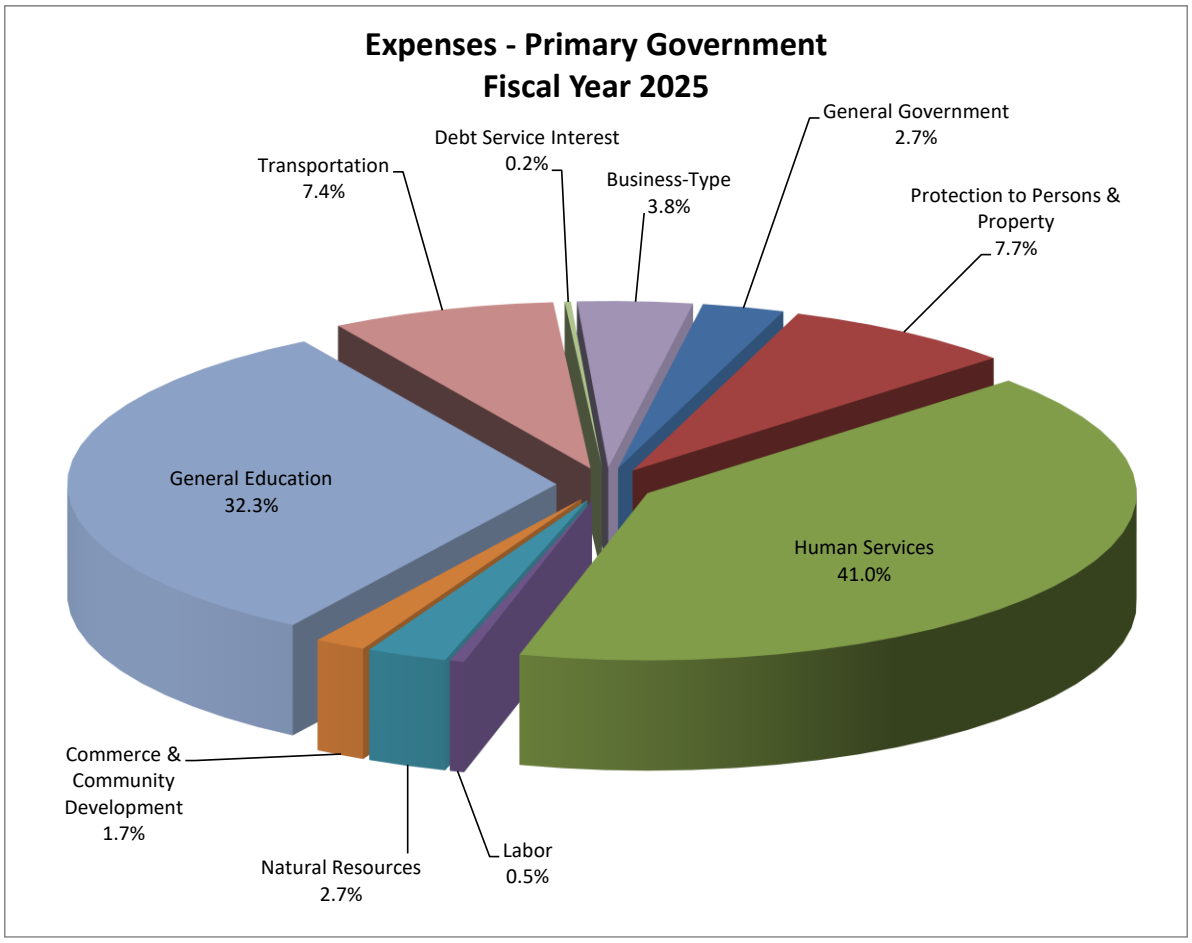
(Chart on next page.)



Percentages may not equal 100% due to rounding.

The following graph illustrates the percentages of total primary government expenses for fiscal year 2025. The largest category of expenses is for Human Services (41.0% of total expenses) which provides for Vermont's low-income, elderly care services and people in state custody in the form of grants for selected services such as nutrition, health care, housing, and child protective services. The second most significant category of expense is for general education (32.3% of total expenses), which supports primary, secondary and higher education.

(Chart on next page.)



Percentages may not equal 100% due to rounding.

Governmental Activities

In 2025, governmental activities' expenses exceeded revenues by $634.6 million (before transfers). The net transfers of $46.1 million from business activities resulted in an increase of $680.7 million, or a 95.0% increase in net position. Revenues increased by $910.3 million, primarily due to increases in general revenues by $522.4 million and by an increase in program revenues by $387.9 million. Spending increased for Human Services by $232.5 million, Natural Resources by $41.0 million, Protection to Persons and Property by $37.8 million, General Government by $7.3 million, and Labor by $5.3 million, offset by decreases in Transportation by $56.8 million, Commerce and Community Development by $36.7 million, and General Education by $31.6 million.

The following table provides a two-year comparison of governmental activities revenues:

(Table on next page.)

TABLE 4
Revenues - Governmental Activities

Revenue Type	(In Millions) 2025	2024	Change
Charges for services	$ 548.7	$ 538.5	$ 10.2
Operating grants	3,468.2	3,088.4	379.8
Capital grants	202.8	204.9	(2.1)
Income taxes	1,699.1	1,518.5	180.6
Sales and use taxes	620.1	599.0	21.1
Statewide education tax	1,494.5	1,301.2	193.3
Meals and rooms tax	264.5	247.8	16.7
Other taxes	927.2	784.6	142.6
Miscellaneous	93.6	125.5	(31.9)
Total	$ 9,318.7	$ 8,408.4	$ 910.3

The following table provides a two-year comparison of governmental activities expenses:

TABLE 5
Expenses - Governmental Activities

Functional Category	(In Millions) 2025	2024	Change
General government	$ 244.8	$ 237.5	$ 7.3
Protection to persons and property	697.7	659.9	37.8
Human services	3,699.6	3,467.1	232.5
Labor	43.6	38.3	5.3
General education	2,916.6	2,948.2	(31.6)
Natural resources	240.0	199.0	41.0
Commerce and community development	153.9	190.6	(36.7)
Transportation	669.8	726.6	(56.8)
Interest on long-term debt	18.1	16.6	1.5
Total	$ 8,684.1	$ 8,483.8	$ 200.3

The following table shows to what extent program revenues (charges for services and grants and contributions) covered program expenses. For fiscal year 2025, program revenues covered $4.220 billion or 48.6% of $8.684 billion in program expenses. The remaining $4.464 billion or 51.4% of program expenses was paid for by state taxes and other general revenue.

(Table on next page.)

TABLE 6
Net Program Revenue
For the years ended June 30, 2025 and 2024

	Program Expenses	Less Program Revenues	Net Program (Expense)/Revenue		Program Revenues as a Percentage of Program Expenses	
	2025	2025	2025	2024	2025	2024
Functions/programs						
General government	$ 244,836,065	$ 496,486,850	$ 251,650,785	$ 33,705,604	202.8%	114.2%
Protection to persons and property	697,732,081	510,656,847	(187,075,234)	(226,797,490)	73.2%	65.6%
Human services	3,699,560,926	2,151,451,170	(1,548,109,756)	(1,421,282,411)	58.2%	59.0%
Labor	43,615,523	35,066,374	(8,549,149)	(10,627,265)	80.4%	72.3%
General education	2,916,560,455	277,997,546	(2,638,562,909)	(2,624,608,800)	9.5%	11.0%
Natural resources	240,045,779	165,451,160	(74,594,619)	(73,860,274)	68.9%	62.9%
Commerce and community development	153,871,180	22,834,549	(131,036,631)	(166,950,842)	14.8%	12.4%
Transportation	669,798,416	559,808,796	(109,989,620)	(144,946,083)	83.6%	80.1%
Interest on long-term debt	18,086,348	-	(18,086,348)	(16,636,914)	0.0%	0.0%
	$ 8,684,106,773	$ 4,219,753,292	$ (4,464,353,481)	$ (4,652,004,475)	48.6%	45.2%

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT'S INDIVIDUAL FUNDS

As noted earlier, the State of Vermont uses fund accounting to account for its ongoing operations and to demonstrate compliance with finance-related legal requirements imposed by legislative mandates as well as externally imposed restrictions.

Governmental Funds

The focus of the state's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the state's financing requirements. In particular, unrestricted (unassigned, assigned, and committed) fund balances may serve as a useful measure of a government's net resources available for spending. At the end of fiscal year 2025, the unrestricted fund balance is 64.6% of the total fund balance of governmental funds, which is available for spending on governmental programs at Vermont's discretion in the coming year. The remainder of this fund balance is restricted or non-spendable to indicate that it is not available for appropriation, such as the principal of Vermont's Permanent Funds, and other items that are non-spendable, such as advances and long-term receivables. At the end of fiscal year 2025, Vermont's governmental funds reported combined fund balances of $2.538 billion, an increase of $334.3 million in comparison with the prior fiscal year.

The General Fund is the chief operating fund of Vermont. At the end of fiscal year 2025, the General Fund's total fund balance was $1,120.4 million, the majority of which is $852.0 million unassigned. During fiscal year 2025, total revenues were greater than total expenditures and other financing sources by $221.8 million. General Fund revenues increased by $245.1 million, or 10.7%, primarily due to personal income taxes that increased by $157.6 million in 2025 due to strong labor and asset markets, corporate taxes increased by $44.8 million due to strong economic activity, other taxes increased by $52.1 million. The components of other taxes that primarily contributed to the increase were inheritance tax that increased $28.8 million, which is highly variable year to year, and hospital tax increased by $14.2 million related to strong demand for healthcare. These revenue increases were offset by a decrease in Investment Income of $34.2 million due to lower investment returns on cash balances. Expenditures in the General Fund decreased by $68.7 million or 4.1%, largely due to decreases in General Education and Commerce and Community Development expenditures, offset by increases in expenditures in Protection to Persons and Property, Human Services, and Natural Resources functions. General Education expenditures decreased by $89.8 million due to a lower level of State support for education from General Fund sources. Commerce and Community Development expenditures decreased by $40.2 million due to reduced grant program activity. Protection to Persons and Property expenditures increased by $32.2 million, largely due to increased grant program and contractor activity. Human Services expenditures increased by $14.2 million driven by the increased cost of providing services in medical care, emergency and transitional housing, and homeless assistance. Natural Resources expenditures increased by $12.9 million, primarily driven by $9.2

million in grants program activity and higher salary expenses of $1.9 million. The General Fund's statutory reserve for budgetary stabilization increased by $15.2 million to $120.0 million, the statutory maximum.

The Transportation Fund's total fund balance was $28.1 million at June 30, 2025, an increase of $8.6 million from the fiscal year 2024's ending total fund balance. Transportation Fund revenues decreased $19.3 million or 2.5%, primarily due to decreased federal grant revenue by $27.1 million as reimbursement for the lower level of spending on transportation projects, offset by an increase in licenses fee revenue by $7.9 million due to an increase in various license fee charges. Transportation expenditures decreased $31.7 million primarily due to the decreased activity in transportation construction projects by $30.8 million. The Transportation Fund's statutory reserve for budget stabilization increased by $1.8 million to $16.0 million, the statutory maximum.

The Education Fund at June 30, 2025 had a total fund balance of $96.6 million, a decrease of $18.1 million from fiscal year 2024's ending balance. Education Fund expenditures increased by $142.9 million, primarily due to increased school district spending by $142.2 million driven by inflationary pressures. Total revenues increased by $217.7 million. The increase in revenue is primarily driven by higher statewide education tax collections by $193.3 million due to an increase in the statewide education tax rate. The Education Fund's statutory reserve for budget stabilization increased by $5.0 million to $52.1 million.

The Special Fund's total fund balance at the end of fiscal year 2025 was $522.8 million, an increase of 3.1% compared to fiscal year 2024. Special Fund revenues increased $79.1 million or 17.8%, and expenditures increased $85.1 million or 22.5%. The change in revenue is predominantly due to an increase in other taxes by $89.3 million, of which $83.7 million is from a new tax on wages and net self-employment income that helps fund the State's childcare system, and an increase in insurance regulatory fees by $10.8 million due to the bi-annual billing cycle. These revenue increases were offset by a decrease in federal grants by $16.6 million as spending is winding down on this program. The increase in expenditures was largely due to an increase in grants to childcare providers by $65.0 million due to the new program supported by the payroll tax that helps fund the State's childcare system, and a change in funding source from the previous fiscal year in the Human Service function by $51.0 million. These expenditure increases were offset by a decrease in expenditures in Protections to Persons and Property of $37.6 million largely due to a decrease in granting activity as the grant program winds down. Fiscal year 2025 transfers in from other funds were exceeded by transfers out to other funds by $49.1 million.

The Federal Revenue Fund accounts for all federal grants except those federal grants that are awarded to the Agency of Transportation (which are included in the Transportation Fund), the Global Commitment to Health Medicaid waiver (which are included in the Global Commitment Fund) and the Department of Fish and Wildlife (which are included in the Fish and Wildlife Fund, a non-major governmental fund). The Federal Revenue Fund's federal grant revenues for fiscal year 2025 were $1,790.5 million, an increase of $368.6 million compared to fiscal year 2024. Expenditures were $1,537.8 million in fiscal year 2025, an increase of $129.6 million compared to 2024. The increase in expenditures is due to higher federal program activity in these major functional areas; General Education by $54.9 million, Protection to Persons and Property by $47.2 million, Human Services by $18.5 million, and Natural Resources by $16.5 million. The Federal Revenue Fund's total fund balance at the end of fiscal year 2025 is $682.7 million, which is an increase of $114.0 million as compared to the total fund balance at the end of fiscal year 2024.

The Global Commitment Fund is used to provide services to eligible recipients under the global commitment to health care waiver approved by the Federal Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act. The fiscal year 2025 ending total fund balance for the Global Commitment Fund was $36.7 million, an increase of $21.7 million. Expenditures increased by $128.7 million in fiscal year 2025 as compared to fiscal year 2024, due to the increased cost of providing healthcare services under the program.

See Note I, Section C, for more information regarding these funds.

Proprietary Funds

Vermont's enterprise funds provide the same type of information presented in the business-type activities in the government-wide financial statements, but in more detail. The Unemployment Compensation Trust Fund's total net position balance increased from $316.7 million at June 30, 2024 to $334.2 million at June 30, 2025, an

increase of $17.5 million. The revenue for unemployment tax increased over the prior year by $5.5 million and investment income increased by $2.4 million, offset by a decrease in Federal grant revenue by $15.0 million. Expenditures from the Trust Fund for unemployment benefits increased by $5.7 million.

Vermont's internal service funds' total net position at June 30, 2025 was a deficit of $16.9 million, an improvement of $12.1 million as compared to the net deficit position at June 30, 2024. This change is primarily due to increases in net position in the Medical Insurance Fund by $12.8 million, the State Liability Insurance Fund by $6.7 million, the Offender Work Program Fund by $3.2 million, Highway Garage Fund by $3.2 million, Risk Management Fund by $1.8 million, and Workers Compensation Fund by $1.0 million. These increases were offset by decreases in the Property Management Fund by $1.4 million, the Facilities Operations Fund by $2.9 million and the Communication & Information Technology Fund by $12.3 million. The decrease in the Communication & Information Technology Fund net position is driven by increases in information technology spending not fully recovered in rates set at the beginning of the fiscal year. The internal service funds' activity is combined with the governmental funds' activity in the government-wide financial statements

Fiduciary Funds

Vermont's fiduciary funds account for resources held for the benefit of parties outside state government. The Pension and Other Postemployment Benefit Trust Funds' net position increased by 11.8% percent to $7.751 billion at June 30, 2025. For more information regarding Vermont's retirement and other postemployment benefit plans, see Note IV.G.5 to the financial statements. The Unclaimed Property Fund's total assets balance at June 30, 2025 is $41.7 million, total liabilities balance is $19.8 million, resulting in a total net position of $21.9 million. The Custodial Funds' total assets balance at June 30, 2025, is $15.4 million, and total liabilities balance is $12.1 million, resulting in an ending net position of $3.3 million. Net position of all fiduciary funds is reported as restricted for particular purposes.

GENERAL FUND BUDGET HIGHLIGHTS

Vermont ended fiscal year 2025 with General Fund revenues of $2.565 billion, expenditures of $2.265 billion, and net transfers to other funds of $80.8 million (non-GAAP budgetary basis). This was a $294.7 million or a 13.0% increase in revenues over the previous year. The fiscal year 2025 General Fund consensus revenue forecast initially approved by the Emergency Board in July 2024 was subsequently revised upward by the Emergency Board at their January 2025 meeting. Compared to target, the revenues were 11.6% above the July 2024 revenue forecast of $2.298 billion, and 8.6% above the January 2025 revised revenue forecast of $2.362 billion. Personal income tax was $102.6 million above target, other revenues were $57.4 million above target, inheritance and estate tax income was $26.3 million above target, corporate taxes were $13.3 million above target and insurance premiums were $5.7 million above target. These were offset by decreases in bank franchise tax income of $2.3 million and interest income of $2.8 million. The General Fund results allowed for a fully funded General Fund Budget Stabilization Reserve of $120.0 million, representing the statutory maximum of 5.0% of prior fiscal year appropriations.

PRIMARY GOVERNMENT'S CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Vermont's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2025, was $3.836 billion, a total increase of 3.8% (Table 7). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the state, such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items. Additional information on Vermont's capital assets can be found in Note IV.E of the notes to the financial statements.

(Table on next page.)

TABLE 7
Capital Assets at Fiscal Year End
(Net of depreciation, amounts in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land, Land Use Rights, and Land Improvements	$ 185,359	$ 181,390	$ -	$ -	$ 185,359	$ 181,390
Construction in Progress	575,128	557,591	-	-	575,128	557,591
Works of Art	136	136	-	-	136	136
Buildings and Improvements	407,848	405,998	-	-	407,848	405,998
Machinery and Equipment	122,792	123,401	2,784	2,723	125,576	126,124
Intangible right-to-use assets	143,418	124,449	5,050	5,251	148,468	129,700
Infrastructure	2,393,829	2,295,539	-	-	2,393,829	2,295,539
Totals	$ 3,828,510	$ 3,688,504	$ 7,834	$ 7,974	$ 3,836,344	$ 3,696,478

Totals may not add due to rounding.

Many component unit, municipal and non-profit organizations' capital construction projects and acquisitions are financed by Vermont, but the assets are owned by these other entities. Therefore, these capital assets are recorded on the financial statements of those entities and not on the books of the state; however, the general obligation bonds issued by Vermont to finance these capital assets are reported as a liability of the state's governmental activities. At June 30, 2025, Vermont had $209.9 million of general obligation bonds outstanding related to capital assets of these other entities.

Debt Administration

Bonded Indebtedness

Vermont has no constitutional or other limit on its power to issue obligations or to incur debt, aside from the requirement to borrow only for public purposes. In 1990, the General Assembly created the Capital Debt Affordability Advisory Committee and made it responsible for overseeing the long-term capital planning for the state. Annually, the General Assembly passes appropriations for capital purposes and authorizes the State Treasurer to issue general obligation bonds to provide the financing for all or a portion of the appropriations. Bonds are backed by the full faith and credit of the State of Vermont, including the state's power to levy additional taxes to ensure repayment of the debt.

During fiscal year 2025, the State of Vermont's outstanding general obligation bond debt decreased by approximately $56.1 million. This decrease can be attributed to redemption of general obligation bonds. There was no issuance of bonds during fiscal year 2025. Additional information on Vermont's bonded debt is contained in Note IV.G.1 of the notes to the financial statements.

Vermont's general obligation bond ratings are as follows: Aa1 by Moody's Investor Service (since October 2018), AA+ by Standard & Poor's Ratings Services (since September 2000), and AA+ by Fitch Ratings (since July 2019).

ECONOMIC OUTLOOK AND STATE REVENUE OUTLOOK

During fiscal year 2025, both the national and state economies operated amid major transitions: the late-stage recovery from COVID-19, rapid advancement of artificial intelligence, and significant federal policy changes involving tariffs, immigration enforcement, and federal workforce reductions. These forces produced uneven growth patterns nationally and in Vermont.

Nationally, U.S. GDP strengthened in the spring of 2025, led by solid consumer spending and tech-focused investment. This rebound followed a slight contraction early in the year caused by tariff-related disruptions.

Despite mid-year growth, weakening labor market indicators, elevated uncertainty around federal policy, and ongoing geopolitical conflicts heightened concerns about the durability of the expansion. Analysts remain divided on the likelihood of a recession, though many expect slower growth through 2026.

In Vermont, economic recovery from the pandemic has been slower than regional and national averages, shaped largely by demographics and the state's tourism exposure. Remote and hybrid work arrangements contributed to a multi-year population increase and helped rebuild the labor force to near pre-pandemic levels, though labor force participation remains below early-2020 levels. Vermont's labor force participation fell 1.1% from January 2020 to June 2025. This is better than several New England states, but still part of a nationwide trend. State revenue growth since 2020 has been strong, driven by rising personal income, asset-price gains, and substantial federal pandemic and infrastructure funding, though some revenue categories continue to be constrained by supply chain issues and tariff impacts.

Federal actions in 2025, including withholding various grants, shifting federal policy priorities, and uncertainty around the federal budget have increased fiscal uncertainty for states. Weather events, including severe flooding like Vermont experienced in 2023 and 2024, add additional economic risks.

Vermont employs a consensus revenue forecasting process carried out by the Administration and the State Legislature. The consensus economic and state revenue forecasts are updated each July and January and are approved by the Vermont Emergency Board under state statute. The forecasts anticipate continued national and state economic expansion supporting income-based taxes, though asset-price vulnerability remains a key risk. Revenue estimates also incorporate impacts of recent federal and state tax changes, corporate tax sourcing shifts, expansions of state tax credits, a surcharge on short-term rentals, and inflation-related increases in motor vehicle fees, as well as still-evolving post-pandemic consumption patterns and demographic trends.

In July 2025, the consensus revenue forecast for fiscal year 2026 called for "Revenues Available to the General Fund" to total $2,480.9 million, which is a $77.2 million upgrade for fiscal year 2026 in comparison to the previous January's consensus revenue forecast of $2,403.7 million. For fiscal year 2027, the consensus forecast of "Revenues Available to the General Fund" was $2,542.1 million, an upgrade of $85.6 million from the previous January's consensus revenue forecast of $2,456.5 million.

The July 2025 consensus revenue forecast for "Revenues Available to the Transportation Fund" for fiscal year 2026 was $318.5 million, which was a $7.5 million downgrade for fiscal year 2026 revenue expectations in comparison to the previous January's consensus revenue forecast of $326.0 million. For fiscal year 2027, "Revenues Available to the Transportation Fund" were forecasted to be $321.1 million, a $7.8 million downgrade from the previous January's consensus revenue forecast of $328.9 million.

The July 2025 consensus revenue forecast for "Revenues Available to the Education Fund" for fiscal year 2026 were estimated to be $782.2 million, which corresponded to a $3.7 million downgrade for fiscal year 2026 in comparison to last January's revenue forecast of $785.9 million. For fiscal year 2027, the consensus forecast for "Revenues Available to the Education Fund" was $803.0 million, a downgrade of $4.6 million from the previous January's consensus revenue forecast of $807.6 million.

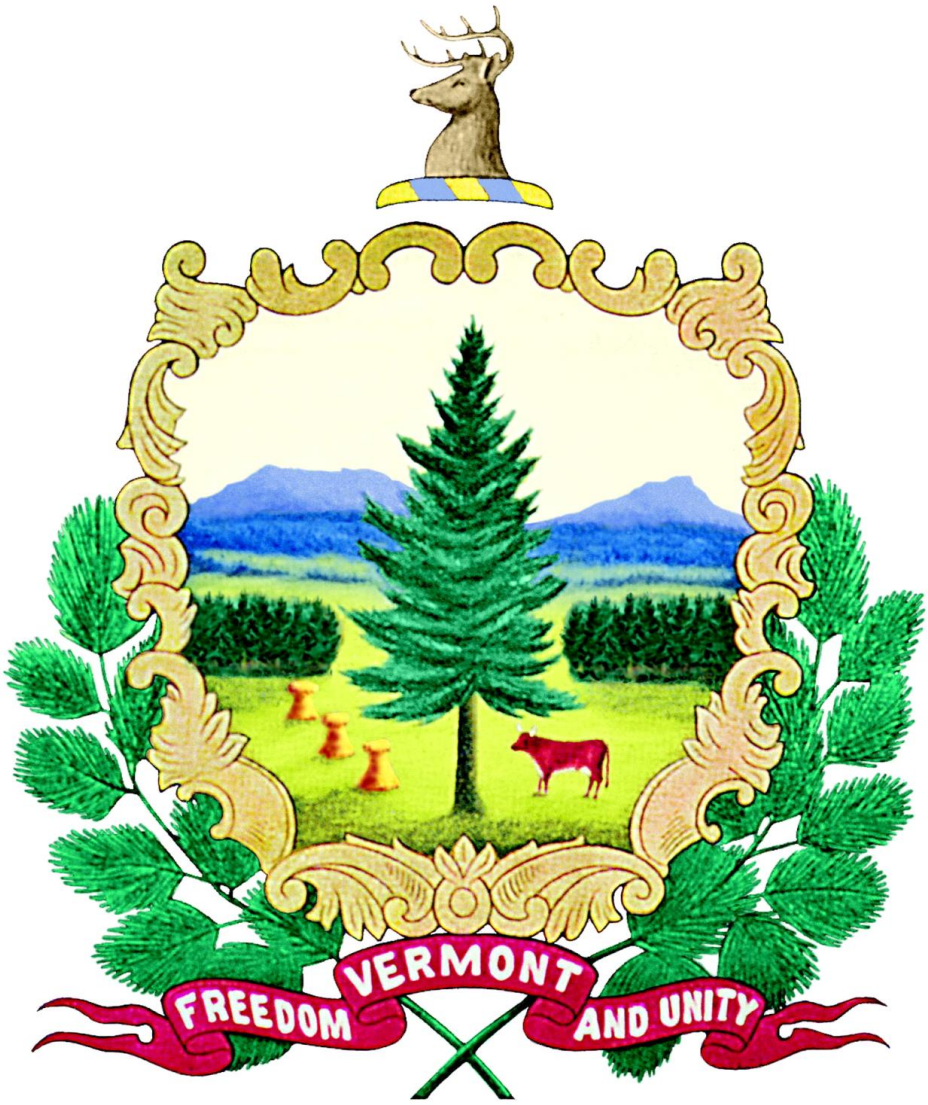
Overall, Vermont entered fiscal year 2026 with reasonable revenue momentum but a high degree of external risk; including federal policy shifts, global instability, climate impacts, and the possibility of a national economic slowdown.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State of Vermont's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

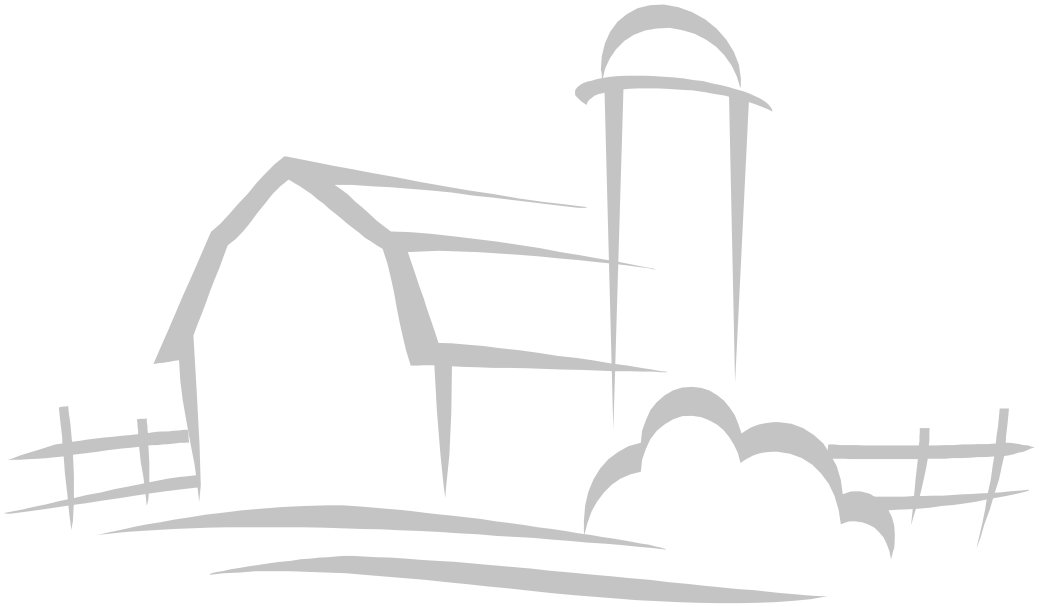
State of Vermont
Department of Finance and Management
109 State Street, 5th Floor
Pavilion Building
Montpelier, Vermont 05609-0401

Component units of the State of Vermont issue their own financial statements. These statements may be obtained by directly contacting them at the addresses found in Note I.A. to the financial statements.

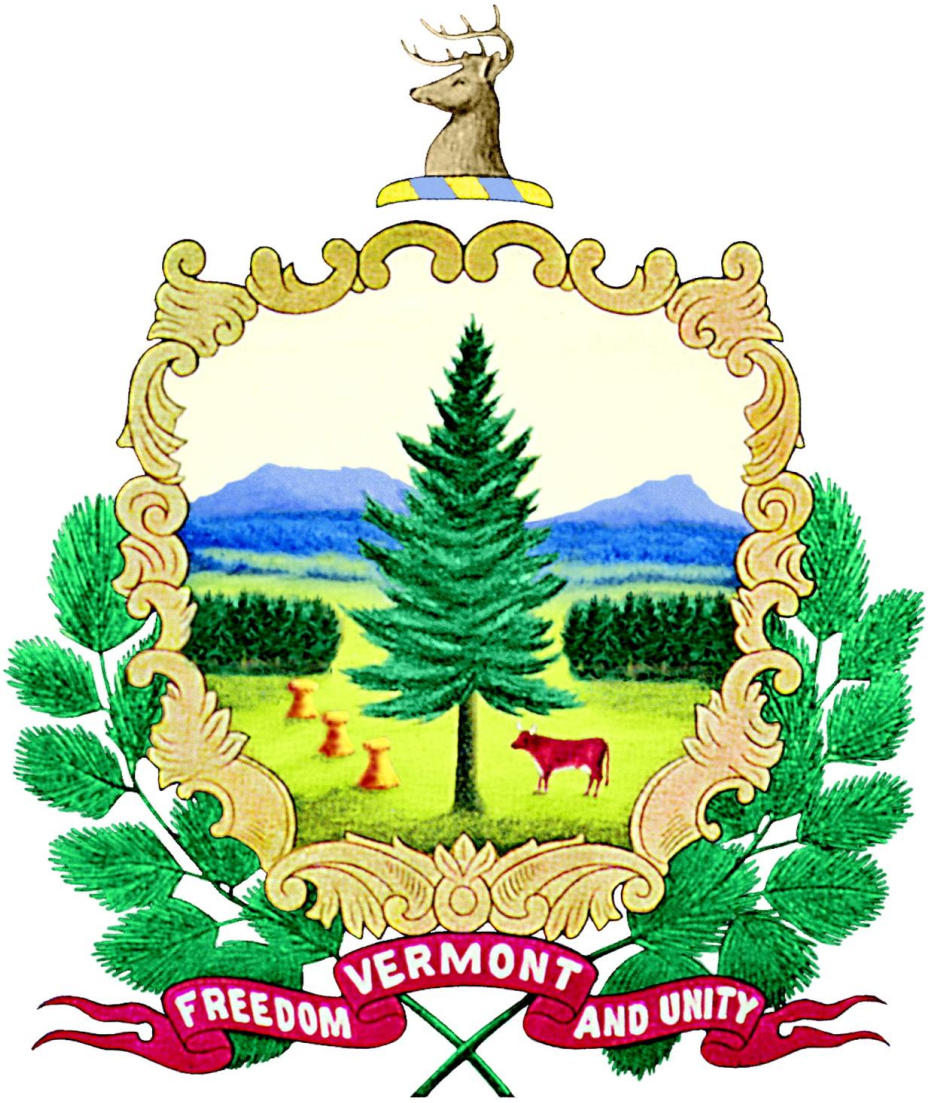


BASIC FINANCIAL STATEMENTS

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Vermont



GOVERNMENTAL-WIDE FINANCIAL STATEMENTS

STATE OF VERMONT
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government			Discretely Presented
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current Assets				
Cash and cash equivalents	$ 1,511,782,135	$ 374,672,583	$ 1,886,454,718	$ 508,786,916
Cash and cash equivalents - restricted	-	-	-	127,431,000
Taxes receivable, net	199,814,760	12,302,550	212,117,310	-
Loans and notes receivable, net	27,886,341	650,711	28,537,052	229,745,643
Federal grants receivable	533,124,644	268,880	533,393,524	27,379,430
Other receivables, net	80,550,508	17,089,803	97,640,311	127,375,159
Lease receivable	1,319,501	-	1,319,501	1,502,000
Investments	837,371,974	-	837,371,974	373,202,339
Inventories	4,727,179	12,552,315	17,279,494	645,951
Internal balances	2,312,022	(2,312,022)	-	-
Due from primary government	-	-	-	141,874,207
Due from component units	8,405,177	-	8,405,177	-
Other current assets	4,283,667	-	4,283,667	20,763,870
Total current assets	3,211,577,908	415,224,820	3,626,802,728	1,558,706,515
Noncurrent Assets				
Cash and equivalents	-	300,000	300,000	60,599,811
Cash and cash equivalents - restricted	3,500,000	-	3,500,000	68,950,443
Taxes receivable	209,351,963	-	209,351,963	-
Other receivables	139,883,699	-	139,883,699	-
Loans and notes receivable	341,019,013	1,359,411	342,378,424	1,757,723,253
Lease receivable	2,835,148	-	2,835,148	16,030,000
Advances to component units	5,500,000	-	5,500,000	-
Investments	-	275,808	275,808	1,335,182,079
Investments - restricted	-	-	-	86,434,322
Other noncurrent assets	-	-	-	53,987,857
Capital assets				
Land, land use rights, and land improvements	185,358,706	-	185,358,706	60,674,518
Construction in progress	575,128,437	-	575,128,437	142,244,511
Works of art	136,003	-	136,003	-
Capital assets being depreciated:				
Infrastructure	4,076,652,690	-	4,076,652,690	44,964,460
Intangible right-to-use assets	219,848,760	7,092,513	226,941,273	47,726,826
Property, plant and equipment	1,516,011,721	7,036,602	1,523,048,323	1,786,328,733
Less accumulated depreciation	(2,744,626,056)	(6,294,730)	(2,750,920,786)	(1,060,815,396)
Total capital assets, net of depreciation	3,828,510,261	7,834,385	3,836,344,646	1,021,123,652
Total noncurrent assets	4,530,600,084	9,769,604	4,540,369,688	4,400,031,417
Total assets	7,742,177,992	424,994,424	8,167,172,416	5,958,737,932
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding of bonds payable	919,163	-	919,163	17,064,186
VHCB related deferred outflows	-	-	-	25,535,000
Pension related outflows	623,976,589	2,967,428	626,944,017	5,306,984
OPEB related outflows	559,643,336	7,612,951	567,256,287	207,980,265
Total deferred outflows of resources	1,184,539,088	10,580,379	1,195,119,467	255,886,435

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

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current Liabilities				
Accounts payable and other current liabilities	675,485,966	19,509,966	694,995,932	277,304,291
Income tax refunds payable	127,317,608	-	127,317,608	-
Due to primary government	-	-	-	8,405,177
Due to component units	141,874,207	-	141,874,207	-
Intergovernmental payable - due to federal government	2,164,457	-	2,164,457	-
Accrued interest payable	9,824,355	-	9,824,355	7,937,416
Current portion of long-term liabilities	181,531,706	9,387,608	190,919,314	239,549,321
Unearned revenue	140,818,333	4,496,817	145,315,150	128,169,386
Total current liabilities	1,279,016,632	33,394,391	1,312,411,023	661,365,591
Long-term Liabilities				
Lottery prize awards payable	-	167,854	167,854	-
Bonds, and notes payable	525,406,905	-	525,406,905	2,128,837,447
Lease liabilities	73,785,280	-	73,785,280	18,323,515
Subscription-based information technology arrangements (SBITA's)	21,820,997	3,732,612	25,553,609	3,551,250
Advances from primary government	-	-	-	5,500,000
Compensated absences	2,870,018	67,717	2,937,735	-
Claims and judgments	46,411,672	-	46,411,672	-
Net pension liabilities	2,823,262,080	6,257,867	2,829,519,947	12,225,917
Net other postemployment benefits liabilities	1,886,523,357	6,930,012	1,893,453,369	566,166,793
Other long-term liabilities	24,103,581	7,914,366	32,017,947	18,714,137
Total long-term liabilities	5,404,183,890	25,070,428	5,429,254,318	2,753,319,059
Total liabilities	6,683,200,522	58,464,819	6,741,665,341	3,414,684,650
DEFERRED INFLOWS OF RESOURCES				
Prepaid property taxes	6,103,312	-	6,103,312	-
Gain on refunding of bonds payable	2,701,806	-	2,701,806	1,468,000
Lease related inflows	4,366,266	-	4,366,266	18,324,183
Interest rate swap	-	-	-	267,000
Split interest arrangements	-	-	-	4,837,000
Pension related inflows	14,564,170	1,466,674	16,030,844	3,989,246
OPEB related inflows	818,823,506	7,553,990	826,377,496	196,106,061
Total deferred inflows of resources	846,559,060	9,020,664	855,579,724	224,991,490
NET POSITION				
Net investment in capital assets	3,316,158,688	3,345,070	3,319,503,758	293,557,608
Restricted for				
Unemployment compensation	-	334,172,356	334,172,356	-
Funds held in permanent investments				
Expendable	242,918	-	242,918	639,456,380
Nonexpendable	7,416,453	-	7,416,453	479,758,616
General government	1,530,956	-	1,530,956	17,649,017
Protection to persons and property	36,951,181	17,479,270	54,430,451	-
Human services	207,734,653	-	207,734,653	2,445,683
General education	2,672,528	-	2,672,528	72,771,000
Natural resources	585,400,053	-	585,400,053	-
Commerce and community development	1,634,694	-	1,634,694	719,125,953
Capital projects	1,639,606	-	1,639,606	-
Unrestricted (deficit)	(2,764,424,232)	13,092,624	(2,751,331,608)	350,183,970
Total net position	$ 1,396,957,498	$ 368,089,320	$ 1,765,046,818	$ 2,574,948,227

STATE OF VERMONT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

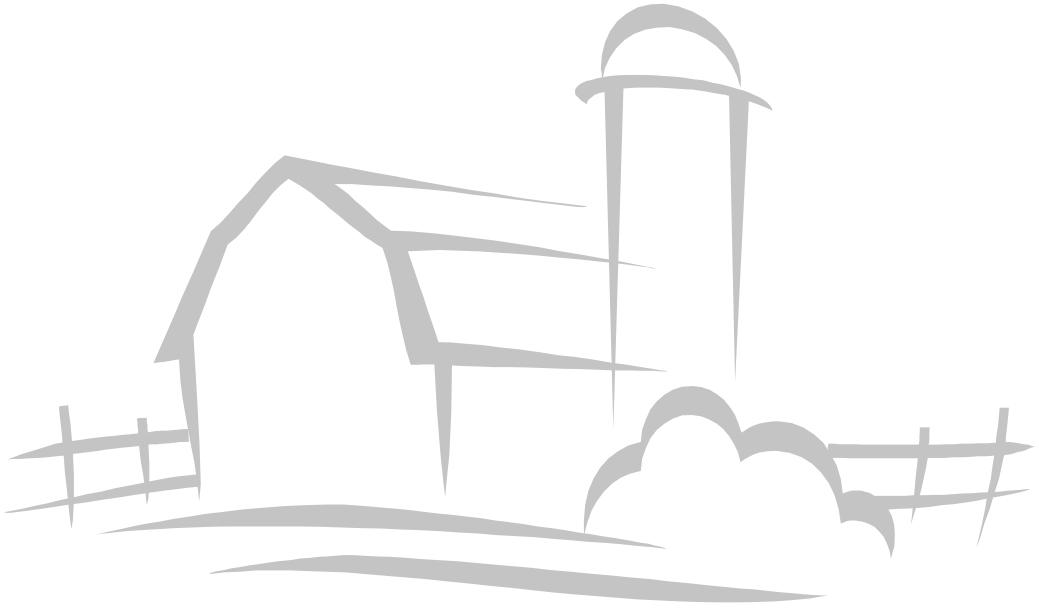
		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government				
Governmental activities				
General government	$ 244,836,065	$ 92,109,646	$ 404,377,204	$ -
Protection to persons and property	697,732,081	195,669,950	314,986,897	-
Human services	3,699,560,926	57,576,758	2,093,874,412	-
Labor	43,615,523	5,582,128	29,484,246	-
General education	2,916,560,455	1,419,979	276,577,567	-
Natural resources	240,045,779	46,839,399	118,611,761	-
Commerce and community development	153,871,180	590,662	22,243,887	-
Transportation	669,798,416	148,869,034	208,120,669	202,819,093
Interest on long-term debt	18,086,348	-	-	-
Total governmental activities	8,684,106,773	548,657,556	3,468,276,643	202,819,093
Business-type activities				
State Lottery and sports wagering	124,271,498	161,714,223	-	-
Liquor Control	82,556,771	101,078,180	-	-
Unemployment Compensation	67,920,326	76,913,951	9,933,686	-
Electric power sales and efficiency	67,066,722	72,435,164	-	-
Federal surplus property	965,490	969,291	-	-
Total business-type activities	342,780,807	413,110,809	9,933,686	-
Total primary government	$ 9,026,887,580	$ 961,768,365	$ 3,478,210,329	$ 202,819,093
Component Units				
Vermont Student Assistance Corporation	$ 76,064,000	$ 27,331,000	$ 48,289,000	$ -
University of Vermont and State Agricultural College	924,592,000	487,524,000	401,101,000	8,351,000
Vermont State Colleges	187,130,076	92,361,681	112,579,044	1,500,000
Vermont Housing Finance Agency	33,775,000	34,888,000	6,233,000	-
Other	145,458,561	65,982,343	89,575,450	-
Total component units	$ 1,367,019,637	$ 708,087,024	$ 657,777,494	$ 9,851,000

General Revenues
Taxes
Personal and corporate income
Sales and use
Meals and rooms
Purchase and use
Motor fuel
Statewide education
Other taxes
Total taxes
Investment earnings/(loss)
Tobacco litigation settlement
Miscellaneous
Additions to non-expendable endowments
Transfers
Total general revenues and transfers
Changes in net position
Net Position - beginning of the year, as previously reported
Restatement
Net Position - beginning of the year, as restated
Net Position - ending of year

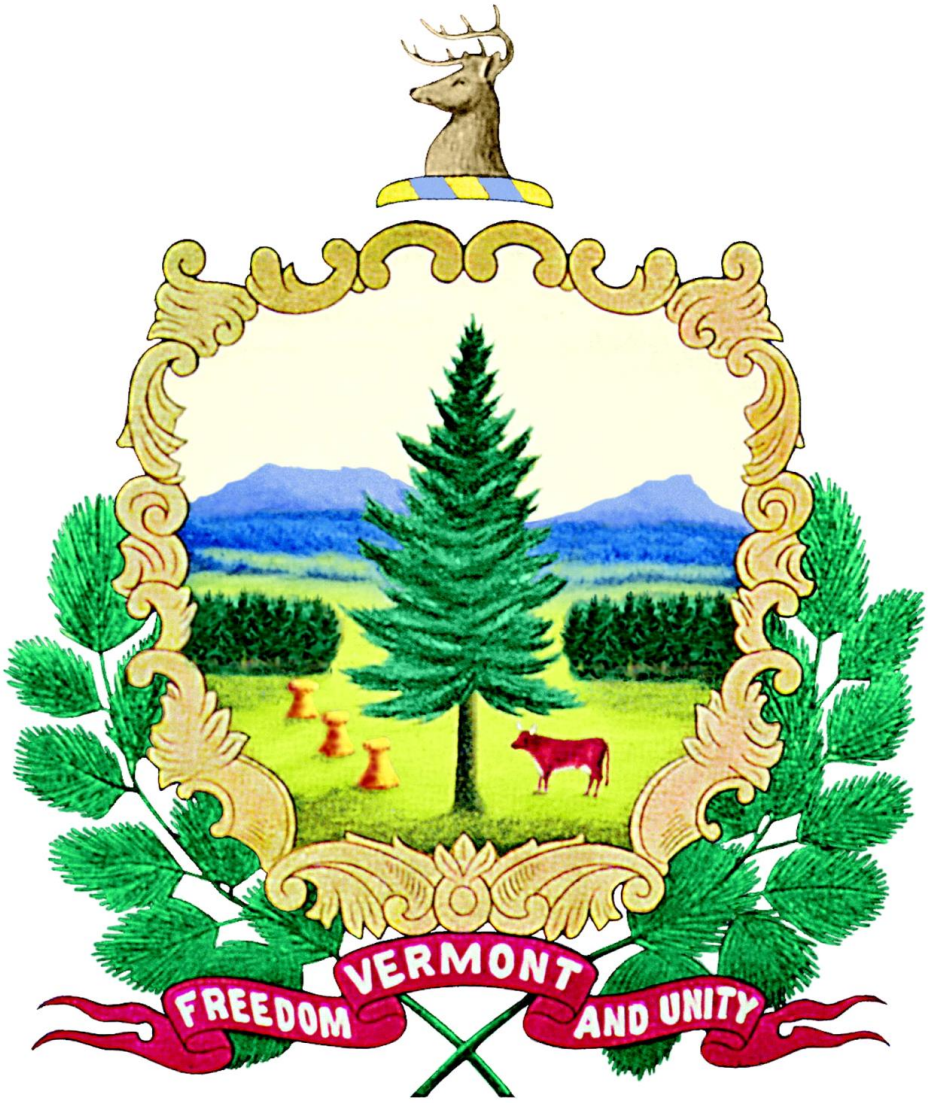
The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Discretely Presented Component Units
Governmental Activities	Business-type Activities	Total	
$ 251,650,785	$ -	$ 251,650,785	$ -
(187,075,234)	-	(187,075,234)	-
(1,548,109,756)	-	(1,548,109,756)	-
(8,549,149)	-	(8,549,149)	-
(2,638,562,909)	-	(2,638,562,909)	-
(74,594,619)	-	(74,594,619)	-
(131,036,631)	-	(131,036,631)	-
(109,989,620)	-	(109,989,620)	-
(18,086,348)	-	(18,086,348)	-
(4,464,353,481)	-	(4,464,353,481)	-
-	37,442,725	37,442,725	-
-	18,521,409	18,521,409	-
-	18,927,311	18,927,311	-
-	5,368,442	5,368,442	-
-	3,801	3,801	-
-	80,263,688	80,263,688	-
(4,464,353,481)	80,263,688	(4,384,089,793)	-
-	-	-	(444,000)
-	-	-	(27,616,000)
-	-	-	19,310,649
-	-	-	7,346,000
-	-	-	10,099,232
-	-	-	8,695,881
1,699,129,066	-	1,699,129,066	-
620,061,191	-	620,061,191	-
264,481,850	-	264,481,850	-
145,134,391	-	145,134,391	-
73,540,563	-	73,540,563	-
1,494,504,869	-	1,494,504,869	-
708,521,723	-	708,521,723	28,238,050
5,005,373,653	-	5,005,373,653	28,238,050
69,165,574	1,641,188	70,806,762	153,974,917
23,097,894	-	23,097,894	-
1,328,621	36,669	1,365,290	2,315,036
-	-	-	518,897
46,091,419	(46,091,419)	-	-
5,145,057,161	(44,413,562)	5,100,643,599	185,046,900
680,703,680	35,850,126	716,553,806	193,742,781
722,508,760	332,332,984	1,054,841,744	2,381,234,868
(6,254,942)	(93,790)	(6,348,732)	(29,422)
716,253,818	332,239,194	1,048,493,012	2,381,205,446
$ 1,396,957,498	$ 368,089,320	$ 1,765,046,818	$ 2,574,948,227

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Vermont



GOVERNMENTAL FUNDS

FINANCIAL STATEMENTS

STATE OF VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Transportation Fund	Education Fund	Special Fund
ASSETS				
Cash and cash equivalents	$ 540,569,460	$ -	$ 143,847,667	$ 551,161,674
Investments	551,707,785	-	-	4,322,357
Receivables				
Taxes receivable, net	325,870,754	527,125	77,160,586	5,608,258
Accrued interest receivable	5,319,754	169,720	-	208
Notes and loans receivable	57,261,292	1,830,683	-	3,483,174
Other receivables, net	20,887,690	9,374,963	8,508	115,060,088
Lease receivable	-	2,957,830	-	191,452
Intergovernmental receivables - federal government, net	-	157,304,589	-	-
Due from other funds	2,260,694	975	-	11,126,073
Due from component units	8,405,177	-	-	-
Interfund receivable	200,758,630	-	-	-
Advances to other funds	300,000	-	-	-
Advances to component units	5,500,000	-	-	-
Total assets	$ 1,718,841,236	$ 172,165,885	$ 221,016,761	$ 690,953,284
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 82,065,306	$ 48,995,916	$ 100,321,086	$ 33,928,135
Accrued liabilities	29,116,673	7,483,047	-	7,634,068
Retainage payable	280,058	-	58,660	336,477
Due to other funds	93,692,508	4,046,044	-	3,967,941
Due to component units	122,778,386	-	12,935,820	-
Intergovernmental payable - federal government	-	-	-	-
Tax refunds payable	37,817,900	-	161,689	2,235
Interfund payable	-	71,174,864	-	-
Unearned revenue	-	55,809	-	20,996,363
Total liabilities	365,750,831	131,755,680	113,477,255	66,865,219
DEFERRED INFLOWS OF RESOURCES				
Prepaid property taxes	-	-	6,103,312	-
Unavailable revenue	232,670,930	9,137,801	4,861,277	101,083,375
Leases	-	3,188,951	-	194,721
Total deferred inflows of resources	232,670,930	12,326,752	10,964,589	101,278,096
FUND BALANCES				
Nonspendable				
Advances	5,800,000	-	-	-
Long-term receivables	116,036,681	-	-	-
Permanent fund principal	-	-	-	-
Restricted	-	-	-	49,243,685
Committed	-	28,083,453	96,574,917	470,357,362
Assigned	146,596,707	-	-	3,208,922
Unassigned	851,986,087	-	-	-
Total fund balances	1,120,419,475	28,083,453	96,574,917	522,809,969
Total liabilities, deferred inflows and fund balances	$ 1,718,841,236	$ 172,165,885	$ 221,016,761	$ 690,953,284

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

Federal Revenue Fund	Global Commitment Fund	Non-major Governmental Funds	Eliminations	Total Governmental Funds
$ 169,802,598	$ -	$ 42,832,377	$ -	$ 1,448,213,776
211,034,561	-	70,307,271	-	837,371,974
-	-	-	-	409,166,723
1,592,959	-	118	-	7,082,759
303,251,703	-	-	-	365,826,852
1,151,315	43,492,555	194,345	-	190,169,464
-	-	20,530	-	3,169,812
251,449,073	124,216,665	154,317	-	533,124,644
6,272,776	84,305,875	1,292	(102,266,916)	1,700,769
-	-	-	-	8,405,177
-	-	-	-	200,758,630
-	-	-	-	300,000
-	-	-	-	5,500,000
$ 944,554,985	$ 252,015,095	$ 113,510,250	$ (102,266,916)	$ 4,010,790,580
$ 113,070,237	$ 202,534,387	$ 8,288,256	$ -	$ 589,203,323
13,140,136	1,728,733	1,185,039	-	60,287,696
1,699,813	20,104	2,492,277	-	4,887,389
12,475,655	1,875,008	178,926	(102,266,916)	13,969,166
-	-	6,160,001	-	141,874,207
2,164,457	-	-	-	2,164,457
-	-	-	-	37,981,824
-	1,609	44,076,251	-	115,252,724
119,225,305	-	95,248	-	140,372,725
261,775,603	206,159,841	62,475,998	(102,266,916)	1,105,993,511
-	-	-	-	6,103,312
92,295	9,177,152	4,029	-	357,026,859
-	-	42,579	-	3,426,251
92,295	9,177,152	46,608	-	366,556,422
-	-	-	-	5,800,000
-	-	-	-	116,036,681
-	-	7,416,453	-	7,416,453
682,687,087	36,678,102	1,882,524	-	770,491,398
-	-	85,655,169	-	680,670,901
-	-	-	-	149,805,629
-	-	(43,966,502)	-	808,019,585
682,687,087	36,678,102	50,987,644	-	2,538,240,647
$ 944,554,985	$ 252,015,095	$ 113,510,250	$ (102,266,916)	$ 4,010,790,580

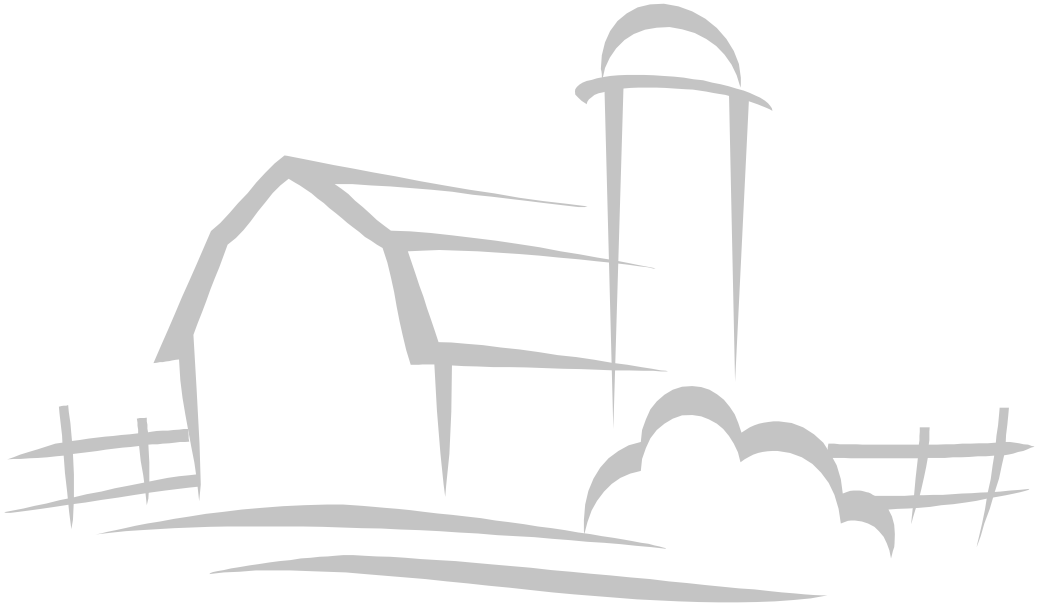
STATE OF VERMONT
RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2025

Total fund balances from previous page	**$ 2,538,240,647**
Capital assets used in governmental activities (net of internal service funds' capital assets) are not considered financial resources for fund perspective reporting and, therefore, are not reported in the funds [(1)]	3,664,384,923
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to certain funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position	(15,638,086)
Amounts presented in the statement of net position relating to, but not in fund balances due to a different basis of accounting [(1)]	705,476,465
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not considered financial liabilities for fund perspective reporting, and therefore are not reported in the funds [(1)]	(5,495,506,451)
Net position of governmental activities	**$ 1,396,957,498**

[(1)] Additional information on these amounts can be found in Note II. A.

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

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Vermont

STATE OF VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Transportation Fund	Education Fund	Special Fund
REVENUES				
Taxes				
Personal income tax	$ 1,400,355,717	$ -	$ -	$ -
Corporate income tax	280,469,799	-	-	-
Sales and use tax	-	-	613,322,876	8,382,844
Meals and rooms tax	176,223,174	-	71,823,417	15,255,521
Motor fuels tax	-	71,362,134	-	1,356,108
Purchase and use tax	-	96,786,550	48,347,841	-
Statewide education tax	-	-	1,494,504,869	-
Other taxes	522,142,221	20,183,132	3,378,231	158,446,092
Earnings of departments				
Fees	50,110,728	27,901,897	-	129,548,008
Rents and leases	-	2,264,167	-	5,876,850
Sales of services	4,245,088	1,348	-	12,887,151
Federal grants	-	410,507,441	-	24,113,011
Fines, forfeits and penalties	4,088,400	2,564,406	-	5,662,316
Investment income/(loss)	60,960,064	1,065,784	2,453,232	16,506,265
Licenses				
Business	1,298,817	523,233	-	43,804,603
Non-business	75,465	110,121,382	-	3,195,483
Special assessments	31,869,858	-	-	20,524,527
Other revenues	11,190,792	1,608,176	-	77,576,934
Total revenues	2,543,030,123	744,889,650	2,233,830,466	523,135,713
EXPENDITURES				
General government	142,833,302	4,246,594	-	55,896,757
Protection to persons and property	278,650,041	20,613,313	-	112,898,180
Human services	758,416,630	-	-	146,511,582
Labor	13,486,997	-	-	4,447,417
General education	287,833,468	-	2,316,353,233	22,648,442
Natural resources	62,421,523	-	-	73,489,439
Commerce and community development	70,972,414	-	-	10,038,463
Transportation	5,870,548	733,281,744	-	25,526,078
Capital outlay	2,554,926	1,526,088	729,507	7,845,133
Debt service	4,160,367	2,003,805	180,094	3,443,874
Total expenditures	1,627,200,216	761,671,544	2,317,262,834	462,745,365
Excess of revenues over (under) expenditures	915,829,907	(16,781,894)	(83,432,368)	60,390,348
OTHER FINANCING SOURCES (USES)				
Leases issued	169,675	26,606	-	-
SBITA's issued	2,385,252	1,499,481	729,507	4,317,583
Transfers in	247,860,424	26,100,000	66,010,081	114,059,912
Transfers out	(944,464,852)	(2,217,692)	(1,400,000)	(163,151,745)
Total other financing sources (uses)	(694,049,501)	25,408,395	65,339,588	(44,774,250)
Net change in fund balances	221,780,406	8,626,501	(18,092,780)	15,616,098
Fund balances, July 1	898,639,069	19,456,952	114,667,697	507,193,871
Fund balances, June 30	$ 1,120,419,475	$ 28,083,453	$ 96,574,917	$ 522,809,969

The accompanying notes are an integral part of these statements.

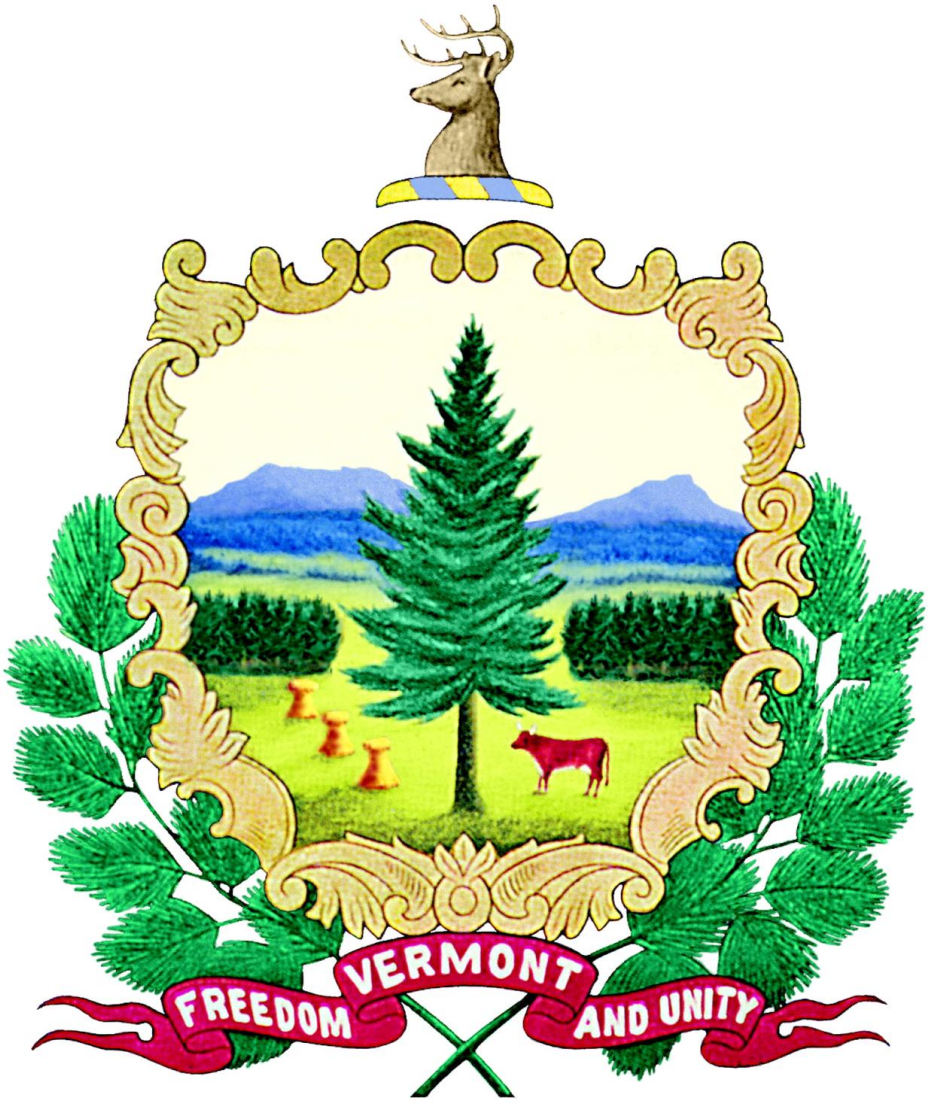
Federal Revenue Fund	Global Commitment Fund	Non-major Governmental Funds	Eliminations	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 1,400,355,717
-	-	-	-	280,469,799
-	-	-	-	621,705,720
-	-	-	-	263,302,112
-	-	822,321	-	73,540,563
-	-	-	-	145,134,391
-	-	-	-	1,494,504,869
-	-	-	-	704,149,676
-	-	195,533	-	207,756,166
-	-	64,202	-	8,205,219
-	-	2,038	-	17,135,625
1,790,510,891	1,378,333,900	10,253,481	-	3,613,718,724
-	-	7,576	-	12,322,698
11,958,441	-	6,257,046	-	99,200,832
-	-	650	-	45,627,303
-	-	7,840,970	-	121,233,300
-	-	-	-	52,394,385
3,017,295	25,241,315	1,879,603	-	120,514,115
1,805,486,627	1,403,575,215	27,323,420	-	9,281,271,214
10,686,534	-	-	-	213,663,187
278,684,565	-	-	-	690,846,099
689,110,635	2,115,807,424	-	-	3,709,846,271
30,278,687	-	-	-	48,213,101
372,418,959	1,591,276	1,702,704	-	3,002,548,082
75,069,580	-	21,437,323	-	232,417,865
66,949,907	-	-	-	147,960,784
3,215,025	-	-	-	767,893,395
6,340,237	153,302	56,933,189	-	76,082,382
5,074,786	206,704	78,551,833	-	93,621,463
1,537,828,915	2,117,758,706	158,625,049	-	8,983,092,629
267,657,712	(714,183,491)	(131,301,629)	-	298,178,585
203,211	-	-	-	399,492
4,088,709	153,302	-	-	13,173,834
10,351,467	765,761,870	105,336,291	(1,287,598,576)	47,881,469
(168,290,243)	(30,045,904)	(3,353,633)	1,287,598,576	(25,325,493)
(153,646,856)	735,869,268	101,982,658	-	36,129,302
114,010,856	21,685,777	(29,318,971)	-	334,307,887
568,676,231	14,992,325	80,306,615	-	2,203,932,760
$ 682,687,087	$ 36,678,102	$ 50,987,644	$ -	$ 2,538,240,647

FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total net change in fund balances from the previous page	**$**	**334,307,887**
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (net of internal service funds) [(1)]		120,002,495
Repayment of bond, lease, and SBITA principal is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position (net of internal service funds) [(1)]		70,702,773
Bond, lease, and SBITA proceeds provide current financial resources to the to the governmental funds, but issuing debt, leases, and SBITA's increases long-term liabilities in the statement of net position (net of internal service funds) [(1)]		(5,057,058)
Receivables in the governmental funds that are not available to provide current financial resources are not reported as revenues in the governmental funds		23,481,541
Estimated personal income tax refunds that are not due and payable are not reported as governmental fund liabilities		(1,448,932)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds [(1)]		126,355,506
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities		12,359,468
Total changes in net position of governmental activities as reported on the statement of activities	**$**	**680,703,680**

[(1)] Additional information on these amounts can be found in Note II. B.

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



PROPRIETARY FUNDS

FINANCIAL STATEMENTS

STATE OF VERMONT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Business-type Activities-Enterprise Funds		
	Unemployment Compensation Trust Fund	Liquor Control Fund	State Lottery Fund
ASSETS			
Current Assets			
Cash and cash equivalents	$ 329,648,020	$ 1,924,094	$ 4,131,291
Receivables			
Taxes receivable, net of allowance for uncollectibles	11,992,452	-	-
Accounts receivable, net of allowance for uncollectibles	846,349	1,587,699	4,989,571
Loans receivable	-	-	-
Lease receivable	-	-	-
Accrued interest receivable	-	-	-
Due from other funds	-	-	-
Intergovernmental receivables - federal government	268,880	-	-
Inventories	-	11,626,268	926,047
Prepaid expenses	-	-	-
Total current assets	342,755,701	15,138,061	10,046,909
Noncurrent Assets			
Investments	-	-	275,808
Loans receivable	-	-	-
Lease receivable	-	-	-
Imprest cash and change fund - advances	-	-	300,000
Total noncurrent assets	-	-	575,808
Capital Assets			
Land	-	-	-
Construction in progress	-	-	-
Works of art	-	-	-
Capital assets being depreciated/amortized:			
Intangible right-to-use assets	-	708,152	6,384,361
Machinery, equipment and buildings	-	6,664,296	372,306
Less accumulated depreciation	-	(4,248,886)	(2,045,844)
Total capital assets, net of depreciation	-	3,123,562	4,710,823
Total noncurrent and capital assets	-	3,123,562	5,286,631
Total assets	342,755,701	18,261,623	15,333,540
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows	-	1,963,425	1,004,003
OPEB related outflows	-	5,161,682	2,451,269
Total deferred outflows of resources	-	7,125,107	3,455,272

Business-type Activities-Enterprise Funds			Governmental Activities
Non-major Enterprise Funds	Eliminations	Total Enterprise Funds	Total Internal Service Funds
$ 38,969,178	$ -	$ 374,672,583	$ 63,568,363
310,098	-	12,302,550	-
9,650,511	-	17,074,130	31,005,309
650,711	-	650,711	520,328
-	-	-	394,704
15,673	-	15,673	1,798
79,966	(79,966)	-	14,199,771
-	-	268,880	-
-	-	12,552,315	4,727,179
-	-	-	4,283,667
49,676,137	(79,966)	417,536,842	118,701,119
-	-	275,808	-
1,359,411	-	1,359,411	2,558,174
-	-	-	590,133
-	-	300,000	3,500,000
1,359,411	-	1,935,219	6,648,307
-	-	-	2,026,156
-	-	-	4,102,217
-	-	-	8,200
-	-	7,092,513	163,663,780
-	-	7,036,602	131,349,945
-	-	(6,294,730)	(137,024,960)
-	-	7,834,385	164,125,338
1,359,411	-	9,769,604	170,773,645
51,035,548	(79,966)	427,306,446	289,474,764
-	-	2,967,428	-
-	-	7,612,951	-
-	-	10,580,379	-

continued on next page

STATE OF VERMONT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Business-type Activities-Enterprise Funds		
	Unemployment Compensation Trust Fund	Liquor Control Fund	State Lottery Fund
LIABILITIES			
Current Liabilities			
Accounts payable	-	6,044,134	1,146,375
Accrued salaries and benefits	-	402,057	403,380
Claims payable	1,265,545	-	-
Due to lottery winners	-	-	28,624
Due to agents	-	507,912	-
Due to other funds	79,966	151,238	190,269
Interfund payable	-	-	-
Future and unclaimed prizes payable	-	-	6,186,689
Unearned revenue	4,191,744	23,182	281,891
Lease liabilities	-	-	-
SBITA liabilities	-	151,163	605,541
Other current liabilities	3,046,090	596	-
Total current liabilities	8,583,345	7,280,282	8,842,769
Long-term Liabilities			
Due to lottery winners	-	-	167,854
Claims payable	-	-	-
Interfund payable	-	-	-
Advances from other funds	-	-	300,000
Lease liabilities	-	-	-
SBITA liabilities	-	291,257	3,441,355
Net pension liabilities	-	4,400,961	1,856,906
Net other postemployment benefits liabilities	-	4,831,834	2,098,178
Other noncurrent liabilities	-	12,155	54,742
Total long-term liabilities	-	9,536,207	7,919,035
Total liabilities	8,583,345	16,816,489	16,761,804
DEFERRED INFLOWS OF RESOURCES			
Leases	-	-	-
Pension related inflows	-	1,014,253	452,421
OPEB related inflows	-	5,324,434	2,229,556
Total deferred inflows of resources	-	6,338,687	2,681,977
NET POSITION			
Net investment in capital assets	-	2,681,143	663,927
Restricted for unemployment compensation benefits	334,172,356	-	-
Restricted for protection to persons and property	-	-	-
Unrestricted (deficit)	-	(449,589)	(1,318,896)
Total net position	$ 334,172,356	$ 2,231,554	$ (654,969)

The accompanying notes are an integral part of these statements.

Business-type Activities-Enterprise Funds			Governmental Activities
Non-major Enterprise Funds	Eliminations	Total Enterprise Funds	Total Internal Service Funds
6,836,446	-	14,026,955	21,645,735
27,031	-	832,468	9,781,187
-	-	1,265,545	29,009,857
-	-	28,624	-
-	-	507,912	-
112,902	(79,966)	454,409	869,833
113,506	-	113,506	23,420,416
-	-	6,186,689	-
-	-	4,496,817	445,608
-	-	-	10,519,383
-	-	756,704	12,089,265
2,245,991	-	5,292,677	741,724
9,335,876	(79,966)	33,962,306	108,523,008
-	-	167,854	-
-	-	-	46,411,672
160,833	-	160,833	61,811,151
-	-	300,000	-
-	-	-	72,818,831
-	-	3,732,612	13,431,094
-	-	6,257,867	-
-	-	6,930,012	-
7,915,186	-	7,982,083	2,460,353
8,076,019	-	25,531,261	196,933,101
17,411,895	(79,966)	59,493,567	305,456,109
-	-	-	940,015
-	-	1,466,674	-
-	-	7,553,990	-
-	-	9,020,664	940,015
-	-	3,345,070	55,266,765
-	-	334,172,356	-
17,479,270	-	17,479,270	-
16,144,383	-	14,375,898	(72,188,125)
$ 33,623,653	$ -	369,372,594	$ (16,921,360)
Adjustment to reflect the consolidation of internal service activities related to enterprise funds.....		(1,283,274)	
Net Position - Business-type Activities.....		$ 368,089,320	

STATE OF VERMONT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities-Enterprise Funds		
	Unemployment Compensation Trust Fund	Liquor Control Fund	State Lottery Fund
OPERATING REVENUES			
Charges for sales and services	$ 75,410,158	$ 94,504,150	$ -
Ticket sales	-	-	155,385,906
Rental income	-	-	-
License fees	-	1,991,000	-
Federal donated properties	-	-	-
Other operating revenues	-	4,583,030	25,086
Total operating revenues	75,410,158	101,078,180	155,410,992
OPERATING EXPENSES			
Cost of sales and services	-	60,659,175	118,043,247
Claims expenses	67,920,326	-	-
Salaries and benefits	-	4,666,097	2,781,035
Insurance premium expenses	-	44,858	21,974
Contractual services	-	714,906	438,962
Repairs and maintenance	-	181,824	42,933
Depreciation	-	809,680	740,528
Rental expenses	-	220,573	147,592
Utilities and property management	-	2,238,414	623,843
Non-capital equipment purchased	-	1,912	41,494
Promotions and advertising	-	42,319	364,953
Administration expenses	-	166,664	83,776
Supplies and parts	-	216,806	33,944
Distribution and postage	-	4,968	10,258
Travel	-	37,389	888
Other operating expenses	-	12,340,970	79,902
Total operating expenses	67,920,326	82,346,555	123,455,329
Operating income (loss)	7,489,832	18,731,625	31,955,663
NONOPERATING REVENUES (EXPENSES)			
Gain/(loss) on disposal of capital assets	-	36,669	-
Investment income/(loss)	9,933,686	-	446,317
Interest expense	-	(766)	(42,733)
Total nonoperating revenues (expenses)	9,933,686	35,903	403,584
Income (loss) before other revenues, expenses, gains, losses, and transfers	17,423,518	18,767,528	32,359,247
OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS			
Transfers in	-	9,559	-
Transfers out	-	(9,582,307)	(30,009,559)
Total other revenues, expenses, gains, losses, and transfers	-	(9,572,748)	(30,009,559)
Changes in net position	17,423,518	9,194,780	2,349,688
Total net position, July 1, as previously reported	316,748,838	(6,941,719)	(2,932,889)
Restatement	-	(21,507)	(71,768)
Total net position, July 1, as restated	316,748,838	(6,963,226)	(3,004,657)
Total net position June 30	$ 334,172,356	$ 2,231,554	$ (654,969)

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

Business-type Activities-Enterprise Funds		Governmental Activities
Non-major Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
$ 80,167,287	$ 250,081,595	$ 579,738,700
-	155,385,906	-
-	-	20,280,184
-	1,991,000	-
964,191	964,191	-
80,000	4,688,116	6,836,061
81,211,478	413,110,808	606,854,945
58,553,317	237,255,739	59,373,267
-	67,920,326	314,670,252
346,561	7,793,693	101,939,419
2,137	68,969	11,721,341
2,440,122	3,593,990	42,328,518
-	224,757	6,443,745
-	1,550,208	37,425,776
273	368,438	2,886,636
73,181	2,935,438	18,653,493
360	43,766	789,370
-	407,272	74,984
6,742,449	6,992,889	15,971,920
2,641	253,391	2,365,730
-	15,226	40,537
1,753	40,030	138,434
573,285	12,994,157	3,306,029
68,736,079	342,458,289	618,129,451
12,475,399	70,652,519	(11,274,506)
-	36,669	1,328,621
1,194,871	11,574,874	2,248,122
-	(43,499)	(3,757,230)
1,194,871	11,568,044	(180,487)
13,670,270	82,220,563	(11,454,993)
690,050	699,609	24,635,443
(7,199,162)	(46,791,028)	(1,100,000)
(6,509,112)	(46,091,419)	23,535,443
7,161,158	36,129,144	12,080,450
26,463,010	333,337,240	(28,485,193)
(515)	(93,790)	(516,617)
26,462,495	333,243,450	(29,001,810)
$ 33,623,653	$ 369,372,594	$ (16,921,360)

Total change in net position reported above.....	$ 36,129,144
Consolidation adjustment of internal service activities related to enterprise funds.....	(279,018)
Change in net position - business type activities..	$ 35,850,126

STATE OF VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

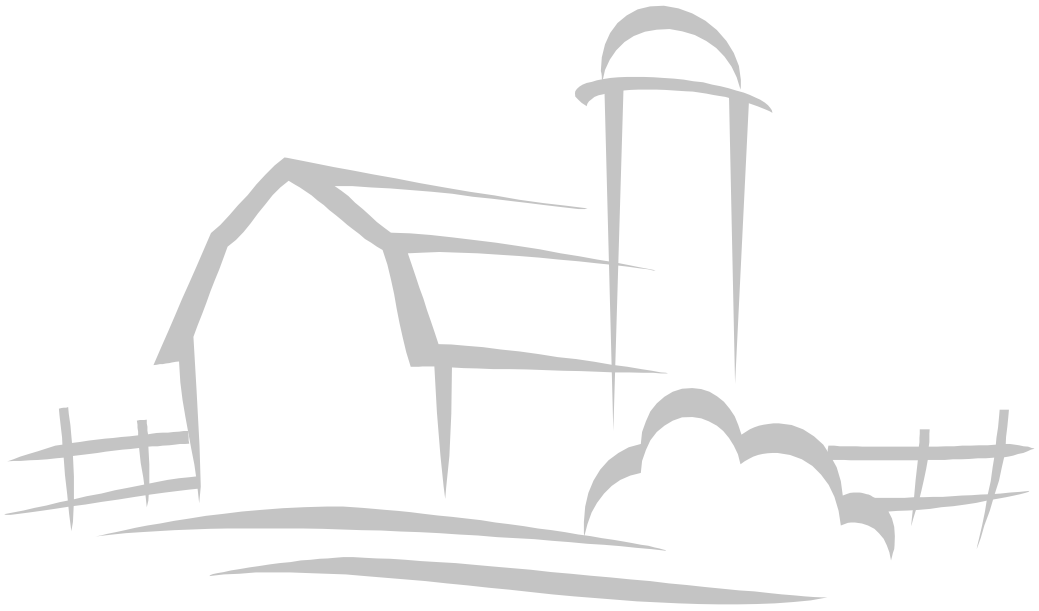
	Business-type Activities-Enterprise Funds		
	Unemployment Compensation Trust Fund	Liquor Control Fund	State Lottery Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 75,801,505	$ 95,279,845	$ 154,809,482
Cash paid to suppliers for goods and services	-	(68,030,962)	(8,607,082)
Cash paid to employees for services	-	(5,145,249)	(2,850,881)
Cash paid for prizes and commissions	-	-	(112,503,309)
Cash paid to claimants	(67,077,598)	-	-
Other operating revenues	-	6,574,030	25,286
Other operating expenses	-	(12,340,970)	(48,902)
Total cash provided (used) by operating activities	8,723,907	16,336,694	30,824,594
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	-
Transfers out	-	(9,582,307)	(30,616,563)
Interfund loans and advances	-	(3,981,746)	-
Federal grants	(15,241,581)	-	-
Net cash provided (used) by noncapital financing activities	(15,241,581)	(13,564,053)	(30,616,563)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(746,021)	(37,769)
Payment of leases, SBITA's, and loans	-	(137,093)	(598,421)
Interest paid on leases, SBITA's, and loans	-	(4,387)	(42,733)
Proceeds from capital loans	-	-	-
Proceeds from sale of capital assets	-	38,954	-
Net cash provided (used) by capital and related financing activities	-	(848,547)	(678,923)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends on investments	9,933,686	-	166,392
Proceeds from sales/maturities of investments	-	-	120,000
Proceeds from loan repayments	-	-	-
Loans issued	-	-	-
Net cash provided (used) by investing activities	9,933,686	-	286,392
Net increase (decrease) in cash and cash equivalents	3,416,012	1,924,094	(184,500)
Cash and cash equivalents, July 1	326,232,008	-	4,615,791
Cash and cash equivalents, June 30	$ 329,648,020	$ 1,924,094	$ 4,431,291
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ 7,489,832	$ 18,731,625	$ 31,955,663
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	-	809,680	740,528
Effect of changes in assets, deferred outflows, liabilities and deferred inflows:			
Accounts/taxes receivable, net	378,806	774,414	(589,521)
Lease receivable	-	-	-
Due from other funds	-	1,158,855	200
Inventories	-	(923,215)	(186,186)
Prepaid expenses	-	-	-
Deferred outflows	-	1,168,685	697,205
Accounts payable	-	(3,705,572)	130,226
Accrued salaries and benefits	-	(71,721)	120,211
Claims payable	(47,790)	-	-
Due to lottery winners	-	-	(40,001)
Due to agents	-	(10,407)	-
Future and unclaimed prizes payable	-	-	(1,264,927)
Due to other funds	12,541	9,294	135,361
Unearned revenues	-	1,278	13,097
Other liabilities	890,518	-	-
Other noncurrent liabilities	-	-	-
Net pension liabilities	-	(497,554)	(481,787)
Net OPEB liabilities	-	877,671	194,583
Deferred inflows	-	(1,986,339)	(600,058)
Total adjustments	1,234,075	(2,394,931)	(1,131,069)
Net cash provided (used) by operating activities	$ 8,723,907	$ 16,336,694	$ 30,824,594
Noncash investing, capital, and financing activities:			
Retirement of assets not fully depreciated	-	-	-
Fair market value of donated inventory sold	-	-	-
Acquisition of capital assets via financing	-	442,419	186,327

NOTE: Total cash and cash equivalents at June 30 on the cash flow statement is equal to cash/cash equivalents, and imprest cash and change fund - advances on the Statement of Net Position.

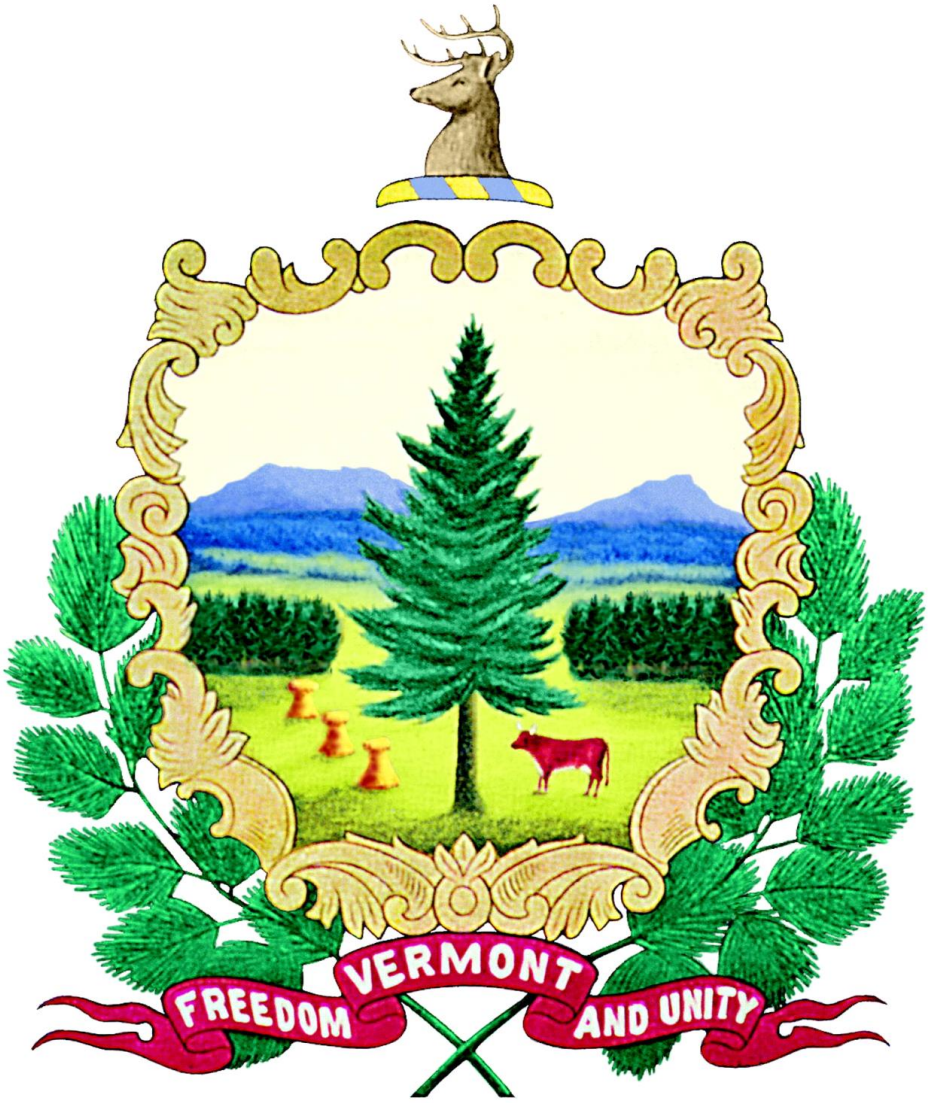
The accompanying notes are an integral part of these financial statements.

Business-type Activities-Enterprise Funds		Governmental Activities
Non-major Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
$ 89,618,854	$ 415,509,686	$ 594,754,137
(74,043,356)	(150,681,400)	(159,299,402)
(338,611)	(8,334,741)	(101,060,171)
-	(112,503,309)	-
-	(67,077,598)	(319,453,037)
80,000	6,679,316	6,836,061
(134,050)	(12,523,922)	(3,306,028)
15,182,837	71,068,032	18,471,560
690,050	690,050	24,635,443
(7,199,162)	(47,398,032)	(1,100,000)
(13,626)	(3,995,372)	972,443
-	(15,241,581)	-
(6,522,738)	(65,944,935)	24,507,886
-	(783,790)	(15,999,351)
-	(735,514)	(25,275,141)
-	(47,120)	(2,343,330)
-	-	1,310,604
-	38,954	3,003,753
-	(1,527,470)	(39,303,465)
1,180,617	11,280,695	884,232
-	120,000	-
416,630	416,630	709,787
(1,576,310)	(1,576,310)	(1,370,274)
20,937	10,241,015	223,745
8,681,036	13,836,642	3,899,726
30,288,142	361,135,941	63,168,637
$ 38,969,178	$ 374,972,583	$ 67,068,363
$ 12,475,399	$ 70,652,519	$ (11,274,506)
-	1,550,208	37,425,776
(44,002)	519,697	(10,262,593)
-	-	383,177
44,635	1,203,690	4,964,272
-	(1,109,401)	(724,608)
-	-	404,321
-	1,865,890	-
444,510	(3,130,836)	2,342,402
7,130	55,620	675,311
-	(47,790)	(4,782,785)
-	(40,001)	-
-	(10,407)	-
-	(1,264,927)	-
104,052	261,248	(258,707)
-	14,375	51,073
(128,850)	761,668	(70,508)
2,279,963	2,279,963	-
-	(979,341)	-
-	1,072,254	-
-	(2,586,397)	(401,065)
2,707,438	415,513	29,746,066
$ 15,182,837	$ 71,068,032	$ 18,471,560
-	-	533,271
964,191	964,191	2,864,939
-	628,746	41,969,751

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Vermont



FIDUCIARY FUNDS

FINANCIAL STATEMENTS

STATE OF VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	Pension and Other Postemployment Benefits Trust Funds	Private Purpose Trust Fund Unclaimed Property Fund	Custodial Funds
ASSETS			
Cash and cash equivalents	$ 211,202,755	$ 17,956,059	$ 9,065,743
Investments			
Fixed income	410,215,423	-	-
Equities	203,122,141	10,344,400	-
Mutual and commingled funds	4,707,673,322	-	-
Private partnerships	2,379,692,353	-	-
Receivables:			
Taxes	-	-	3,685,653
Contributions - current	32,761,864	-	-
Contributions - non-current	4,411,675	-	-
Investments sold	89,985,600	-	-
Interest and dividends	2,949,008	-	-
Other	8,638,936	-	2,617,623
Prepaid expenses	394,072	-	-
Other assets	-	12,975,594	-
Capital assets:			
Capital assets being depreciated:			
Intangible right-to-use assets	802,298	515,411	-
Machinery, equipment and buildings	8,390,471	8,149	-
Less accumulated depreciation	(8,473,393)	(85,386)	-
Total capital assets, net of depreciation	719,376	438,174	-
Total assets	8,051,766,525	41,714,227	15,369,019
LIABILITIES			
Accounts payable	2,315,758	44,251	-
Accrued salaries and benefits	-	57,505	-
Claims payable	-	19,327,690	-
Investments purchased	296,990,758	-	-
Interest payable	18,740	-	-
Due to other funds	606,670	462	-
SBITA liabilities	641,798	392,041	-
Intergovernmental payable - other governments	-	-	11,887,410
Payable to individuals	-	-	191,917
Total liabilities	300,573,724	19,821,949	12,079,327
NET POSITION			
Restricted for employees' pension benefits	7,349,668,736	-	-
Restricted for employees' other postemployment benefits	401,524,065	-	-
Restricted for individuals, organizations and other governments	-	21,892,278	3,289,692
Net position restricted for benefits and other purposes	$ 7,751,192,801	$ 21,892,278	$ 3,289,692

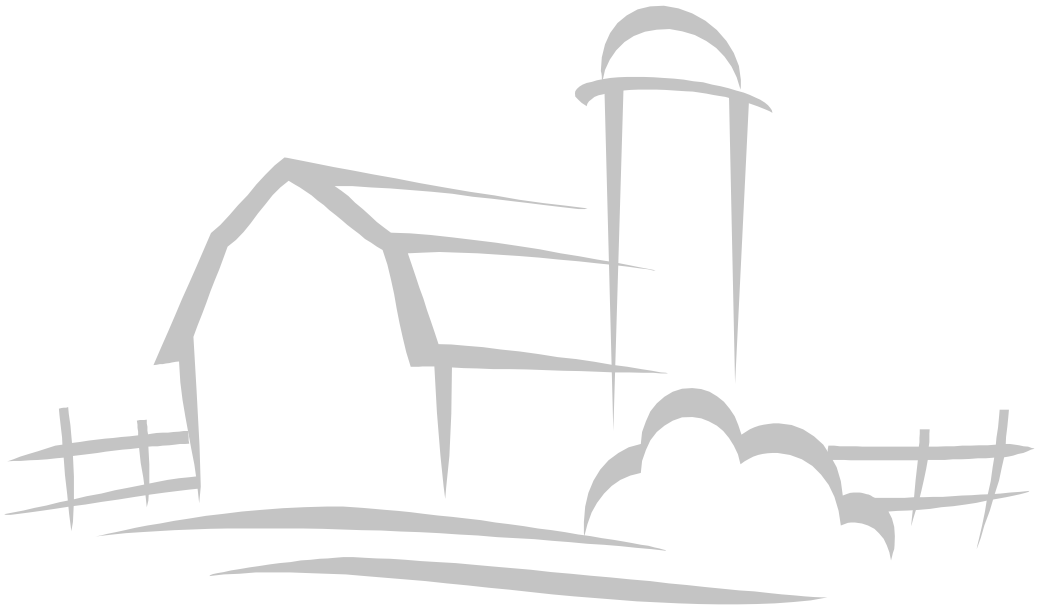
The accompanying notes are an integral part of these financial statements.

STATE OF VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

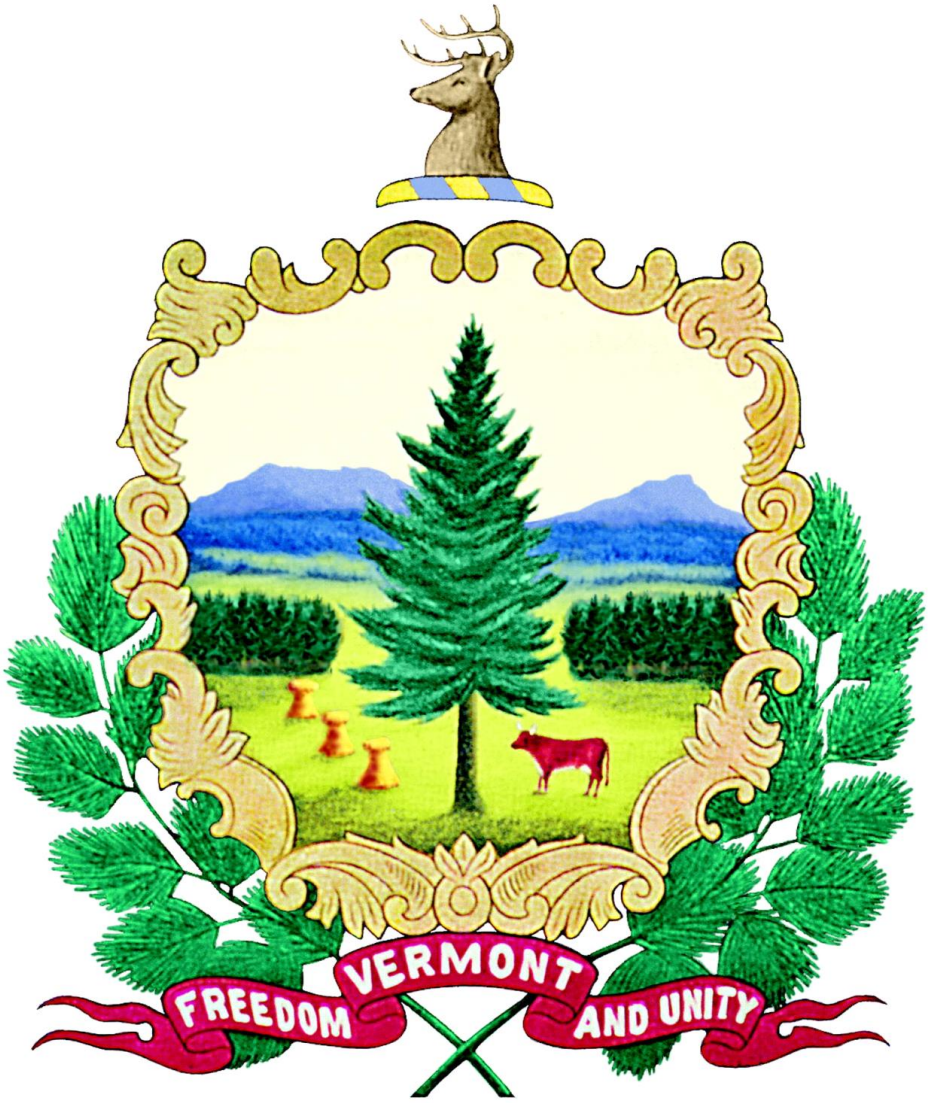
	Pension and Other Postemployment Benefits Trust Funds	Private Purpose Trust Fund: Unclaimed Property Fund	Custodial Funds
ADDITIONS			
Contributions			
Employer - pension benefit	$ 184,248,109	$ -	$ -
Employer - healthcare benefit	78,303,178	-	-
Non-employer - pension benefit	203,401,121	-	-
Non-employer - healthcare benefit	70,577,175	-	-
Plan member	163,162,036	-	-
Transfers from non-state systems	68,041	-	-
Other revenues	10,707,699	-	-
Total contributions	710,467,359	-	-
Investment Income			
Net appreciation/(depreciation) in fair value of investments	718,892,664	-	-
Dividends	22,247,606	-	-
Interest income	19,566,744	1,175,983	2,687
Other income	96,969	-	-
Total investment income/(loss)	760,803,983	1,175,983	2,687
Less Investment Expenses			
Investment managers and consultants	11,570,848	-	-
Total investment expenses	11,570,848	-	-
Net investment income/(loss)	749,233,135	1,175,983	2,687
Escheat property remittances	-	3,155,612	-
Collection of local option taxes for other governments	-	-	38,562,253
Collection of fines and fees for other governments	-	-	6,766,849
Collection of child support for individuals	-	-	39,832,084
Collection for the benefit of individuals	-	-	9,747,510
Other custodial fund collections	-	-	30,808
Total additions	1,459,700,494	4,331,595	94,942,191
DEDUCTIONS			
Retirement benefits	522,046,440	-	-
Other postemployment benefits	90,639,553	-	-
Refunds of contributions	11,624,375	-	-
Death claims	2,262,968	-	-
Payment of local option taxes to other governments	-	-	38,562,253
Payment of fines and fees to other governments	-	-	6,424,440
Payments of child support to individuals	-	-	39,693,661
Payments for the benefit of individuals	-	-	9,536,954
Other custodial fund payments	-	-	29,976
Transfers to non-state systems	7,393,306	-	-
Depreciation	252,935	77,748	-
Operating expenses	8,235,572	1,242,374	-
Total deductions	642,455,149	1,320,122	94,247,284
Change in net position			
Restricted for employees' pension benefits	720,171,494	-	-
Restricted for employees' other postemployment benefits	97,073,851	-	-
Held in trust for individuals, organizations and other governments	-	3,011,473	694,907
Restricted Net position, July 1, as previously reported	6,933,947,456	18,883,007	2,594,785
Restatement	-	(2,202)	-
Restricted Net position, July 1, as restated	6,933,947,456	18,880,805	2,594,785
Restricted Net position, June 30	$ 7,751,192,801	$ 21,892,278	$ 3,289,692

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

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Vermont



DISCRETELY PRESENTED COMPONENT UNITS

FINANCIAL STATEMENTS

STATE OF VERMONT
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2025

	Vermont Student Assistance Corporation	University of Vermont and State Agricultural College	Vermont State Colleges	Vermont Housing Finance Agency	Non-major Component Units	Total Component Units
ASSETS						
Current Assets						
Cash and cash equivalents	$ 38,378,000	$ 253,522,000	$ 119,167,550	$ 14,216,000	$ 83,503,366	$ 508,786,916
Cash and cash equivalents - restricted	-	-	-	73,462,000	53,969,000	127,431,000
Investments	-	338,009,000	-	9,507,000	25,686,339	373,202,339
Accounts receivable, net	-	77,225,000	17,450,791	-	1,533,018	96,208,809
Accrued interest receivable - loans	11,030,000	-	-	2,476,000	4,272,039	17,778,039
Accrued interest receivable - investments	182,000	-	-	1,547,000	-	1,729,000
Loans and notes receivable - current portion	50,228,000	2,141,000	-	80,989,000	96,387,643	229,745,643
Other receivables	1,547,000	-	-	566,000	9,546,311	11,659,311
Lease receivable	244,000	1,151,000	-	-	107,000	1,502,000
Due from federal government	-	23,306,000	-	-	4,073,430	27,379,430
Due from primary government	-	-	-	-	141,874,207	141,874,207
Inventories	-	296,000	-	-	349,951	645,951
Other current assets	512,000	14,215,000	4,914,772	-	1,122,098	20,763,870
Total current assets	102,121,000	709,865,000	141,533,113	182,763,000	422,424,402	1,558,706,515
Noncurrent Assets						
Cash and cash equivalents	-	60,467,000	132,811	-	-	60,599,811
Cash and cash equivalents - restricted	65,323,000	-	-	-	3,627,443	68,950,443
Investments	12,651,000	921,170,000	84,205,079	308,129,000	9,027,000	1,335,182,079
Investments - restricted	-	-	-	-	86,434,322	86,434,322
Loans and notes receivable, net	314,968,000	30,987,000	809,325	188,206,000	1,222,752,928	1,757,723,253
Lease receivable	233,000	14,839,000	-	-	958,000	16,030,000
Other assets	-	28,701,000	19,357	267,000	25,000,500	53,987,857
Total noncurrent assets	393,175,000	1,056,164,000	85,166,572	496,602,000	1,347,800,193	3,378,907,765
Capital Assets						
Land	3,150,000	48,436,000	8,436,048	50,000	602,470	60,674,518
Construction in progress	-	134,327,000	7,014,381	59,000	844,130	142,244,511
Capital assets, being depreciated						
Infrastructure	-	-	44,964,460	-	-	44,964,460
Intangible right-to-use assets	1,208,000	21,586,000	24,148,384	-	784,442	47,726,826
Buildings and leasehold improvements	17,148,000	1,205,799,000	273,025,582	2,018,000	40,453,615	1,538,444,197
Equipment, furniture and fixtures	5,268,000	185,748,000	47,778,492	831,000	8,259,044	247,884,536
Less accumulated depreciation	(16,187,000)	(740,202,000)	(266,074,045)	(2,459,000)	(35,893,351)	(1,060,815,396)
Total capital assets, net of depreciation	10,587,000	855,694,000	139,293,302	499,000	15,050,350	1,021,123,652
Total assets	505,883,000	2,621,723,000	365,992,987	679,864,000	1,785,274,945	5,958,737,932
DEFERRED OUTFLOWS OF RESOURCES						
Loss on refunding of bonds payable	-	4,506,000	3,362,601	-	9,195,585	17,064,186
VHCB related deferred outflows	-	-	-	25,535,000	-	25,535,000
Pension related outflows	-	-	-	-	5,306,984	5,306,984
OPEB related outflows	-	168,456,000	24,009,239	-	15,515,026	207,980,265
Total deferred outflows of resources	-	172,962,000	27,371,840	25,535,000	30,017,595	255,886,435

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

	Vermont Student Assistance Corporation	University of Vermont and State Agricultural College	Vermont State Colleges	Vermont Housing Finance Agency	Non-major Component Units	Total Component Units
LIABILITIES						
Current Liabilities						
Accounts payable and accrued liabilities	4,063,000	142,410,000	16,740,523	1,278,000	4,255,453	168,746,976
Accrued interest payable	-	-	-	3,602,000	621,000	4,223,000
Bond interest payable	483,000	-	-	-	3,231,416	3,714,416
Unearned revenue	12,196,000	77,002,000	6,437,925	-	32,533,461	128,169,386
Other current liabilities	-	-	-	291,000	87,315,315	87,606,315
Current portion of long-term liabilities	16,367,000	21,078,000	8,111,667	55,248,000	138,744,654	239,549,321
Due to primary government	-	-	-	-	8,405,177	8,405,177
Escrowed cash deposits	-	-	-	19,694,000	1,257,000	20,951,000
Total current liabilities	33,109,000	240,490,000	31,290,115	80,113,000	276,363,476	661,365,591
Noncurrent Liabilities						
Bonds and notes payable	228,633,000	546,095,000	83,582,759	499,781,000	770,745,688	2,128,837,447
Lease liabilities	-	6,692,000	10,925,759	-	705,756	18,323,515
SBITA liabilities	89,000	2,473,000	989,250	-	-	3,551,250
Accounts payable and accrued liabilities	1,533,000	10,186,000	-	-	-	11,719,000
Accrued arbitrage rebate	3,432,000	-	-	-	49,419	3,481,419
Advances from primary government	-	-	-	-	5,500,000	5,500,000
Net pension liabilities	-	-	-	-	12,225,917	12,225,917
Net other postemployment benefits liabilities	-	434,826,000	117,898,513	-	13,442,280	566,166,793
Other liabilities	-	-	-	1,594,000	1,919,718	3,513,718
Total noncurrent liabilities	233,687,000	1,000,272,000	213,396,281	501,375,000	804,588,778	2,753,319,059
Total liabilities	266,796,000	1,240,762,000	244,686,396	581,488,000	1,080,952,254	3,414,684,650
DEFERRED INFLOWS OF RESOURCES						
Gain on refunding of bonds payable	1,468,000	-	-	-	-	1,468,000
Lease related inflows	452,000	16,945,000	-	-	927,183	18,324,183
Interest rate swaps	-	-	-	267,000	-	267,000
Split interest arrangements	-	4,837,000	-	-	-	4,837,000
Pension related inflows	-	-	-	-	3,989,246	3,989,246
OPEB related inflows	-	104,097,000	73,593,537	-	18,415,524	196,106,061
Total deferred inflows of resources	1,920,000	125,879,000	73,593,537	267,000	23,331,953	224,991,490
NET POSITION						
Net investment in capital assets	10,101,000	221,269,000	47,370,429	499,000	14,318,179	293,557,608
Restricted						
Endowments - expendable	2,510,000	600,111,000	36,835,380	-	-	639,456,380
Endowments - nonexpendable	11,269,000	441,557,000	26,932,616	-	-	479,758,616
Grants and scholarships	3,381,000	-	-	-	-	3,381,000
Bond resolution	69,390,000	-	-	91,691,000	-	161,081,000
Investment in limited partnerships	-	-	-	-	4,088,000	4,088,000
Collateral for commercial paper program	-	-	-	-	17,801,000	17,801,000
Project and program commitments	-	-	-	15,219,000	231,170,589	246,389,589
Loans receivable	-	-	-	-	379,251,064	379,251,064
Unrestricted (deficit)	140,516,000	165,107,000	(36,053,531)	16,235,000	64,379,501	350,183,970
Total net position	$ 237,167,000	$ 1,428,044,000	$ 75,084,894	$ 123,644,000	$ 711,008,333	$ 2,574,948,227

STATE OF VERMONT
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Vermont Student Assistance Corporation	University of Vermont and State Agricultural College	Vermont State Colleges	Vermont Housing Finance Agency	Non-major Component Units	Total Component Units
Expenses						
Salaries and benefits	$ 15,309,000	$ 576,465,000	$ 109,400,262	$ 5,548,000	$ 29,693,648	$ 736,415,910
Other expenses	9,588,000	277,449,000	48,828,606	7,189,000	80,478,840	423,533,446
Scholarship, grants and fellowships	41,755,000	7,754,000	9,789,606	-	-	59,298,606
Depreciation	763,000	43,172,000	14,361,975	70,000	1,643,728	60,010,703
Interest on debt	8,649,000	19,752,000	4,749,627	20,968,000	33,642,345	87,760,972
Total expenses	76,064,000	924,592,000	187,130,076	33,775,000	145,458,561	1,367,019,637
Program Revenues						
Charges for services	27,331,000	487,524,000	92,361,681	34,888,000	65,982,343	708,087,024
Operating grants and contributions	48,289,000	401,101,000	112,579,044	6,233,000	89,575,450	657,777,494
Capital grants and contributions	-	8,351,000	1,500,000	-	-	9,851,000
Total program revenues	75,620,000	896,976,000	206,440,725	41,121,000	155,557,793	1,375,715,518
Net revenue (expense)	(444,000)	(27,616,000)	19,310,649	7,346,000	10,099,232	8,695,881
General Revenues						
Property transfer tax	-	-	-	-	28,238,050	28,238,050
Investment income/(loss)	5,315,000	128,339,000	8,372,878	4,106,000	7,842,039	153,974,917
Additions to non-expendable endowments	196,000	-	322,897	-	-	518,897
Miscellaneous	-	831,000	17,593	-	1,466,443	2,315,036
Total general revenues	5,511,000	129,170,000	8,713,368	4,106,000	37,546,532	185,046,900
Changes in net position	5,067,000	101,554,000	28,024,017	11,452,000	47,645,764	193,742,781
Net Position - beginning of the year, as previously reported	232,100,000	1,326,490,000	47,060,877	112,192,000	663,391,991	2,381,234,868
Restatement	-	-	-	-	(29,422)	(29,422)
Net Position - beginning of the year, as restated	232,100,000	1,326,490,000	47,060,877	112,192,000	663,362,569	2,381,205,446
Net Position - ending	$ 237,167,000	$ 1,428,044,000	$ 75,084,894	$ 123,644,000	$ 711,008,333	$ 2,574,948,227

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

STATE OF VERMONT
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025

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STATE OF VERMONT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the State of Vermont (State) have been prepared in accordance with generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles in the United States of America.

The basic financial statements present the financial position of the State, the results of operations of the State and the various funds and fund types, and the cash flows of the various proprietary funds. The basic financial statements are presented as of and for the period ended June 30, 2025.

The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. Financial Reporting Entity

The State of Vermont's Primary Government is comprised of three branches: the Executive Branch, with the Governor as the chief executive officer; the Legislative Branch, with a Senate of 30 members and a House of Representatives of 150 members; and the Judicial Branch, with Supreme and Superior Courts and the Judicial Bureau.

The basic financial statements include all funds, agencies, boards, commissions, and organizations of the primary government (the State), as well as component units that have been determined to meet the requirements for inclusion in the State's financial reporting entity.

Component Units are entities that, although legally separate from the State, have been included because they are either financially accountable to the State, or have relationships with the State such that exclusion would cause the State's financial statements to be misleading or incomplete. These component units are financially accountable to the State if the State appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, or if there is a potential for the organization to provide a financial benefit or financial burden to the State. Alternatively, for those organizations where the State does not appoint a voting majority, an organization is financially accountable to the State if the organization is fiscally dependent, and the organization provides a financial benefit or financial burden to the State.

Component unit activity may be "blended" into the activity of the primary government or may be reported separately. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Vermont has no blended component units. If they are reported separately, they are called "discretely presented component units" and are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government. Each discretely presented component unit's designation as either "major" or "non-major" has been determined by the entity's relative significance to the State. Additional information as well as separately issued financial reports may be obtained by contacting the individual entity desired at the address given in the following text.

Discretely Presented Major Component Units

The "Discretely Presented Component Units" contained in the government-wide financial statements report the financial results of the following entities:

Vermont Student Assistance Corporation (VSAC) - The VSAC was established by the Vermont Legislature to provide opportunities for persons who are residents of Vermont to attend colleges or other institutions of higher education by awarding grants and by making, financing, servicing, and guaranteeing loans to qualifying students. The Governor of the State appoints five of the eleven members of the Board of Directors, and the State Legislature appoints two additional members. The State of Vermont has the ability to impose its will upon VSAC through its ability to change or alter the organization, structure, or programs. For audited financial statements and further information, contact their administrative offices at 10 East Allen Street, P.O. Box 2000, Winooski, Vermont 05404.

University of Vermont (UVM) - UVM's financial report includes the University, the State Agricultural College, and UVM's four discretely presented component units; the University of Vermont and State Agricultural College Foundation, Inc. (UVMF), University Medical Education Associates, Inc. (UMEA), Catamount Run Phase 1, LLC, and Catamount Run Phase 2, LLC. The State appoints thirteen of the twenty-five voting members of the Board of trustees. The State has assumed an obligation to provide financial support through its annual appropriation and is obligated to maintain the University's debt service reserves. Audited financial statements and additional information may be obtained by contacting the university's administrative offices at 333 Waterman Building, Burlington, Vermont 05405.

Vermont State Colleges (VSC) - The VSC's annual report includes the financial activity for the following organizations:

System Office and Services
Community College of Vermont
Vermont State University
Workforce Development

The Governor, with the advice and consent of the Senate, appoints nine of the fifteen members of the board of trustees, and the legislature appoints an additional four members. The State has assumed an obligation to provide financial support through its annual appropriations and has assumed an obligation to maintain VSC's debt service reserves. Audited financial statements and additional information about the system itself or about any of the individual organizations included in the system may be obtained by contacting the Office of the Chancellor, Vermont State Colleges, P.O. Box 7, Montpelier VT 05602.

Vermont Housing Finance Agency (VHFA) - The VHFA was created in 1974 by an Act of the General Assembly of the State of Vermont for the purpose of financing and promoting affordable, safe, and decent housing opportunities for low- and moderate-income Vermonters. The State appoints voting members of VHFA's board of commissioners. The State is able to impose its will on the organization as the Governor can remove any member of the board at will. The State also has an obligation to maintain the organization's debt reserves. Audited financial statements and additional information may be obtained by contacting the Agency's administrative offices at 164 Saint Paul Street, Burlington, VT 05401.

Discretely Presented Non-Major Component Units

Vermont Economic Development Authority (VEDA) - VEDA, a tax-exempt entity, was created by the Vermont Legislature for the purpose of promoting economic prosperity in the State by directly financing eligible businesses and projects including manufacturing, agricultural, and travel and tourism enterprises; and by operating programs which provide eligible borrowers with access to capital. The authority has 15 voting members consisting of the Secretary of the Agency of Commerce and Community Development; the State Treasurer; the Secretary of Agriculture, Food and Markets; the Commissioner of Forest, Parks, & Recreation; and the Commissioner of Public Service; or a designee of any of the above; and ten members, who are residents of the State of Vermont and appointed by the Governor with the advice and consent of the senate. The State has the ability to impose its will on the entity as the Governor can remove members at will and the State can change the structure and activities of the organization at any time. The entity's services primarily benefit the residents of Vermont.

VEDA also administers the State Infrastructure Bank (SIB), the Drinking Water State Revolving Loan Fund -

Private Loans, the Brownfields Revitalization Fund, and the Clean Energy Development Fund. These four funds are administered for the benefit of the State and are consolidated and reported in VEDA's custodial fund. Audited financial statements and additional information may be obtained by contacting VEDA at 58 East State Street, Suite 5, Montpelier, Vermont 05602.

Vermont Housing and Conservation Board (VHCB) - The Legislature created and charged this organization with two goals: create affordable housing for Vermont residents and conserve and protect Vermont's agricultural lands, historic properties, forestlands, important natural areas, and recreational lands. The VHCB's Board of Directors are appointed by the Governor of the State of Vermont and there is a material financial relationship. Funding for the organization is provided by the Legislature, comprised of 50% of the revenue from the property transfer tax, plus other monies appropriated from time to time. Audited financial statements and additional information may be obtained by contacting the VHCB at 58 East State Street, Suite 5 Montpelier, Vermont 05602.

Vermont Bond Bank (VBB) - The Vermont Legislature established the VBB the express purpose of fostering and promoting adequate capital markets and facilities for borrowing money by governmental units of the State of Vermont for the financing of public improvements or other public purposes. The Governor appoints the four directors and can remove members at will. VBB is authorized, with written consent of the Governor and the State Treasurer, to carry out these charges by borrowing money or by issuing its own bonds and notes to obtain funds which are then utilized to purchase bonds and notes issued by local governmental entities. The State is obligated annually to appropriate any funds necessary to maintain the required reserves of the bond bank. The VBB has a December 31 (annual) year-end. Audited financial statements and additional information regarding VBB may be obtained by contacting VBB at 100 Bank Street, Suite 401, Burlington, VT 05401.

VBB also administers the Special Environmental Revolving Fund in accordance with 24 V.S.A. 4753(b). This fund was created by the Vermont Legislature for the purpose of fostering and promoting timely expenditures by municipalities for water supply, water pollution control, and solid waste management. The fund has a June 30 year-end and publishes its own audited financial statements. For financial reporting purposes, its financial statements have been consolidated with the State's Federal Revenue Fund financial statements in this ACFR. The Special Environmental Revolving Fund's audited financial statements may be obtained by contacting the Department of Environmental Conservation at Davis 1, 1 National Life Drive, Montpelier, VT 05602-3901.

Vermont Educational and Health Buildings Financing Agency (VEHBFA) - VEHBFA is a non-profit entity which finances or assists in the financing of projects for eligible Vermont educational institutions, health care related entities, and private libraries. The majority of the Board of VEHBFA is appointed by the Governor of the State. The Board may appoint officers, agents, consultants, and employees. Their compensation is subject to approval of the Governor. The VEHBFA has a December 31 (annual) year-end. Audited financial statements and additional information may be obtained by contacting VEHBFA at 20 Winooski Falls Way, Winooski VT 05404.

Vermont Veterans' Home - The Vermont Veterans' Home was originally chartered in 1884 by the Vermont Legislature and incorporated on November 24, 1884. A Board of Trustees appointed by the Governor oversees the operations of the Vermont Veterans' Home. The State can impose its will on the entity as directors serve at the pleasure of the Governor. The Vermont Veterans' Home is financially accountable to the State as the State provides all funding and controls the finances of the Home. Audited financial statements and additional information may be obtained by contacting them at 325 North Street, Bennington, Vermont 05201.

Vermont Transportation Authority (VTA) - The Vermont Legislature specifically authorized the creation of VTA pursuant to the acquisition, operation, and support of an authorized transportation facility as defined in 29 V.S.A. 701. All members of the authority are appointed by the Governor, and all resources revert to the State on termination of the authority. The VTA is currently inactive. Additional information may be obtained from the Agency of Transportation – Rail Division, National Life Building, Montpelier, Vermont 05633–5001.

Joint Ventures

A joint venture is a legal entity or other contractual arrangement that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or responsibility. The Tri-State Lotto Commission (31 V.S.A. 673) is classified as a joint venture. The financial activities of this organization have not been included in the State's financial statements; however, see Note V. E. for additional information regarding the organization.

Jointly governed Organizations

The following organizations are classified as jointly governed organizations because they represent units over which control is exercised jointly by the State along with various other governmental agencies. There is no specific ongoing financial benefit or burden for the State associated with these organizations, which distinguishes these arrangements from those classified as joint ventures. The financial activities of these organizations are not included in the State's financial statements.

Connecticut River Valley Flood Control Commission (10 V.S.A. 1153)
New England Board of Higher Education (16 V.S.A. 2692)
New England Interstate Water Pollution Control Commission (10 V.S.A. 1333)
Northeastern Forest Fire Protection Commission (10 V.S.A. 2503)

Related Organizations

Related organizations are separate legal entities for which the primary government appoints a voting majority of the board members but does not have either (a) the ability to impose its will on the organization or (b) a relationship of financial benefit or burden with the organization. The Vermont State Housing Authority (24 V.S.A. 4005) has been classified as a related organization, and thus their financial activity has not been included in the State's financial statements.

Excluded Organizations

The following entities have been determined not to be part of the reporting entity after applying the criteria of GASB Statement No. 14 "The Financial Reporting Entity", as amended by GASB Statements No. 61.

Vermont Sustainable Jobs Fund, Inc.
Vermont Information Technology Leaders (VITL)
Vermont Council on the Humanities
Vermont Council on the Arts
Vermont Historical Society
Vermont Public Power Supply Authority
Connecticut River Atlantic Salmon Commission (10 V.S.A. 4654)
Texas Low Level Radioactive Waste Disposal Compact (10 V.S.A. 7013)

These organizations have not been included in the reporting entity because they are legally separate entities, and the voting majority of their governing boards are not appointed by the State. They are not fiscally dependent on the State's primary government and exclusion from the reporting entity would not render Vermont's financial statements incomplete or misleading.

B. Basis of Presentation - Government-wide Financial Statements

The basic financial statements of the State of Vermont include both *government-wide statements* and *fund financial statements*. The focus of the government-wide statements is on reporting the operating results and financial position of the State as a whole and present a longer-term view of the State's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the State and present information on how operations were financed and what remains available for future spending.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, although the latter are excluded from the government-wide financial statements.

The State of Vermont's Government-wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information on all of the financial activities of both the primary government and its component units, except fiduciary activity. Fiduciary fund activity has not been included in these entity-wide statements in accordance with the requirements of GASB Statement No. 34. For the most part, the effect of interfund activity has also been removed from these government-wide statements. However, Interfund services provided and used are not eliminated in the process of consolidation. Primary government activities are segregated between governmental activities and business-type activities. Governmental activities' sources of revenues are normally taxes and inter-governmental revenues. Business-type activities rely, to a significant extent, on fees and charges for support. Further, the primary government is reported separately from its legally separate discretely presented component units.

The Statement of Activities demonstrates the degree to which direct expenses of a given function, segment, or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function, segment, or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Items not properly included among program revenues are reported instead as general revenues. Taxes and other resources that are dedicated internally are reported as general revenues rather than as program revenues. The State does not allocate general government (indirect) expenses to other functions.

Net position (the amount by which assets and deferred outflows exceed liabilities and deferred inflows) are reported on the Statement of Net Position in three components:

1. Net investment in capital assets - total amount of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds and other debt that are related to the acquisition or construction of those assets, including related deferred outflows of resources and deferred inflows of resources.
2. Restricted - for amounts when constraints placed on the net position are either externally imposed or are imposed by constitutional provisions or enabling legislation.
3. Unrestricted - the total net position which does not fit the two preceding categories.

When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted assets first with unrestricted resources utilized as needed.

C. Basis of Presentation - Fund Financial Statements

The financial activities of the State are recorded in individual funds, each of which is deemed to be a separate accounting entity. A fund is defined as a separate accounting entity with a self-balancing set of accounts. The State uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and discretely presented component units. Major governmental funds, major proprietary funds, and major component units are reported in individual columns in their respective fund financial statements. Non-major funds and component units are combined and reported in a single column. The single test for classifying a fund as either major or non-major consists of applying the following two steps:

a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding element total (assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, etc.) for all funds in that category or type (that is total governmental or total enterprise), **and**
b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined.

In addition to the above major fund criteria, any other governmental or enterprise fund that government officials believe is particularly important to financial statement users (i.e., because of public interest or for consistency) may be reported as a major fund.

The financial activities of the State reported in the accompanying financial statements have been classified into the following governmental, proprietary, and fiduciary funds:

Governmental Funds

General Fund - The Vermont Legislature has established the General Fund as the basic operating fund of the State. As such, the General Fund is used to finance and to account for all expenditures for which no special revenues have otherwise been provided by law. All revenues received by the State and not otherwise required by law to be deposited in any other designated fund or used for any designated purpose are deposited in the General Fund. Unexpended and/or unencumbered appropriation balances will, unless otherwise directed by law, revert to the fund balance at the end of the fiscal year to be re-appropriated in the future.

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects, and include the following:

Transportation Fund - This fund is a major special revenue fund. It is used primarily for preservation, maintenance, and improvements to the State's transportation infrastructure. This infrastructure includes highways, bridges, railroads, airports, public transportation, and other related activities. The fund is also used for construction of transportation capital facilities. The primary sources of revenue in this fund are motor fuel taxes, motor vehicle purchase and use tax, motor vehicle license and registration fees, traffic ticket revenue, other statutorily specified revenues, as well as reimbursements from the federal government for transportation projects.

Education Fund - This fund is a major special revenue fund. It was established by the Vermont Legislature to equalize statewide education funding requirements. Sources of funding and allowable expenditures are codified in 16 V.S.A. 4025. These allowable expenditures include payments to school districts and supervisory unions for the support of education, the costs of short-term borrowing, and statewide education tax income sensitivity adjustments. Funding includes the statewide education tax, allocations of other taxes, State lottery profits, Medicaid reimbursements, and appropriated transfers from the General Fund.

Special Fund - This fund is a major special revenue fund. It combines many individual special revenue funds that account for proceeds or specific revenues not categorized above that are limited to expenditures for specific purposes. These purposes cross the entire range of State government activities.

Federal Revenue Fund - This fund is a major special revenue fund. All federal grant receipts are recorded in this fund except for those federal funds specifically designated for human services as part of the global commitment to health Medicaid waiver, transportation or fish and wildlife purposes (which are recorded in the State's Global Commitment Fund, Transportation Fund or Fish and Wildlife Fund respectively).

Global Commitment (to Health) Fund - This fund is a major special revenue fund created in accordance with Section 16c of 33 V.S.A. 1901(e). It is the result of Vermont entering into a Medicaid demonstration waiver agreement with the Federal Government. This agreement caps Federal expenditures in Medicaid services but gives Vermont great latitude in promoting universal access to health care, cost containment, and effective administration. The State will be financially at risk for managing costs within the capped limits but stands to benefit from any savings realized from program efficiencies. As part of the agreement, the Agency of Human Services (AHS) has contracted with the Department of Vermont Health Access (DVHA), which serves as a publicly sponsored managed care organization, and adheres to all Federal managed care organization regulations.

In addition to the grant received from the Federal Government, General and Special Fund resources are used to fund payments from the Agency of Human Services to the DVHA for the purpose of providing services under the global commitment to health care waiver approved by the Federal Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act. These payments are reported as transfers out of the General and Special Funds and as transfers into the Global Commitment Fund. These funds will be expended as appropriated by the general assembly, authorized by the Director of the DVHA, and approved by the Commissioner of Finance and Management consistent with agreements between the DVHA and departments delivering eligible services under the waiver. These resources paid to the Global Commitment Fund are adjusted by the AHS each quarter to the actual expenditures paid.

Non-major governmental funds column includes the balances and activities of the following:

Fish and Wildlife Fund - This fund is a non-major special revenue fund. The fund's revenue is committed by statute and can only be utilized for fish and wildlife purposes. Principal sources of revenue include license fees and federal grants.

Capital Projects Funds - These funds, consisting of the General Obligation Bond Projects Fund and the Transportation Infrastructure Bond Projects Fund, are non-major governmental funds, and account for and report financial resources that are restricted, committed, or assigned to be used for expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. These capital expenditures may be for the State directly or for outside organizations such as the Vermont State Colleges, municipalities, etc.

Debt Service Fund - The General Obligation Debt Service Fund is a non-major governmental fund that accounts for and reports financial resources that are restricted, committed, or assigned to be used for expenditures for bond principal and interest.

Permanent Funds - These are non-major governmental funds that report resources that are legally restricted to the extent that only earnings, not principal, may be expended for purposes that benefit the government or citizenry, such as higher education, cemetery care, and monument preservation.

Proprietary Funds

These funds account for those activities for which the intent of management is to recover the cost of providing goods or services to the general public or other departments of government primarily through user charges, or where prudent financial management dictates that periodic determinations of results of operations are appropriate. These funds include the following types:

Enterprise Funds - These ten funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The State's intent in these funds is to recover the costs including depreciation expense associated with providing the goods and services to the public primarily through user charges. Three of these enterprise funds, reporting the activities of the State's unemployment compensation program, the Division of Liquor Control, and the State's lottery program, are reported as "major funds" while the remaining seven are reported as non-major funds.

Unemployment Compensation Trust Fund - accounts for federal monies and unemployment taxes collected from employers to provide payment of benefits to the unemployed (21 V.S.A. Chapter 17).

Liquor Control Fund - accounts for the operations of the Division of Liquor Control which purchases, distributes, and sells distilled spirits through its agency stores (7 V.S.A. Chapter 5).

State Lottery Fund - accounts for the operations of the Vermont Lottery (31 V.S.A. Chapter 14). The net profits of the State Lottery Fund are used to support public education and are transferred monthly to the Education Fund.

Internal Service Funds - These twenty-five separate funds are used to account for the financing of goods and services provided by one State department to other State agencies, departments, or intergovernmental units. Their objective is not to make a profit but rather to recover the total cost of providing these goods and services by charging users of their services and products. Activities accounted for in the State's internal service funds include risk management; employee group insurance programs; equipment acquisition and maintenance; rental and maintenance of facilities; financial, human resource, audit, and information technology services; postage, copying and supply procurement services; and State vehicle fleet management. In the government-wide financial statements, Internal Service Funds are reported within the governmental activities.

Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. These funds include the following:

Pension and Other Postemployment Benefit Trust Funds - These funds are used to report assets and associated financial activity that are held in trust for the members and beneficiaries of the Vermont State Retirement (defined benefit) System, the Vermont State Defined Contribution Retirement System, the State Teachers' Retirement (defined benefit) System, the Vermont Municipal Employees' (defined benefit) Retirement System, the Vermont Municipal Employees' Defined Contribution Plan, the State's Single Deposit Investment Account, the State Employees' Postemployment Benefit Trust Fund, the Retired Teachers' Health and Medical Benefit Fund and the Vermont Municipal Employees' Health Benefit Fund.

Private Purpose Trust Fund - The State's only fund in this category is the *Unclaimed Property Fund*, which accounts for all abandoned property that is required to be remitted to the State. The Unclaimed Property Division in the State Treasurer's Office administers procedures for returning this property to its rightful owner if they can be located. In addition to monetary assets, from time to time, the Unclaimed Property Division may have custody of tangible property that has not been valued and therefore is not reported in the financial statements.

Custodial Funds - These funds report fiduciary activities that are not required to be reported in another fiduciary fund type. This includes funds that are held for the benefit of individuals, organizations, or other governments that are not part of the State's reporting entity, such as local option taxes, fines, and fees collected on behalf of other governments, and child support collections for individuals.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Statewide education property taxes are recognized as revenues in the year for which the taxes are levied. This property tax is levied by the State on July 1, is included in the property tax bills levied by municipalities and is collected by municipalities. The municipalities, by December 1 and June 1, must make payment to the State Treasurer in the amount specified by the Commissioner of Taxes.

Governmental Fund Financial Statements - The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The State uses a 60-day availability period for revenue recognition. Major revenue sources considered susceptible to accrual include federal grants, interest on investments, and sales and income taxes. Expenditures generally are recorded when a liability is due and payable, with the following exceptions:

a. Employees' vested annual, personal, and compensatory leave time are recorded as expenditures when utilized. The amount of accumulated leave unpaid at the end of the fiscal year has been reported only in the accrual-basis financial statements and includes any accruals for the State's share of any payroll taxes that will be due when the expenditures are actually paid. See the "Compensated Absences" section of this footnote for additional information.
b. Interest on general long-term debt is recognized when due to be paid.
c. Debt service expenditures and claims and judgments are recorded only when payment is due to be paid.

Proprietary Funds, Fiduciary Funds, and Discretely Presented Proprietary Fund Type Component Units **–** The financial statements presented for these types of funds use the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non–operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are categorized as non-operating revenues and expenses.

E. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance

Cash and Cash Equivalents

Cash balances for most funds are deposited with the State Treasurer. Except for the Pension and Other Post Employment Benefit Funds, and bond proceeds in the Capital Projects Funds, cash balances deposited with the State Treasurer are pooled together and amounts that are not immediately required are invested in short-term investments.

Income earned by these short-term investments is allocated based on average daily balances to those funds authorized to receive it while any remaining earnings are deposited in the General Fund.

Cash and cash equivalents as reported in the financial statements include bank accounts, imprest cash, short-term investments with an original maturity of three months or less at the time of acquisition such as certificates of deposit, commercial paper, federal government agencies' discount notes, money market accounts, and repurchase agreements.

Investments

The investments are categorized at their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to

measure fair value of the asset that prioritizes inputs into three levels: Level 1 - quoted prices for identical instruments in active markets; Level 2 - significant inputs that are observable; Level 3 - significant inputs that are unobservable.

Also, certain investments that are measured at net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. For additional information regarding types of investments and basis of valuation, see Note IV.B. - Investments.

Receivables

Receivables in the government-wide financial statements represent amounts due to the State at June 30 that will be collected at some time in the future. They consist primarily of accrued taxes and federal grants and are reported net of allowance for uncollectible accounts. See Note IV.C. - Receivables for further information. Receivables reported in the governmental funds financial statements consist primarily of accrued taxes, federal grants receivable, and notes receivable from drinking water and clean water special environmental loans. Other receivables include primarily fees, fines, opioid settlements, and drug expenditure reimbursements due to the Medicaid program from drug companies and third-party insurance companies. Lease receivables include land and buildings rentals. Revenues accrued in the governmental funds' financial statements consist primarily of accrued taxes, and other receivables that will be collected by the State within 60 days after year-end. The amounts estimated to be collected after the 60-day revenue recognition period are recorded as unavailable revenues. Federal receivables are amounts due from the federal government to reimburse the State's expenditures incurred pursuant to federally funded programs. Federal grant revenues are accrued when the qualifying expenditure is incurred. Notes and loans receivable in the General Fund consist primarily of loans to various non-profit organizations and a Vermont Economic Development Authority note held by the State. No allowances for uncollectible amounts have been recognized in these notes receivable. See Note V.C. - Contingent Liabilities for further information.

Inventories

Inventories of materials and supplies in governmental funds are recorded as expenditures when purchased. Inventories reported in the proprietary funds are valued at the lower of cost or market. Cost valuation methods used in the proprietary funds are weighted average method (enterprise funds - Liquor Control Fund, and internal service funds - Highway Garage Fund and Offender Work Programs Fund); specific identification method (enterprise funds - State Lottery Fund, Federal Surplus Property Fund, and internal service funds - Communication & Information Technology Fund, and State Surplus Property Fund); and first-in, first-out method (internal service fund - Postage Fund).

Prepaid Expenses

In the governmental funds, all purchases are recorded as expenditures when the invoice is entered for payment. In the proprietary and fiduciary funds, certain payments reflect costs applicable to future accounting periods and as such, are recorded as prepaid expenses. These prepaid items will be expensed as they are liquidated.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, art and historical treasures, intangible assets, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide Statements of Net Position, and in the fund financial statements for the proprietary and fiduciary funds. All purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available (except for intangible right-to-use assets, the measurement of which is discussed sections below under the sections for Leases and Subscription-Based Information Technology Arrangements). Donated assets are valued at the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Capital assets, except as stated below, have an individual cost of at least $5,000, and provide a future economic benefit for a minimum of 2 years. This includes buildings that are not considered to be part of an infrastructure asset. All land and land use rights, regardless of cost, are capitalized and are not depreciated. Infrastructure assets are defined as long-lived economic resources that are normally stationary in nature, utilized primarily by the general public as opposed to State employees, cost at least $250,000 and provide future economic benefit for a minimum of 3 years. Commercial Off-The-Shelf Software with a cost of at least $50,000, internally generated software and websites with a cost of at least $500,000, internally generated intellectual property with a cost of at least $150,000, and a useful life of 2 or more years are capitalized.

Capital assets are depreciated over their useful lives using the straight-line mid-month depreciation method. Useful lives for buildings and building improvements are 5 to 50 years, machinery and equipment is 3 to 20 years, and infrastructure assets are 7 to 80 years. Additional disclosures related to capital assets and Intangible right-to-use assets are found in Notes IV. E. - Capital Assets, IV. G. 3. - Leases, and IV. G. 4. - Subscription-Based Information Technology Arrangements, respectively.

When a capital asset is disposed of, its cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period. Repairs and maintenance are recorded as expenses. Significant replacements and improvements that increase the useful life, increases the asset's ability to provide service, or increases the effectiveness or efficiency of the asset are capitalized and deductions are made for retirements resulting from the replacements or improvements. Interest incurred on debt issued for construction of governmental activities capital assets is not capitalized.

The majority of the historic artifacts and collections that are maintained by the various State agencies and departments are not included in the capital asset reporting. The items not reported are protected and preserved, held for public exhibition and educational purposes and the proceeds from any sales of such items are used to acquire new items for the collection.

Leases

The State routinely engages in lease agreements to meet operational needs or serve the general public. The State's lease contracts generally relate to land, buildings, and various machinery and equipment. For short-term leases with a maximum possible term of 12 months or less at commencement, the State recognizes periodic revenue or expense based on the provisions of the lease contract. For all other contracts where the State is the lessee, at the commencement of a lease, the State initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The intangible right-to-use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The intangible right-to-use lease asset is amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset. Intangible right-to-use lease assets are reported with capital assets, and lease liabilities are reported similar to long-term debt in the statement of net position. The State monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the intangible right-to-use lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

On a more limited basis, the State also serves as a lessor providing leases of state-owned land, buildings, and various machinery and equipment. At the commencement of a lease, the State initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date that relate to future periods. The deferred inflow of resources is amortized evenly and recognized as revenue over the life of the lease term. The State monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The State uses its estimated incremental borrowing rate as the discount rate for leases unless the rate the lessor charges is known. The State's incremental borrowing rate is based on the general obligation bonds' effective interest rate for a given year. Many lease contracts include increases to rent payments related to the consumer price index (CPI) or similar indices, and the available index increase is included in the present value at the commencement of the lease or upon remeasurement. Payments based on future performance are not included in the measurement of the lease liability or lease receivable but recognized as revenue or expense in the period performed. Residual value guarantees and exercise options will be included in the measurement if they are reasonably certain to be paid or exercised. The State has established a minimum dollar threshold for lease reporting of $5,000 per individual lease annually.

Subscription-Based Information Technology Arrangements (SBITA's)

The State routinely engages in SBITA's to meet operational needs, improve efficiency, or serve the general public. The State's SBITA contracts generally are for Software as a Service (SaaS), Platform as a Service (PaaS), or Infrastructure as a Service (IaaS). For short-term SBITA's with a maximum possible term of 12 months or less at commencement, the State recognizes periodic expense based on the provisions of the SBITA contract. For all other SBITA contracts, at the commencement of a SBITA, the State initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The intangible right-to-use SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation costs. The intangible right-to-use SBITA asset is amortized on a straight-line basis over the shorter of the SBITA term or useful life of the underlying information technology asset. Intangible right-to-use SBITA assets are reported with capital assets, and SBITA liabilities are reported similar to long-term debt in the statement of net position. The State monitors changes in circumstances that would require a remeasurement of its SBITA's and will remeasure the intangible right-to-use SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

The State uses its estimated incremental borrowing rate as the discount rate for SBITA's unless the rate in the SBITA contract is known. The State's incremental borrowing rate is based on the general obligation bonds' effective interest rate for a given year. Payments based on future performance are not included in the measurement of the SBITA liability but recognized as an expense in the period performed. The State has established a minimum dollar threshold for SBITA reporting of $50,000 in subscription payments over the maximum term of the contract per individual SBITA. The State has established a minimum capitalization level of $500,000 for implementation costs related to the SBITA.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Primary Government has six items that qualify for reporting in this category, five of which are related to pensions and other postemployment benefits. The changes in proportional share, net differences between projected and actual earnings on plan investments, changes of assumptions, differences between expected and actual experience, and contributions made subsequent to the measurement date are related to pensions and other postemployment benefits. The sixth item is the unamortized balance of losses on bond refunding. All these items are all reported in the government-wide Statement of Net Position. A loss on a bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Changes in proportional share, changes of assumptions, and differences between expected and actual experience are capitalized and recognized over a period equal to the expected remaining service lives of all employees. Net differences between projected and actual earnings on plan investments are capitalized and recognized over a five-year period. Pension and other postemployment benefits contributions made subsequent to the measurement date will be recognized as a reduction of the net pension and other postemployment benefits liability after the next measurement date.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Primary Government has three items that qualify for reporting in this category in the governmental funds, which are prepaid property taxes, unavailable revenue, and deferred amounts related to lease receivables. Governmental funds report unavailable revenue in the balance sheet for revenue that is not available under the modified accrual basis. The amount is capitalized and recognized as revenue in the period that it becomes available. The Primary Government has seven items that qualify for reporting in this category in the government-wide financial statements, the following four are related to pensions and other postemployment benefits. Net differences between projected and actual earnings on plan investments are capitalized and recognized over a five-year period. Changes in assumptions, differences between expected and actual experience, and changes in proportional share related amounts are capitalized and recognized over a period equal to the expected remaining service lives of all employees. The fifth item is the unamortized balance of gains on bond refunding. A gain on a bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The sixth item is property taxes collected in advance of levy date. The seventh item is the deferred amount related to lease receivables, which is amortized and recognized as revenue over the life of the lease term.

Additional disclosures related to deferred outflows and inflows of resources are included in Notes IV. F. - Deferred Outflows and Deferred Inflows and IV. G. 5. - Retirement Plans and Other Postemployment Benefits.

Tax Refunds Payable

Tax refunds payable primarily represent amounts owed by the State to taxpayers because of overpayment of their income tax liabilities. Tax refunds payable, which reduce respective tax revenues, are accrued to the extent they are measurable based on payments and estimates. The amount reported as tax refunds payable at June 30, 2025, in the governmental funds statements is comprised of tax refunds for filed tax returns due and payable at June 30, 2025. The amount reported as tax refunds payable at June 30, 2025, in the government–wide financial statements is comprised of estimated tax liability overpayments for the first and second calendar quarters of year 2025's tax liability that will be paid out in calendar year 2026.

Arbitrage Rebate Obligations

In accordance with Section 148(f) of the U.S. Internal Revenue Code, the State must rebate to the U.S. Government the excess of interest earned from the investment of certain debt proceeds over the yield rate of the applicable debt. Arbitrage rebate, if any, is due and payable on each five-year anniversary of the respective debt issue. As of June 30, 2025, the primary government had no outstanding arbitrage rebate obligation. The arbitrage rebate liabilities reported by the discretely presented component units are included in "Other Long-term Liabilities" in the government-wide statement of net position.

Compensated Absences

Compensated absences' liabilities include amounts for accumulated unpaid vacation, compensatory time, personal leave, and sick leave. A liability for compensated absences is recognized for leave time that has been earned for services previously rendered by employees, accumulates and is allowed to be carried over to subsequent years, and is more likely than not to be used as time off or settled through noncash means during or upon separation from employment.

Classified State employees accrue vacation leave based on the number of years employed up to a maximum rate of 24 days annually and may not accumulate more than a maximum of 45 days (360 hours) at any one time. This liability is expected to be liquidated in future periods as either salary payments or cash payments upon termination of employment. Compensatory time and personal leave time accumulate as earned by the employees but must be taken within the subsequent year or be forfeited.

Employees earn sick leave credits based on the number of years employed with a maximum accrual rate of 21 days per fiscal year. Sick leave may only be liquidated if and when sickness or injury is incurred. Additionally, if employment is terminated, any sick leave that the individual may have accrued is forfeited without any payout. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences using historical analysis of prior sick leave usage based on the last in first out method. There is no limit on the amount of sick leave an employee may accumulate.

Liabilities for compensated absences are recorded in the government-wide Statement of Activities where the employees are assigned, and in the funds, where applicable. The amounts are calculated based on an employee's pay rate in effect as of year-end. Additional information including changes in balances may be found in Note IV. G. 6. – Changes in Long-term Liabilities.

Encumbrances

Contracts and purchasing commitments are recorded as encumbrances when the contract or purchase order is executed. When the terms of the purchase order or contract have been fulfilled and payment to the contracting party is due, the encumbrance is liquidated, and the liability and expenditure are recorded. Encumbrances are reported within the restricted, committed, and assigned fund balances of the governmental funds. Encumbrances remaining at fiscal year-end in the governmental funds are as follows:

Governmental Funds	Encumbrances
General Fund	$ 146,596,707
Education Fund	99,527
Special Fund	82,246,723
Federal Revenue Fund	108,266,628
Global Commitment Fund	6,809,181
Total	$ 344,018,766

Fund Balances

The fund balance amounts for governmental funds have been classified in accordance with GASB Statement No. 54 - *Fund Balance Reporting and Government Fund Type Definitions*. Fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. As a result, amounts previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned, or unassigned.

- Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portions of loans or notes receivable, or property held for resale unless the use of the proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.

- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the Vermont Legislature, the State's highest level of decision-making authority. This formal action is the passage of a law by the legislature specifying the purposes for which amounts can be used. The same type of formal action is necessary to remove or change the specified use.

- Assigned fund balance includes amounts that are constrained by the State's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental fund types other than the General Fund,

this is the residual amount within the fund that is not restricted or committed. In the General Fund, amounts are assigned by the Agency of Administration under authorization by the Legislature in the annual Budget Adjustment Act.

- Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

When both restricted and unrestricted amounts are available for use, generally it is the State's policy to use restricted amounts first, with unrestricted resources utilized as needed. In the case of unrestricted resources, it is generally the State's policy to use committed amounts first, followed by assigned amounts, then unassigned amounts as needed. Additional information may be found in Note IV. H. - Fund Balance/Net Position.

Bond Discounts, Premiums, and Issuance Costs

In the government-wide financial statements, bond discounts or premiums are capitalized and amortized over the term of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs other than prepaid insurance are reported as expenses.

In the fund financial statements, governmental fund types recognize bond discounts, premiums, and issuance costs in the period the bond proceeds are received. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issued are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as expenditures.

Interfund Transactions

Interfund Loans - Short-term loans between funds outstanding at year-end for such things as cash overdrafts are recorded as Interfund Receivables/Payables. Advances To/From Other Funds represent long-term interfund loans receivable and payable.

Reimbursements - Reimbursements result when one fund makes an expenditure for a second fund when that expenditure or expense is properly applicable to the second fund. Reimbursement transactions reduce expenditures in the reimbursed fund and increase expenditures/expenses in the reimbursing fund.

Interfund Services Provided and Used - These transactions occur between two government funds that would be accounted for as revenue and expenditures if they occurred between a government entity and a private sector entity.

Transfers - These transfers encompass all types of transfers and are primarily routine transfers of appropriation resources between funds. Transfers are not revenue, expenditures, or expenses, and are classified as "Other Financing Sources (Uses)" in the operating statements of the governmental funds and in a separate subsection before net income in the proprietary funds.

Use of Estimates

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 that affect reported amounts of assets and liabilities that affect the disclosure of contingent assets and liabilities as of the date of the financial statements, and that affect the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates.

F. Accounting and Reporting Changes

Effective for fiscal year 2025 reporting, the State implemented the following new GASB standards:

GASB Statement No. 101, *Compensated Absences.* The objective of this standard is to update the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The model will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. See Note V.G. for the cumulative effect of change in accounting principles.

GASB Statement No. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. This Statement did not have an impact on the financial statements.

Note II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund financial statements each include a schedule that reconciles the fund balance and net changes in fund balance in the fund financial statements to the net position and changes in net position in the government-wide financial statements. Differences between the two occur because the current financial resources measurement focus and modified accrual basis of accounting that is used in governmental funds must be converted to the economic resources measurement focus and accrual basis of accounting that is used in government-wide reporting. In addition, differences will occur because balances and transactions associated with interfund activity must be eliminated in the process of preparing the government-wide financial statements, including consolidation of internal service fund data into the governmental activities in the government-wide financial statements.

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

One element of that reconciliation explains that "capital assets used in governmental activities (net of internal service funds' capital assets) are not considered financial resources for fund perspective reporting and, therefore, are not reported in the funds." The details of this are as follows:

Land	$ 183,332,550
Works of art	127,803
Construction in progress	571,026,220
Depreciable capital assets and infrastructure, net of $2,607,601,096 of accumulated depreciation	2,909,898,350
Net adjustment to increase *fund balances - total governmental funds* to arrive at *net position - governmental activities*	$ 3,664,384,923

Another element of that reconciliation explains that "amounts are presented in the Statement of Net Position but are not presented in fund balances due to a different basis of accounting." The details of this are as follows:

Long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds	$ 357,026,859
Deferred outflow for unamortized loss on sale of refunding bonds	919,163
Deferred inflow for unamortized gain on sale of refunding bonds	(2,701,806)
Deferred outflow for pension related items	623,976,589
Deferred inflow for pension related items	(14,564,170)
Deferred outflow for OPEB related items	559,643,336
Deferred inflow for OPEB related items	(818,823,506)
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ 705,476,465

The final element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not considered financial liabilities for fund perspective reporting, and therefore, are not reported in the funds." The details of this are as follows:

Bonded debt	$ (587,273,194)
Lease liability (net of internal service funds' liability)	(1,661,202)
SBITA liability (net of internal service funds' liability)	(17,910,047)
Accrued interest payable on bonds, leases, and SBITA's (net of internal service funds' liability)	(9,598,645)
Compensated absences (net of internal service funds' liability)	(53,963,560)
Tax refunds payable	(89,335,785)
Net pension liabilities	(2,823,262,080)
Net other postemployment benefits liabilities	(1,886,523,357)
Other long-term liabilities	(25,978,581)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (5,495,506,451)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period, net of internal service funds." The details of this difference are as follows:

Capital outlay/functional expenditures	$ 377,037,909
Expensed net book value of disposed assets	(29,023,352)
Depreciation expense	(228,012,062)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 120,002,495

A second element of the reconciliation states that repayment of bond and lease principal is reported as an expenditure in governmental funds. However, in the government wide statements, repayment of bond and lease principal reduces long-term liabilities. The details of this difference are as follows:

Bond principal repayment	$	56,125,000
Lease principal repayment (net of internal service funds' liability)		709,066
SBITA principal repayment (net of internal service funds' liability)		13,868,707
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	70,702,773

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. The details of this difference are as follows:

Leases issued increases liabilities in the statement of net position (net of internal service funds' liability)	$	(399,492)
SBITA's issued increases liabilities in the statement of net position (net of internal service funds' liability)		(13,173,834)
Bond premium is amortized to interest expense in the statement of activities		8,546,587
Refunding bonds deferred amounts are amortized to interest expense in the statement of activities		(30,319)
Net adjustment to decrease *changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(5,057,058)

The final element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Increase in accrued interest payable	$	(800,114)
Increase in compensated absences		(4,388,192)
Decrease in employer pension and other postemployment benefit related costs		132,372,887
Increase in pollution remediation related costs		(829,075)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	126,355,506

Note III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Vermont statutes require the head of every State department, board and commission, and any officer or individual responsible for any activity for which funds are appropriated by the Vermont Legislature to provide, on or before September 1 preceding any biennium, statements to the Commissioner of Finance and Management showing in detail the amounts appropriated and expended for both the current and preceding fiscal years and the amount estimated to be necessary for similar activity for the ensuing two fiscal years. The Commissioner of Finance and Management and the Secretary of Administration are then required to submit to the Governor by November 15 preceding each biennium, the estimates as received along with any other estimates for the ensuing two fiscal years. The Governor then submits to the Vermont Legislature, no later than the third Tuesday of every annual session, a budget that embodies estimates, requests, and recommendations for appropriations or other authorizations for expenditures from the State treasury for at least the succeeding fiscal year. The Vermont Legislature then enacts into law an appropriations act that must be approved by the Governor before expenditures can be made. In recent years, in accordance with Act 250 of 1979 Section 125, it has been the practice of the Governor to submit an annual budget and the Vermont Legislature to enact appropriations on an

annual basis.

Budgets are prepared and appropriated on a cash basis and usually at the program level. The Agency of Administration maintains budgetary control by fund at the appropriation level. Governmental funds' unspent appropriation balances revert to the fund balance at the end of each fiscal year for re-appropriation unless authorized to be carried forward to the following year(s) by legislative act. Unexpended balances of capital projects funds are available for expenditure in the following fiscal year(s).

The original budgets for expenditures and transfers are determined by the Legislature through the passage of the annual Appropriation Act. The Commissioner of Finance and Management (with approval from the Governor) may transfer balances of appropriations not to exceed $50,000 made under any appropriation act for the support of the government from one component of an agency, department, or other unit of State government, to any component of the same agency, department, or unit; and may transfer balances of appropriations made under any appropriation act from one department or unit of the agency of transportation to another department or unit of the agency of transportation for the specific purpose of funding authorized transportation projects which have been approved by the federal government for advance construction in which the expenditure of State funds will be reimbursed by federal funds when the federal funds become available, and the transfer is limited to funds which have been approved for reimbursement. If any receipts, including federal receipts, exceed the appropriated amounts, the receipts may be allocated and expended, subject to the approval of the Secretary of Administration. If, however, the expenditure of those receipts will establish or increase the scope of the program, which establishment or increase will at any time commit the State to the expenditure of State funds, they may be expended only upon the approval of the Legislature.

B. Deficit Fund Balances/Net Position

The following funds had a deficit net position at June 30, 2025:

Governmental Funds	
Non-major Governmental Funds:	
General Obligation Bonds Project Fund	$ (43,966,502)
Proprietary Funds	
Major Enterprise Funds:	
State Lottery Fund	(654,969)
Non-major Enterprise Funds:	
Federal Surplus Property Fund	(160,833)
Internal Service Funds:	
Medical Insurance	(27,238,322)
Communications & Information Technology	(25,369,823)
Property Management	(13,441,129)
Facilities Operations	(3,411,289)
Postage	(2,824,829)
Workers' Compensation	(2,533,781)
Copy Center	(1,338,522)
Human Resources	(869,016)
State Surplus Property	(528,792)

Non-Major Governmental Funds

The deficit in the General Obligation Bonds Project Fund is attributed to capital spending in anticipation of a general obligation bond offering in a subsequent fiscal year.

Major Enterprise Funds

The deficit in the State Lottery Fund is due to the accrual of the Fund's Proportionate Share of the Net Pension and Net OPEB Liabilities. This deficit will be funded over time by the Pension and OPEB actuarially determined contributions which includes payments for the amortization of the unfunded actuarial accrued liability.

Non-major Enterprise Funds

The deficit in the Federal Surplus Property Fund is due mainly to the lack of inventory for sale from the federal government that would in turn allow for sale of surplus by the State. Program management will continue to pursue increasing revenue by actively retrieving goods for sale as well as to encourage increased participation by towns and eligible organizations. An administrative service fee-based participation program will also allow for improved tracking of expenses for revenue reimbursement.

Internal Service Funds

The Medical Insurance Fund deficit is due to an unexpected increase in hospital fees, associated healthcare costs, and new, high cost and highly utilized medications becoming available to employees and retirees. The costs of the medical insurance fund exceeded projections for fiscal year 2025 despite a significant increase to premiums. The state's benefits actuary recommendation is for health care premium rates to match revenue with costs and will provide necessary information to determine how much will need to be added to the base premium rates in each for the next few years to reduce the deficit in a stepwise prudent manner by approximately the end of fiscal year 2028.

The operations of the Agency of Digital Services (ADS) are accounted for in the Communications & Information Technology Fund (CIT). The deficit in the CIT Fund is primarily due to inadequate billing rates, inability to recover the actual costs, and insufficient technology to manage the business. To address this deficit, ADS continues to work on the implementation of a reporting system to better identify operating costs as compared to billing practices and budgeted rates for ADS services. ADS is currently collaborating with the Department of Finance & Management to explore alternative funding mechanisms and billing methodologies to prevent further deficit spending.

A significant portion of the Property Management Fund deficit is due to two buildings that have been financed over a twenty-year period with a recovery of costs scheduled over fifty years. This part of the deficit should be eliminated gradually over the next twenty-five years. In addition, the administration has added a surcharge to existing leases which will be monitored during budgeting each year to ensure the recovery of operating costs. Program management is also addressing, via corrective agreements and billings, instances of tenant subsidization where invoicing did not recover the full cost of leased space. Program management will also continue to monitor recoverable expenses to pursue corresponding back-charge revenues.

The Facilities Operations Fund deficit is the result of increased administration costs, as well as an increase in contractual and depreciation costs. Program management is exploring future rate increases to eliminate the deficit net position over time.

The Postage Fund deficit is due to years of the marginal rate (% points saved off federal postage rates) proving insufficient to cover the actual operating costs despite management-initiated efficiencies. In addition, unbilled services (bomb screening and inter-office mail) have not been fully funded. Program management will continue to address the deficit through improved business operations, pricing mechanisms, and exploring potential efficiencies that could be gained through partnerships and co-location with the copy center.

The Workers' Compensation Fund deficit improved by approximately $1 million in fiscal year 2025. The deficit trend began in fiscal year 2018 after an excess fund surplus balance in fiscal year 2017. To address the surplus balance carried forward from fiscal year 2017, discounted premiums were charged to customers between fiscal years 2018 and 2020. The net position was further reduced by the larger than expected incurred but not reported

(IBNR) ultimate loss calculations provided by an independent actuary consultant in both fiscal years 2018 and 2019. Program management has removed the premium discount and returned the rate to a break-even level for future years. Program management will work closely with State administration to identify additional workplace safety and other risk mitigation opportunities. A reserve fulfillment surcharge or additional capitalization may need to be applied if programmatic savings cannot otherwise be realized.

The Copy Center Fund deficit net position is the result of a long-term decline in demand, driven by digital replacements of printed materials which limit the program's revenue potential without a corresponding reduction in fixed costs. To help eliminate the deficit, a new inserter was purchased in fiscal year 2023, additional work from the closing of the Correctional Industries Print Shop has increased production, and rates were adjusted to offset program cost increases. The new inserter expands the program's capabilities and allows more complex projects with a higher revenue return.

The Human Resources Services Fund has carried a deficit since fiscal year 2020 as estimated revenues, via a one-time statewide allocation, proved insufficient to cover operating expenses. Expenses not covered by revenue in fiscal years 2020 through 2023 include depreciation for the upgraded talent and acquisition management system. Program management will continue to review the rate setting process to ensure that all anticipated expenses are considered while also considering opportunities for efficiencies and leveraging special funds where appropriate.

The State Surplus Property Fund deficit is the result of timing of large reimbursements for the sale of vehicles and equipment at auctions. This deficit should go down since the reimbursement of auctioned items is expected to be much lower in fiscal year 2026 than the previous years. Program management will continue to focus on increasing revenue by having more items available for sale in fiscal year 2026.

NOTE IV. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash and Cash Equivalents

Deposits for the primary government are governed by State statutes. When depositing public monies, the State Treasurer must act in accordance with 32 V.S.A. Chapter 431. Although the statute provides requirements for the collateralization of deposits, it does not establish limits. These limits are set by published formal guidelines issued by the State Treasurer.

The custodial credit risk for deposits is the risk that in the event of a depository financial institution failure, the government will not be able to recover funds deposited in the failed institution or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by the Federal Deposit Insurance Corporation (FDIC) insurance and are uncollateralized; or collateralized with securities held by the pledging financial institution’s trust department or agent, that are not registered in the depositor – government’s name. Although State statute does not require deposits to be collateralized, the Treasurer requires the State's cash deposits held in its primary bank to be collateralized with either United States Treasury securities or Vermont municipal securities or other approved money market instruments, or other collateral acceptable to the Treasurer. Certificates of deposit are collateralized, in whole or in part, on the basis of agreements with the bank, a protocol requiring periodic due diligence and review of bank capitalization and assets. Bank deposits in excess of the FDIC amounts and collateral agreements are uninsured and uncollateralized. Bank balances of deposits for the primary government, excluding pension, and other post-employment benefits funds, at June 30, 2025, were $745,378,685. Of these, $1,189,000 were exposed to custodial credit risk as uninsured or collateralized with securities held in the name of pledging financial institutions.

The Unemployment Compensation Trust Fund had $329,036,023 on deposit with the U.S. Treasury at June 30, 2025. This amount is presented as cash and cash equivalents and is not included in the carrying amount of deposits, nor is it categorized according to risk, because it is neither a deposit with a financial institution nor an investment.

The pension, other postemployment benefits, and investment trust funds' cash deposits, outside of the pension trust funds' custodian bank at June 30, 2025, totaled $49,063,149 none of which was exposed to custodial credit risk.

B. Investments

Primary Government—Excluding All Pension, and Other Postemployment Benefits Trust Funds

Investments for the primary government are governed by State statutes. The State has an investment policy with an overriding goal of minimizing exposure to risk and maintaining liquidity necessary for future cash needs while maximizing the return on investments. Two sections of State statute govern the investment of the State's operating and restricted cash (i.e., non-pension funds).

When investing public monies, the State Treasurer must act in accordance with 32 V.S.A. 433. Types of investments allowed include obligations of the United States, its agencies, and instrumentalities, and any repurchase agreements whose underlying collateral consists of such obligations or other approved money market instruments; certificates of deposit issued by banks and savings and loan associations approved by the State Treasurer; prime bankers' acceptances; prime commercial paper; tax exempt securities; and domestic money market funds. Also, the State Treasurer's Office issues additional formal guidance that is reviewed periodically, to ensure that the three investment objectives of safety, liquidity, and yield are met.

The statutory guidelines for certain trust funds are contained in 32 V.S.A. 434, referred collectively as the Trust Investment Account. These include the Tobacco Trust Fund, the Higher Education Trust Fund, the Agency of Natural Resources Stewardship Fund, two Veterans' Home trusts, the Fish and Wildlife Trust, and various small trusts.

The State Treasurer may invest funds in accordance with the standard of care established by the prudent investor rule and apply the same investment objectives and policies adopted by the Vermont State Employees' Retirement System, where appropriate, to the investment of funds in the Trust Investment Account.

Investments are stated at fair value in the case of marketable securities and at estimated fair value for certain nonmarketable securities. Money market and other short-term investments are reported at fair value when published market prices and quotations are available, or for certain securities at amortized cost. Management at the State Treasurer's Office is responsible for the fair value measurements of investments reported in the financial statements. The State Treasurer's Office has implemented policies and procedures to assess the reasonableness of the fair values provided; the Office believes that reported fair values at the balance sheet date are reasonable.

(a) *Fair Value Measurements*
The State categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset as follows:

- Level 1: Inputs are quoted prices for identical investments in active markets.
- Level 2: Observable inputs other than quoted market prices.
- Level 3: Unobservable inputs.

The fair value measurement at June 30, 2025, for the primary government, with the exception of the Pension and OPEB trust funds is as follows:

(Table on next page.)

Primary Government Investments - Excluding
Pension and Other Postemployment Benefits Trust Funds
(Expressed in Thousands)

		Fair Value Measurement Level	
Investments by fair value level		**Fair Value**	**Level 1**
Debt investments:			
US Treasuries	$	696,728	$ 696,728
US Agencies		974	974
Total debt investments		697,702	697,702
Equities:			
Equity Securities		10,344	10,344
Total equity securities		10,344	10,344
Total investments by fair value level		708,046	$ 708,046
Investments measured at amortized cost			
Certificates of Deposit		81,600	
Total investments at amortized cost		81,600	

Investments measured by net asset value (NAV)		**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Money Market Mutual Funds	1,024,811	-	Daily	-
Fixed Income Mutual Funds	27,525	-	Daily, monthly	1-30 days
Equity Mutual Funds	30,521	-	Daily, monthly	1-60 days
Total investments by NAV	1,082,857			
Total investments	$ 1,872,503			

$1,024,511 (in thousands) of the above Money Market Mutual Funds are classified as cash & cash equivalents on the financial statements.

(*b) Interest Rate Risk*
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The primary government does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates for investments, other than pension and investment trust funds' investments. The primary government's investments, other than pension and investment trust funds' investments, at June 30, 2025, are presented as follows:

(Table on next page.)

Primary Government Investments - Excluding Pension and Other Postemployment Benefits Trust Funds
(Expressed in Thousands)

Investment Type	Fair Value	Investment Maturities (in years) Less Than 1	1 to <6	6 to 10
Debt Investments:				
US Treasuries	$ 696,728	$ 696,492	$ 176	$ 60
US Agencies	974	974	-	-
Money Market Mutual Funds	1,024,811	1,024,811	-	-
Certificates of Deposit	81,600	81,600	-	-
Fixed Income Mutual Funds	27,525	27,525	-	-
Total Debt Investments	1,831,638	$ 1,831,402	$ 176	$ 60
Other Investments:				
Equity Securities	10,344			
Equity Mutual Funds	30,521			
Total Investments	$ 1,872,503			

Primary Government - Excluding Pension, Other Postemployment Benefits and Investment Trust Funds
(Expressed in Thousands)

Investments per maturity schedule	$	1,872,503
Included in cash & cash equivalents:		
Money market mutual funds		(1,024,511)
Financial statement investments total	$	847,992
Governmental activities total	$	837,372
Business activities total		276
Fiduciary - private purpose trust fund		10,344
Total	$	847,992

(c) Concentration of Credit Risk
Concentration of credit risk is the risk of loss attributable to the monetary magnitude of the State's investment in a single issuer. While State statute does not establish ceilings, formal investment guidelines for operating funds limit the amount invested to 10% in any one issuer of commercial paper, corporate securities, or bankers' acceptances. There are no limitations for U.S. Government and Federal Agencies. Money market funds utilized by the State Treasurer's Office are highly rated and incorporate the requisite diversification. As of June 30, 2025, no single issuer exceeded 5% for the primary government portfolios.

(d) Custodial Credit Risk
For investments, custodial credit risk is the risk that a government will not be able to recover the value of an investment or collateral securities that are in the possession of an outside party if the counterparty to the transaction fails. The State has no formal policy on custodial credit risk but maintains contractual relationships with custodian banks that provide coverage and define the procedures. As of June 30, 2025, all securities were registered in the name of the State at its custodian bank. Investments in open-end mutual funds are not exposed

to custodial risk because their existence is not evidenced by specific securities.

(e) Credit Risk
Credit risk is the possibility that the issuer or other counterparty to an investment may default on their obligations. In non-pension funds this risk has been mitigated by implementing statutory guidelines on credit quality and further restricted by formal investment guidelines and the use of low-risk money market instruments. The credit risk associated with the State's debt securities, money market funds, bond mutual funds, and other pools of fixed income securities, exclusive of U.S. Treasury investments of $696,728 (in thousands), pension, and OPEB fund investments are as follows: as of June 30, 2025, is presented as follows using the Moody's rating scale:

Primary Government Rated Debt Instruments
Excluding Pension and Other Postemployment Benefits Trust Funds
(Expressed in Thousands)

		Quality Ratings		
Debt Investments	**Fair Value**	**Aaa**	**Aa1**	**Unrated**
US Agencies	$ 974	$ -	$ 974	$ -
Money Market Mutual Funds	1,024,811	1,024,811	-	-
Certificates of Deposit	81,600	-	-	81,600
Fixed Income Mutual Funds	27,525	-	-	27,525
Totals	$ 1,134,910	$ 1,024,811	$ 974	$ 109,125

(f) Foreign Currency Risk
Foreign currency risk is the extent to which changes in exchange rates affect the value of an investment. Vermont's operating funds are restricted, through statute and formal guidelines, to specific money market instruments and money market funds who only invest in domestic instruments. The Trust Investment Account portfolio was not exposed to foreign currency risk as of June 30, 2025.

Primary Government - Pension, and Other Postemployment Benefits Trust Funds

The State has three defined benefit plans (Vermont State Retirement System (VSRS), State Teachers Retirement System (STRS), and Vermont Municipal Employees' Retirement System (MERS); three defined contribution plans (VSRS, MERS, and Single Deposit Investment Account); and three other postemployment benefit funds. Additional information on these plan benefit and actuarial valuations may be found in Note IV.G.5. - Pension and Other Postemployment Benefits.

By statute, the assets of the three defined benefit plans are invested on behalf of each plan's Trustees through the Vermont Pension Investment Commission (VPIC), which was established by the Vermont Legislature (Title 3 V.S.A. Chapter 17), effective July 1, 2005, to combine the assets of the VSRS, STRS and MERS defined benefit plans for the purpose of (i) investment in a manner that is more cost and resource-efficient; (ii) improving the effectiveness of the oversight and management of the assets of the Retirement Systems; and (iii) maintaining the actuarial, accounting, and asset allocation integrity of the Retirement Systems. The majority of these assets have been pooled for investment purposes.

All three defined benefit plans managed by the State have adopted a common asset allocation as determined by the VPIC. The VPIC has adopted a set of investment policies and guidelines common to all three defined benefit plans. These are used by VPIC with the objective of maximizing returns within acceptable risk parameters.

The State's Single Deposit Investment Account (SDIA), a non-contributory defined contribution plan, is invested in a commingled stable value fund. The investment policy governing the SDIA portfolios includes a minimum

average credit quality of double-A, no bonds rated below investment grade, and limitations on asset-backed, mortgage-backed, collateralized mortgage obligations, corporate bonds, and single issuers of non-treasury/government agency backed bonds.

The Vermont State Retirement's defined contribution plan's trustee is the State Treasurer. The Vermont Municipal Employees' Retirement System Board of Trustees is the trustee for the Vermont Municipal Employees' defined contribution plan. Both plans are administered by Prudential Financial, Inc. Investment choices are made by participants from a fund specific lineup approved by the trustees for the plans. Investment options are actively managed and indexed mutual funds including large and small market capitalization equities, international equities, fixed income securities, balanced funds, target retirement date age-based funds, and a stable value fund. Funds included in the plans were selected based on consideration of fund performance for one and multi-year periods, performance ranked against peer group funds in asset class, management fee expense ratios, fund asset class and investment objectives, historical annual returns, Morningstar ratings, performance in various stages of the capital market cycle, and consultant recommendations as to the optimal number of funds and appropriate asset classes. Prudential provides quarterly investment reports and analysis that are reviewed by Treasury staff, the State Treasurer and Vermont Municipal Employees' Retirement Board.

The State has two other postemployment benefit funds, the Vermont State Postemployment Benefits Trust Fund (State OPEB),the Retired Teachers' Health and Medical Benefit Fund (RTHMB). The two OPEB plan investments are managed in a manner similar to the three defined benefit plans described above in order to provide both growth of invested assets, and liquidity to fund current obligations. U.S. Bank serves as custodian for the two OPEB plan investment portfolios. Additionally, the State has an employer-sponsored health benefit savings plan available to MERS members, the Vermont Municipal Employees Health Benefit Fund (Muni Health). The Muni Health is invested under the authority of the Municipal Retirement Board of Trustees and utilizes an outside administrator, Prudential, and is invested in American Funds.

Investments are stated at fair value in the case of marketable securities and at estimated fair value for certain nonmarketable securities. Money market and other short-term investments are reported at fair value when published market prices and quotations are available, or for certain securities at amortized cost. Real estate is carried at the net asset value of each retirement system's real estate fund investments, which net asset value is further based on the fair value of the real properties. Properties' fair values in each of the retirement systems' fund investments are established quarterly by real estate fund manager appraisals and are validated at least yearly by third-party property appraisals. Nonmarketable securities include alternative investments such as private equity, private credit, and private partnerships, which are valued using current estimates of fair value obtained from the Investment Manager (Manager) in the absence of readily determinable public fair values. Such valuations generally consider variables such as the high, medium, and low values for portfolio investments; the investments' exit timetables, and the status of any proceedings leading to a liquidity event; the financial performance of investments, including comparison of comparable companies' earnings multiples; cash flow analysis; and recent sales prices of investments. Management at the State Treasurer's Office is responsible for the fair value measurements of investments reported in the financial statements. The State Treasurer's Office has implemented policies and procedures to assess the reasonableness of the fair values provided; the Office believes that reported fair values at the balance sheet date are reasonable. Real estate and private partnerships include investments in limited partnerships that invest in private equity, private credit, and real estate. These investments can never be redeemed with the funds. Instead, fund distributions are generated by operation and liquidation of the underlying assets. The Office expects such distributions to accelerate over the lives of these funds and to be initiated at the general partners' discretion. As of June 30, 2025, it is the Office's expectation that all of the investments will be sold over the next 15 years at amounts that differ from the NAV.

(a) *Fair Value Measurements*
The Pension and OPEB Trust Funds categorize the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset that prioritizes inputs into three levels. The level is determined based on the lowest level of input significant to the measurement in its entirety.

- Level 1: Securities traded in an active market, on an exchange that have quoted unadjusted prices such as Exchange-traded equities, and exchange-traded derivatives.

- Level 2: Inputs other than quoted prices that are observable. These inputs are derived from market data through correlation or by other means, e.g., “market corroborated”. These are primarily fixed income prices using an evaluated price provided by an independent pricing vendor or broker/dealer.

- Level 3: Inputs to the valuation methodology that are unobservable and significant to the fair value measurement. Instruments are often based on internally developed models in which there are few, if any, external observation.

Below is the fair value measurement table at June 30, 2025, for the Pension and OPEB trust funds.

(Table on next page.)

Pension and Other Postemployment Benefits
Trust Funds' Investments
(Expressed in Thousands)

Investments by fair value level	Fair Value	Fair Value Measurement Level: Level 1	Fair Value Measurement Level: Level 2
Debt securities:			
US Treasuries	$ 122,409	$ 122,409	$ -
Corporate Debt	102,110	-	102,110
Municipals	1,255	-	1,255
Asset Backed Securities	3,921	-	3,921
Mortgage Backed Securities	178,374	-	178,374
Sovereign Debt	2,146	-	2,146
Repurchase Agreement	126,300	-	126,300
Total debt securities	536,515	122,409	414,106
Equity investments:			
Equity Securities	203,122	203,106	16
Total equity securities	203,122	203,106	16
Total investments by fair value level	739,637	$ 325,515	$ 414,122

Investments measured at the net asset value (NAV)		Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Fixed Income Mutual & Commingled Funds	1,275,958	-	Daily, monthly	1-30 days
Equity Mutual & Commingled Funds	2,661,303	-	Daily, monthly	1-60 days
Mutual & Commingled Funds	770,413	-	Monthly, quarterly	90 days
Money Market Mutual Fund	34,690	-	Daily	-
Private Partnerships	2,379,692	908,566	N/A	N/A
Total investments measured at NAV	7,122,056			
Total investments	$ 7,861,693			

Investments per maturity schedule	$ 7,861,693
Included in cash & cash equivalents:	
Money market mutual funds	(34,690)
Repurchase agreements	(126,300)
Financial statement investments total	**$ 7,700,703**

(*b) Interest Rate Risk*
As pension trust funds have a different investment term horizon based on a long average liability term, the VPIC manages exposure to fair value loss arising from movements in interest rates by establishing duration guidelines with its debt securities with Core, Core Plus and Global Fixed Income Managers, requiring that the duration be within a specified percentage of the duration band of the appropriate benchmark index. The Core Plus portfolio restriction is +/- 40% around the passive benchmark duration. The calculation of the duration of mortgage backed securities involves assumptions as to the expected future prepayment rate for the security. The Managers are required to calculate duration at the time of initial purchase and on a routine basis to maintain compliance with these guidelines. Fixed income Managers are required to report portfolio characteristics quarterly inclusive of

portfolio duration as a measure of portfolio interest rate sensitivity.

Pension and Other Postemployment Benefits
Trust Funds' Investments
(Expressed in Thousands)

Investment Type	Fair Value	Less Than 1	1 to <6	6 to 10	More Than 10
Debt Investments:					
US Treasuries	$ 122,409	$ 135	$ 72,252	$ 29,490	$ 20,532
Corporate Debt	102,110	1,004	67,827	21,907	11,372
Money Market Mutual Fund	34,690	34,690	-	-	-
Municipals	1,255	-	-	87	1,168
Asset Backed Securities	3,921	88	2,561	1,166	106
Mortgage Backed Securities	178,374	3	9	854	177,508
Sovereign Debt	2,146	-	-	1,920	226
Repurchase Agreement	126,300	126,300	-	-	-
Fixed Income Mutual & Commingled Funds	1,275,958	1,275,958	-	-	-
Total Debt Investments	1,847,163	$ 1,438,178	$ 142,649	$ 55,424	$ 210,912
Other Investments:					
Equity Mutual & Commingled Funds	2,661,303				
Equity Securities	203,122				
Mutual & Commingled Funds	770,413				
Private Partnerships	2,379,692				
Total	$ 7,861,693				

(c) Concentration of Credit Risk
Formal guidelines for pension funds state that no more than 5% of the fair value of a portfolio's domestic fixed income assets may be invested in the debt securities of any one issuer. No limitations on issues and issuers shall apply to obligations of U.S. Government and Federal Agencies. As of June 30, 2025, no issuer exceeded 5%.

(d) Custodial Credit Risk
Custodial credit risk for investments is the risk that a government will not be able to recover the value of an investment or collateral securities that are in the possession of an outside party if the counterparty to the transaction fails. The VPIC manages exposure to custodial credit risk by requiring all relevant Managers to hold investments in separate accounts with VPIC's custodian. VPIC guidelines specify the custodial requirements for these accounts and the duties of the Managers and the custodian. As of June 30, 2025, all securities were registered in the name of the State at its custodian bank. Investments in pools, open-end mutual funds, and other investments not evidenced by specific securities are not categorized.

(e) Credit Risk
Detailed pension guidelines by asset class and supplemental requirements by Manager are used to set risk parameters and are stated in written contracts. These guidelines are reviewed and adopted by VPIC. Treasury staff and independent investment consultants are utilized to assure compliance. The credit risks associated with these securities, exclusive of U.S. Treasury investments of $122,409 (in thousands) are as follows:

Pension and Other Postemployment Benefits
Trust Funds' Investments
(Expressed in Thousands)

Debt Investments	Fair Value	Quality Ratings Aaa	Aa	A
Corporate Debt	$ 102,110	$ -	$ 812	$ 46,778
Money Market Mutual Funds	34,690	-	-	-
Municipals	1,255	-	988	267
Asset Backed Securities	3,921	1,688	372	883
Mortgage Backed Securities	178,374	4,261	-	-
Sovereign Debt	2,146	-	226	702
Repurchase Agreement	126,300	-	-	-
Fixed Income Mutual & Commingled Funds	1,275,958	-	-	-
Totals	$ 1,724,754	$ 5,949	$ 2,398	$ 48,630

continued below

Debt Investments	Quality Ratings Baa	Ba	Unrated
Corporate Debt	$ 50,825	$ 688	$ 3,007
Money Market Mutual Funds	-	-	34,690
Asset Backed Securities	-	-	978
Mortgage Backed Securities	-	-	174,113
Sovereign Debt	1,218	-	-
Repurchase Agreement	-	-	126,300
Fixed Income Mutual & Commingled Funds	-	-	1,275,958
Totals	$ 52,043	$ 688	$ 1,615,046

(f) Foreign Currency Risk
Unless VPIC stipulates specific exceptions to the guidelines, the non-US dollar denominated debt of non-US issuers are limited to 15% of the Core Plus portfolio and no more than 5% of the portfolio may be invested in non-US currencies. In the case of equities, the Manager is afforded flexibility in the number of issues held and their geographic or industry distribution, provided that equity holdings are within the lesser of established percentage ranges in relation to single holding limitations and a stock‘s weighting in the style benchmark against which the Manager is measured. Most foreign currency exposure is in the pension and investment trust funds’ portfolios. The value in US dollars by foreign currency denomination and type of investment is as follows:

(Table on next page.)

Pension and Other Postemployment Benefits
Trust Funds' Investments
Foreign Currency Risk - International Securities at Fair Value
(Expressed in Thousands)

Currency	Total	Short Term	Equity
Canadian Dollar	$ 3	$ 3	$ -
Euro	19	19	-
Swedish Krona	62	62	-
United Kingdom Pound	38	-	38
Total	$ 122	$ 84	$ 38

Formal investment policy guidelines adopted by the VPIC state that international equity managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility and facilitate securities transaction settlements rather than leverage portfolio risk exposure.

The VPIC funds hold mortgage-backed securities including collateralized mortgage obligations (CMOs) at fair value. Mortgage-backed securities represent a direct interest in a pool of mortgage loans. CMOs are bonds that are collateralized by whole loan mortgages, mortgage pass-through securities, or stripped mortgage-backed securities. Income is derived from payments and pre-payments of principal and interest generated from collateral mortgages. Cash flows are distributed to different investment tranches in accordance with the payment order established for the CMO instrument. Cash flows associated with these tranches may demonstrate varying degrees of sensitivity to interest rate fluctuations. A reduction in interest rates may cause some of the tranches to experience a reduction in fair value as prepayments reduce the interest payments, causing a decline in total cash flows. In a rising interest rate environment, an increase in interest payment and cash flows may cause an increase in fair value.

Risk is minimized through the purchase of high-quality instruments with limited default or prepayment risk. Agency fixed and floating rate pass-through, U.S. Treasury securities and cash equivalents can be held without limitation. Securities designed to provide more precisely targeted maturities (Sequential Collateralized Mortgage Obligations) and those that create tranches or Planned Amortization Classes (PAC I and PAC II), with cash flows that are protected from prepayment changes within certain limits, may also be purchased without limitation. Policy restrictions and portfolio percentage limitations are established for the purchase of more interest rate sensitive instruments and certain interest rate and price stress tests are required. Asset-backed securities are collateralized by a loan, lease, or receivable other than real estate. Payments are collected by a servicer though a “pass-through” arrangement. As monthly payments of principal and interest are made, the pass-through security holder is entitled to a pro rata portion of the payments received. Risk of pre-payment varies with the underlying assets. Risk is minimized through the purchase of high-quality instruments with limited default or prepayment risk.

C. Receivables

Receivable balances at June 30, 2025, are summarized as follows:

	Enterprise Funds		Total Business-type
	Major	Non-major	Activities
Business-type activities			
Taxes			
Unemployment	$ 36,460,971	$ 310,098	$ 36,771,069
Allowance for uncollectibles	(24,468,519)	-	(24,468,519)
Taxes receivable, net	$ 11,992,452	$ 310,098	$ 12,302,550
Loans and notes receivable	$ -	$ 2,010,122	$ 2,010,122
Current receivable			$ 650,711
Non-current receivable			1,359,411
Total loans and notes receivable, net			$ 2,010,122
Federal grants			
Federal grants	$ 268,880	$ -	$ 268,880
Other			
Accrued interest and other receivables	$ 7,446,656	$ 9,666,184	$ 17,112,840
Allowance for uncollectibles	(23,037)	-	(23,037)
Other receivables, net	$ 7,423,619	$ 9,666,184	$ 17,089,803
Current receivable			$ 17,089,803
Non-current receivable			-
Total other receivable, net			$ 17,089,803

continued on following page

	Governmental Funds		Internal	Total Governmental
	Major	Non-major	Service Funds	Activities
Governmental activities				
Taxes				
Personal and corporate income	$ 318,663,252	$ -	$ -	$ 318,663,252
Sales and use	76,120,728	-	-	76,120,728
Meals and rooms	43,492,610	-	-	43,492,610
Purchase and use	8,285	-	-	8,285
Motor Fuel	14,606	-	-	14,606
Other taxes	62,519,845	-	-	62,519,845
Subtotal	500,819,326	-	-	500,819,326
Allowance for uncollectibles	(91,652,603)	-	-	(91,652,603)
Taxes receivable, net	$ 409,166,723	$ -	$ -	$ 409,166,723
Current receivable				$ 199,814,760
Non-current receivable				209,351,963
Total taxes receivable, net				$ 409,166,723
Loans and notes				
Loans and notes receivable	$ 366,460,029	$ -	$ 3,078,502	$ 369,538,531
Allowance for uncollectibles	(633,177)	-	-	(633,177)
Loans and notes receivable, net	$ 365,826,852	$ -	$ 3,078,502	$ 368,905,354
Current receivable				$ 27,886,341
Non-current receivable				341,019,013
Total loans and notes receivable, net				$ 368,905,354

	Governmental Funds		Internal	Total Governmental
	Major	Non-major	Service Funds	Activities
Federal grants				
Human services	$ 228,465,880	$ -	$ -	$ 228,465,880
General education	39,718,797	-	-	39,718,797
Transportation	157,304,588	-	-	157,304,588
Other	107,481,062	154,317	-	107,635,379
Federal grants	$ 532,970,327	$ 154,317	$ -	$ 533,124,644

	Governmental Funds		Internal	Total Governmental
	Major	Non-major	Service Funds	Activities
Lease receivables				
Land	$ 2,911,436	$ -	$ 115,082	$ 3,026,518
Buildings and improvements	237,846	20,530	869,755	1,128,131
Lease receivables	$ 3,149,282	$ 20,530	$ 984,837	$ 4,154,649
Current receivable				$ 1,319,501
Non-current receivable				2,835,148
Total lease receivable,				$ 4,154,649
Other				
Accrued interest and other receivables	$ 246,976,243	$ 199,836	$ 31,007,107	$ 278,183,186
Allowance for uncollectibles	(49,918,483)	(5,373)	-	(49,923,856)
Other receivables, net	$ 197,057,760	$ 194,463	$ 31,007,107	228,259,330
Interfund loans receivable and due from other funds from Fiduciary Funds				607,132
Less Internal Service Funds' receivables from Governmental Funds				(8,432,255)
Other receivables, net				$ 220,434,207
Current receivable				$ 80,550,508
Non-current receivable				139,883,699
Total other receivable, net				$ 220,434,207

D. Interfund Balances

1. Due From/To Other Funds

Due from/to other funds represents amounts owed to one State fund by another, for goods sold, services received or reimbursement of costs. The balances of due from/to other funds at June 30, 2025, are as follows:

	Due to Other Funds			
	Governmental Funds			
Due From Other Funds	General Fund	Transportation Fund	Special Fund	Federal Revenue Fund
General Fund	$ -	$ 4,217	$ 93,073	$ 196,476
Transportation Fund	-	-	575	-
Special Fund	2,139,389	924,116	-	6,919,726
Federal Revenue Fund	4,491,087	-	1,781,689	-
Global Commitment Fund	83,660,401	-	645,474	-
Non-major Governmental Funds	-	-	-	1,292
Internal Service Funds	3,401,631	3,117,711	1,447,130	5,358,161
Total	$ 93,692,508	$ 4,046,044	$ 3,967,941	$ 12,475,655

continued below

	Due to Other Funds			
	Governmental Funds		Proprietary Funds	
Due From Other Funds	Global Commitment Fund	Non-major Governmental Funds	Unemployment Compensation Trust Fund	Liquor Control Fund
General Fund	$ 1,137,046	$ -	$ -	$ -
Transportation Fund	-	400	-	-
Special Fund	149,561	122,394	-	2,485
Non-major Enterprise Funds	-	-	79,966	-
Internal Service Funds	588,401	56,132	-	148,753
Total	$ 1,875,008	$ 178,926	$ 79,966	$ 151,238

continued on following page

continued from previous page

	Due to Other Funds				
	Proprietary Funds				
Due From Other Funds	State Lottery Fund	Non-major Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
General Fund	$ -	$ -	$ 829,882	$ -	$ 2,260,694
Transportation Fund	-	-	-	-	975
Special Fund	112,871	112,871	39,951	602,709	11,126,073
Federal Revenue Fund	-	-	-	-	6,272,776
Global Commitment Fund	-	-	-	-	84,305,875
Non-major Governmental Funds	-	-	-	-	1,292
Non-major Enterprise Funds	-	-	-	-	79,966
Internal Service Funds	77,398	31	-	4,423	14,199,771
Total	$ 190,269	$ 112,902	$ 869,833	$ 607,132	$ 118,247,422

2. Advances To/From Other Funds

The General Fund has made cash advances to certain proprietary funds for imprest petty cash disbursements.

The General Fund advances to other funds at June 30, 2025, are summarized below:

Proprietary Funds	
State Lottery Fund	$ 300,000
Total	$ 300,000

3. Interfund Receivables/Payables

The primary government cash in most funds is pooled in the State Treasurer's accounts. When a fund has a deficit cash balance, this amount is reclassified to a liability account - interfund payable. The General Fund reports the corresponding interfund receivable for the cash borrowed from the rest of the pool. It is expected that certain amounts due the General Fund from the Internal Service Funds will not be repaid within one year. It is expected that these interfund payable amounts will be reduced in future years through changes to billing rates and management of operations.

The interfund receivables/payables at June 30, 2025, are as follows:

(Table on next page.)

Interfund Payable	Interfund Receivable General Fund
Governmental Funds	
Non-major Governmental Funds	$ 44,076,251
Transportation Fund	71,174,864
Global Commitment Fund	1,609
Proprietary Funds	
Non-major Enterprise Funds	274,339
Internal Service Funds	85,231,567
Total	$ 200,758,630

4. Inter-Primary Government/Component Unit Balances

Advances to component units consist of the amounts advanced under various agreements with the Vermont Economic Development Authority (VEDA) for specific programs. At June 30, 2025, the advances to component units reported in the General Fund ($5,500,000) are advances to Vermont Economic Development Authority. The State advance funded a loan for a portion of a project to build a State office building. The terms of the agreement require the principal repayments on the loan be held by VEDA until the funds are requested by the State.

Due from component units/Due to primary government consist of the amounts owed to the primary government for programs administered by component units, in accordance with memoranda of understanding with State departments, and for the elimination of negative balances in the State Treasurer's pooled cash. Due from primary government/Due to component units consist of amounts appropriated from the primary government's funds to the component units that had not been disbursed by fiscal year end.

At June 30, 2025, these account balances are as follows:

	Vermont Housing & Conservation Board	Vermont Veterans' Home	Total
Due from Component Units			
General Fund	$ 1,570,027	$ 6,835,150	$ 8,405,177
Total	$ 1,570,027	$ 6,835,150	$ 8,405,177
Due to Component Units			
General Fund	$ (122,778,386)	$ -	$ (122,778,386)
Education Fund	(12,935,820)	-	(12,935,820)
Non-major Governmental Funds	(6,160,001)	-	(6,160,001)
Total	$ (141,874,207)	$ -	$ (141,874,207)

5. Interfund Transfers

Transfers between funds occur when one fund collects revenues and transfers the assets to another for expenditure or when one fund provides working capital to another fund. All transfers are legally authorized by the Legislature through either statute or Appropriation Acts.

The Global Commitment Fund received transfers from the General and Special Funds for Medicaid related services provided under the Vermont Global Commitment to Health Medicaid waiver. The General Fund received a transfer of Liquor Control fund profits, the Federal Revenue Fund for Earned Federal Receipts and the Special Fund for transfer of Securities, Insurance and Captive Funds. The Non-major Governmental Funds received a transfer from the General fund for debt service payments. The Special Fund received transfers from the General Fund for the Tobacco Settlement Fund, the Federal Revenue Fund for the earned income tax credit for the year, and the Global Commitment Fund for special education school-based Medicaid services. The Education Fund received transfers from the State Lottery Fund to support the general State grant for local education, and the Special Fund for Medicaid services.

Interfund transfers for the fiscal year ended June 30, 2025, are as follows:

(Table on next page.)

	Transfers Out			
	Governmental Funds			
Transfers in	General Fund	Transportation Fund	Education Fund	Special Fund
General Fund	$ -	$ -	$ -	$ 89,180,349
Transportation Fund	-	-	-	25,000,000
Education Fund	25,000,000	-	-	11,010,081
Special Fund	54,156,025	1,511,886	1,400,000	-
Federal Revenue Fund	-	-	-	8,242,344
Global Commitment Fund	736,069,019	-	-	29,692,851
Non-major Governmental Funds	104,604,365	705,806	-	26,120
Internal Service Funds	24,635,443	-	-	-
Total	$ 944,464,852	$ 2,217,692	$ 1,400,000	$ 163,151,745

continued below

	Transfers Out			
	Governmental Funds			Proprietary Funds
Transfers in	Federal Revenue Fund	Global Commitment Funds	Non-major Governmental Funds	Liquor Control Fund
General Fund	$ 142,997,560	$ -	$ -	$ 9,543,353
Special Fund	24,602,633	30,045,904	1,244,510	38,954
Federal Revenue Fund	-	-	2,109,123	-
Non-major Enterprise Funds	690,050	-	-	-
Total	$ 168,290,243	$ 30,045,904	$ 3,353,633	$ 9,582,307

continued below

	Transfers Out			
	Proprietary Funds			
Transfers in	State Lottery Fund	Non-major Enterprise Funds	Internal Service Funds	Total
General Fund	$ -	$ 6,139,162	$ -	$ 247,860,424
Transportation Fund	-	-	1,100,000	26,100,000
Education Fund	30,000,000	-	-	66,010,081
Special Fund	-	1,060,000	-	114,059,912
Federal Revenue Fund	-	-	-	10,351,467
Global Commitment Fund	-	-	-	765,761,870
Non-major Governmental Funds	-	-	-	105,336,291
Liquor Control Fund	9,559	-	-	9,559
Non-major Enterprise Funds	-	-	-	690,050
Internal Service Funds	-	-	-	24,635,443
Total	$ 30,009,559	$ 7,199,162	$ 1,100,000	$ 1,360,815,097

E. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2025, was as follows:

Primary Government

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land, land use rights, and land improvements	$ 181,390,360	$ 3,968,346	$ -	$ 185,358,706
Construction in process	557,591,061	333,567,854	(316,030,478)	575,128,437
Works of art	136,003	-	-	136,003
Total capital assets, not being depreciated	739,117,424	337,536,200	(316,030,478)	760,623,146
Capital assets, being depreciated				
Buildings and improvements	814,848,946	25,914,485	(1,670,157)	839,093,274
Machinery and equipment	664,685,669	31,109,843	(18,877,065)	676,918,447
Infrastructure	3,915,967,773	265,845,088	(105,160,171)	4,076,652,690
Total capital assets, being depreciated	5,395,502,388	322,869,416	(125,707,393)	5,592,664,411
Less accumulated depreciation for				
Buildings and improvements	(408,850,537)	(22,710,152)	315,315	(431,245,374)
Machinery and equipment	(541,285,043)	(29,757,882)	16,916,813	(554,126,112)
Infrastructure	(1,620,429,022)	(167,539,602)	105,144,749	(1,682,823,875)
Total accumulated depreciation	(2,570,564,602)	(220,007,636)	122,376,877	(2,668,195,361)
Capital assets, being depreciated, net	2,824,937,786	102,861,780	(3,330,516)	2,924,469,050
Governmental activities capital assets, net, excluding intangible right-to-use assets	$ 3,564,055,210	$ 440,397,980	$ (319,360,994)	3,685,092,196
Intangible right-to-use assets, net (Note IV.E)				143,418,065
Total Governmental activities capital assets, net				$ 3,828,510,261

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated				
Machinery and equipment	$ 6,479,139	$ 783,790	$ (226,327)	$ 7,036,602
Total capital assets, being depreciated	6,479,139	783,790	(226,327)	7,036,602
Less accumulated depreciation for				
Machinery and equipment	(3,756,208)	(719,806)	224,041	(4,251,973)
Total accumulated depreciation	(3,756,208)	(719,806)	224,041	(4,251,973)
Capital assets, being depreciated, net	2,722,931	63,984	(2,286)	2,784,629
Business-type activities capital assets, net, excluding intangible right-to-use assets	$ 2,722,931	$ 63,984	$ (2,286)	2,784,629
Intangible right-to-use assets, net (Note IV.E)				5,049,756
Total Business-type activities capital assets, net				$ 7,834,385

Fiduciary Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated				
Buildings and improvements	$ 83,397	$ -	$ 1	$ 83,398
Machinery and equipment	8,319,023	-	(3,801)	8,315,222
Total capital assets, being depreciated	8,402,420	-	(3,800)	8,398,620
Less accumulated depreciation for				
Buildings and improvements	(695)	(6,991)	-	(7,686)
Machinery and equipment	(8,230,441)	(85,921)	3,040	(8,313,322)
Total accumulated depreciation	(8,231,136)	(92,912)	3,040	(8,321,008)
Fiduciary activities capital assets, net, excluding intangible right-to-use assets	$ 171,284	$ (92,912)	$ (760)	77,612
Intangible right-to-use assets, net (Note IV.E)				1,079,938
Total Fiduciary activities capital assets, net				$ 1,157,550

Primary Government

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Intangible right-to-use lease assets				
Land	$ 242,614	$ 54,138	$ (20,569)	$ 276,183
Buildings and improvements	104,043,461	20,244,333	(6,549,886)	117,737,908
Machinery and equipment	3,328,397	204,248	(114,679)	3,417,966
Total intangible right-to-use lease assets	107,614,472	20,502,719	(6,685,134)	121,432,057
Less accumulated amortization for				
Land	(87,353)	(67,811)	17,911	(137,253)
Buildings and improvements	(32,684,622)	(13,045,487)	6,534,664	(39,195,445)
Machinery and equipment	(948,212)	(653,945)	114,679	(1,487,478)
Total accumulated amortization	(33,720,187)	(13,767,243)	6,667,254	(40,820,176)
Total intangible right-to-use lease assets, net	73,894,285	6,735,476	(17,880)	80,611,881
Intangible right-to-use subscription-based information technology arrangements (SBITA's) assets				
SBITA assets	85,491,668	43,914,394	(30,989,359)	98,416,703
Total intangible right-to-use SBITA assets	85,491,668	43,914,394	(30,989,359)	98,416,703
Less accumulated amortization for				
SBITA assets	(34,936,919)	(31,662,959)	30,989,359	(35,610,519)
Total accumulated amortization	(34,936,919)	(31,662,959)	30,989,359	(35,610,519)
Total intangible right-to-use SBITA assets, net	50,554,749	12,251,435	-	62,806,184
Total governmental activities intangible right-to-use assets	193,106,140	64,417,113	(37,674,493)	219,848,760
Total accumulated amortization intangible right-to-use assets	(68,657,106)	(45,430,202)	37,656,613	(76,430,695)
Total governmental activities intangible right-to-use assets, net	$ 124,449,034	$ 18,986,911	$ (17,880)	$ 143,418,065

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Intangible right-to-use subscription-based information technology arrangements (SBITA's) assets				
SBITA assets	$ 6,463,767	$ 628,746	$ -	$ 7,092,513
Total intangible right-to-use SBITA assets	6,463,767	628,746	-	7,092,513
Less accumulated amortization for SBITA assets	(1,212,355)	(830,402)	-	(2,042,757)
Total accumulated amortization	(1,212,355)	(830,402)	-	(2,042,757)
Total intangible right-to-use SBITA assets, net	$ 5,251,412	$ (201,656)	$ -	$ 5,049,756

Fiduciary Funds	Beginning Balance	Additions	Deletions	Ending Balance
Intangible right-to-use subscription-based information				
SBITA assets	$ -	$ 1,317,709	$ -	$ 1,317,709
Total intangible right-to-use SBITA assets	-	1,317,709	-	1,317,709
Less accumulated amortization for SBITA assets	-	(237,771)	-	(237,771)
Total accumulated amortization	-	(237,771)	-	(237,771)
Total intangible right-to-use SBITA assets, net	$ -	$ 1,079,938	$ -	$ 1,079,938

Current period depreciation and amortization expense was charged to functions of the Primary Government as follows:

Governmental Activities	
General Government	$ 24,439,323
Protection to Persons and Property	15,329,011
Human Services	9,441,017
Labor	39,914
General Education	3,064,554
Natural Resources	3,683,464
Commerce & Community Development	259,689
Transportation	171,755,090
Depreciation on capital assets held by Internal Service Funds	37,425,776
Total	$ 265,437,838

Business-type Activities	
Liquor Control Fund	$ 809,680
State Lottery Fund	740,528
Total	$ 1,550,208

Fiduciary Activities	
Pension Trust Funds	$ 252,935
Private Purpose Trust Fund	77,748
Total	$ 330,683

F. Deferred Outflows and Deferred Inflows

Deferred outflows in the government-wide Statement of Net Position governmental activities consist of the unamortized balance of losses related to refunding of debt. Deferred inflows in the government-wide Statement of Net Position governmental activities consist of the unamortized balance of gains related to refunding of debt, the unamortized deferred inflow related to lease receivables, and property taxes collected in advance of levy date. For deferred outflows or inflows related to refunding of debt are determined by the difference between the reacquisition price (the amount placed in escrow to pay for advance refunding, and the principal amount remaining plus any call premium paid in a current refunding) and the net carrying amount of the old debt, is reported as a deferred outflow if a loss on refunding of debt and a deferred inflow if a gain on refunding of debt and recognized as a component of interest over the remaining life of the old debt or the life of the new debt, whichever is shorter. The deferred inflow of resources related to lease receivable is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date that relate to future periods, and is amortized evenly and recognized as revenue over the life of the lease term. Additional information regarding governmental and business-type activities' deferred outflows of resources and deferred inflows of resources related to pension and OPEB liabilities can be found in Note IV. G. 5.

Deferred outflows and inflows balances in the government-wide Statement of Net Position at June 30, 2025, are as follows:

Deferred outflows of resources	Total Governmental Activities	Total Business-type Activities	Total Primary Government
Loss on refunding of bonds payable	$ 919,163	$ -	$ 919,163
Pension related outflows	623,976,589	2,967,428	626,944,017
OPEB related outflows	559,643,336	7,612,951	567,256,287
Total	$ 1,184,539,088	$ 10,580,379	$ 1,195,119,467

Deferred inflows of resources	Total Governmental Activities	Total Business-type Activities	Total Primary Government
Prepaid property taxes	$ 6,103,312	$ -	$ 6,103,312
Gain on refunding of bonds payable	2,701,806	-	2,701,806
Lease related inflows	4,366,266	-	4,366,266
Pension related inflows	14,564,170	1,466,674	16,030,844
OPEB related inflows	818,823,506	7,553,990	826,377,496
Total	$ 846,559,060	$ 9,020,664	$ 855,579,724

Deferred inflows in the governmental funds Balance Sheet consist of prepaid property taxes, unavailable amounts related to revenue recognition, and the unamortized deferred inflow related to lease receivables. Revenues and other governmental fund financial resources are recognized in the accounting period in which they become both available and measurable. When an asset is recorded in governmental fund financial statements, but the revenue is not available, a deferred inflow of resources is reported until such time as the revenue becomes available.

G. Long-term Liabilities

1. General Obligation Bonds Payable

General obligation bonds payable have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correctional facilities, environmental conservation purposes, maintenance and construction of highways, assistance to municipalities for construction of water and sewage systems, and local schools.

Once authorized by the Legislature, the State Treasurer, with the approval of the Governor, may issue general obligation bonds. The bonds are to be payable in substantially equal or diminishing amounts, the first such payment to be payable not later than five years after the date of the bonds, and the last such payment to be made no later than twenty years after the date of the bonds.

The changes in bonds principal payable for fiscal year 2025 are summarized in the following schedule:

	General Obligation Bonds
Balance, July 1, 2024	$ 606,245,000
Deductions:	
Redemptions	(56,125,000)
Balance, June 30, 2025	$ 550,120,000

General obligation outstanding at June 30, 2025, are as follows:

(Table on next page.)

General Obligation Bonds Outstanding at June 30, 2025

Date Issued	Date Series Matures	Interest Rates %	Amount of Original Issue	Maturity Value Sources of Payments: General Fund	Maturity Value Sources of Payments: Transportation Fund	Maturity Value of Bonds Outstanding Total
General Obligation Current Interest Bonds:						
10/11/2012	8/15/2032	2.0 to 5.0	$ 66,420,000	$ 36,960,000	$ -	$ 36,960,000
11/14/2013	8/15/2028	2.0 to 5.0	25,000,000	620,000	-	620,000
11/14/2013	8/15/2033	2.0 to 5.0	42,810,000	6,160,000	-	6,160,000
12/9/2014	8/15/2029	0.14 to 5.0	20,310,000	1,535,000	-	1,535,000
12/9/2014	8/15/2027	3.0 to 5.0	36,205,000	6,510,000	-	6,510,000
10/22/2015	8/15/2030	2.0 to 5.0	28,515,000	11,265,000	-	11,265,000
10/22/2015	8/15/2035	2.625 to 5.0	61,345,000	38,140,000	-	38,140,000
10/22/2015	8/15/2028	2.0 to 4.0	25,720,000	8,960,000	1,040,000	10,000,000
9/13/2017	8/15/2037	2.0 to 5.0	34,700,000	18,900,000	-	18,900,000
9/13/2017	8/15/2037	2.25 to 5.0	71,395,000	50,060,000	-	50,060,000
8/15/2019	2/15/2039	3.0 to 5.0	88,255,000	61,765,000	-	61,765,000
8/15/2019	8/15/2029	2.0 to 5.0	39,525,000	15,715,000	-	15,715,000
5/18/2021	8/15/2040	2.0 to 5.0	82,185,000	69,200,000	-	69,200,000
5/18/2021	8/15/2030	5	31,560,000	19,445,000	-	19,445,000
5/18/2021	8/15/2030	4.0 to 5.0	39,580,000	18,360,000	-	18,360,000
9/7/2023	8/15/2043	4.0 to 5.0	62,765,000	59,625,000	-	59,625,000
9/7/2023	8/15/2033	5	27,285,000	21,750,000	-	21,750,000
6/20/2024	2/15/2044	4.0 to 5.0	70,790,000	67,250,000	-	67,250,000
6/20/2024	8/15/2034	5.0	36,860,000	36,860,000	-	36,860,000
Total General Obligation Current Interest Bonds				**$ 549,080,000**	**$ 1,040,000**	**$ 550,120,000**

At June 30, 2025, there remains $252,252,452 of authorized but unissued general obligation bonds.

Future general obligation debt service requirements at June 30, 2025, are as follows:

(Table on next page.)

Fiscal Year	General Obligation Current Interest Bonds Principal	Interest	Total
2026.....	$ 54,105,000	$ 21,752,681	$ 75,857,681
2027.....	52,445,000	19,375,956	71,820,956
2028.....	50,050,000	17,123,256	67,173,256
2029.....	48,045,000	14,979,250	63,024,250
2030.....	45,760,000	12,955,138	58,715,138
2031-2035.....	175,650,000	40,180,688	215,830,688
2036-2040.....	93,050,000	13,838,322	106,888,322
2041-2045.....	31,015,000	2,461,050	33,476,050
Totals	$ 550,120,000	$ 142,666,341	$ 692,786,341

2. Bond Refundings

The State has no defeased bonds that remain outstanding on June 30, 2025.

3. Leases

A. Lease Receivable

The State, acting as lessor, leases land, buildings, machinery, and equipment under long-term, non-cancelable lease agreements. The leases expire at various dates through fiscal year 2034, and many leases provide for a renewal option, the renewal terms vary depending on the lease contract. During the year ended June 30, 2025, the State recognized $1,426,352 and $85,345 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum or maximum increases.

Certain leases require the lessee to guarantee minimum residual values or make termination penalties related to the cancelation of the lease. Payments required by residual value guarantees and termination penalties are recognized in the period in which the payment is received. During the year ended June 30, 2025, the State received no payments related to residual value guarantees or termination penalties.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received. During the year ended June 30, 2025, the State received variable payments as required by lease agreements totaling $6,240,763.

The future principal and interest revenue as of June 30, 2025, are as follows:

	Primary Government		
Fiscal Year	Principal	Interest	Total
2026.....	$ 1,319,501	$ 79,291	$ 1,398,792
2027.....	1,037,600	55,146	1,092,746
2028.....	694,993	36,076	731,069
2029.....	430,610	20,749	451,359
2030.....	171,653	11,553	183,206
2031-2035.....	500,292	21,527	521,819
Totals	$ 4,154,649	$ 224,342	$ 4,378,991

B. Lease Liabilities

The State routinely leases land, buildings, machinery, and equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2042, and many leases provide for a renewal option, the renewal terms vary depending on the lease contract.

Certain leases require the State to guarantee minimum residual values or make termination penalties related to the cancelation of the lease. Payments required by residual value guarantees and termination penalties are recognized in the period in which the obligation is paid. During the year ended June 30, 2025, the State made no payments related to residual value guarantees or termination penalties. Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum or maximum increases.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the year ended June 30, 2025, the State made variable payments as required by lease agreements totaling $91,559.

The future principal and interest lease payments as of June 30, 2025, are as follows:

	Primary Government Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026.....	$ 11,214,136	$ 1,643,175	$ 12,857,311
2027.....	10,588,535	1,428,878	12,017,413
2028.....	9,868,076	1,211,814	11,079,890
2029.....	8,703,329	1,019,310	9,722,639
2030.....	8,517,815	844,263	9,362,078
2031-2035.....	23,481,785	2,138,227	25,620,012
2036-2040.....	8,784,698	789,806	9,574,504
2041-2045.....	3,841,042	69,291	3,910,333
Totals	$ 84,999,416	$ 9,144,764	$ 94,144,180

4. Subscription-Based Information Technology Arrangements (SBITA's)

A. SBITA Liabilities

The State routinely enters in SBITA's for various terms under long-term, non-cancelable agreements. The SBITA's expire at various dates through 2032, and some SBITA's provide for a renewal option, the renewal terms vary depending on the individual SBITA.

Some SBITA's require variable payments based on future performance or usage of the underlying asset and are not included in the measurement of the SBITA liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the year ended June 30, 2025, the State made variable payments as required by the SBITA's totaling $4,923,539. Of this amount $970,498 is related to governmental activities, and $3,953,041 is related to business-type activities.

The future principal and interest lease payments as of June 30, 2025, are as follows:

	Primary Government Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 21,609,409	$ 1,088,798	$ 22,698,207
2027	8,757,673	543,593	9,301,266
2028	5,395,569	327,738	5,723,307
2029	4,660,719	174,006	4,834,725
2030	2,658,062	45,887	2,703,949
2031 - 2035	348,974	13,174	362,148
Totals	$ 43,430,406	$ 2,193,196	$ 45,623,602

	Primary Government Business-type Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 756,704	$ 36,730	$ 793,434
2027	709,112	37,566	746,678
2028	685,133	28,147	713,280
2029	542,188	18,812	561,000
2030	547,087	13,913	561,000
2031 - 2035	1,249,092	13,157	1,262,249
Totals	$ 4,489,316	$ 148,325	$ 4,637,641

	Fiduciary Funds		
Fiscal Year	Principal	Interest	Total
2026	$ 236,066	$ 30,188	$ 266,254
2027	250,483	23,295	273,778
2028	265,909	15,981	281,890
2029	281,381	8,216	289,597
Totals	$ 1,033,839	$ 77,680	$ 1,111,519

5. Retirement Plans and Other Postemployment Benefits

In accordance with State statutes, the State Treasurer and the individual retirement systems' Board of Trustees administer the State's three defined benefit pension plans and three defined contribution plans. In addition to providing pension benefits, the State also offers other postemployment medical insurance benefit plans to retirees of the Vermont State Retirement System and State Teachers' Retirement System. Disclosures relating to defined benefit pension plans are included in Note IV.G.5.A.1. below, those relating to defined contribution pension plans are included in Note IV.G.5.B. below, and those relating to other postemployment benefits (OPEB) are included in Note IV.G.5.C.1. below.

These systems are considered part of the State's reporting entity and are included in the accompanying financial statements as pension and other postemployment benefit trust funds in the fiduciary fund type. There are no separate stand-alone financial statements issued for these plans.

Summary of significant accounting policies – basis of accounting and valuation of investments
The financial statements for the pension and other postemployment benefit trust funds are prepared using the accrual basis of accounting. Plan members' contributions are recognized in the period in which the contributions are due. The employers' contributions are recognized when legally due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the pension and OPEB plans and additions to/deductions from the plans' net position have been determined on the same basis as they are reported by the pension and OPEB plans. All investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on June 30, 2025. Securities without an established market are reported at estimated fair value. Additional information on the plans' investments may be found in Note IV. B. - Investments.

The State annually establishes a state defined benefit retirement contribution. During fiscal year 2025 a mid-year contribution rate change was required to help ensure the State would meet the actuarially determined contributions for the defined benefit retirement plans. Effective November 17, 2024, the employer contribution rate was changed to 28.80% of payroll and consists of the following two components: 18.37% for Vermont State Retirement System defined benefit pension plan (VSRS) and 10.43% for the Vermont State Postemployment Benefits Trust Fund defined benefit OPEB plan (VSPB). Prior to the mid-year rate change, the employer contribution rate was 26.70% of payroll and consisted of the following two components: 16.87% for the VSRS plan and 9.83% for the VSPB plan. The rates reflect estimates to fund the VSRS and the VSPB's actuarially determined contributions. Contributions to VSRS and VSPB totaled $144.0 million and $78.3 million, respectively, for the fiscal year ended June 30, 2025.

A. Defined Benefit Retirement Plans

In order to provide the necessary disclosures that are required under the various GASB Statements, the disclosures below are separated into three sections. The first section (Disclosures about the Defined Benefit Retirement Plans) offers disclosures about the plans themselves - descriptions of the plans and who is covered; an analysis of the membership of the various groups of the various plans as of the end of the fiscal year; a discussion of benefits provided by each of the plans, and the financial statements of each of the three defined benefit plans.

The second section (Financial Reporting of Net Pension Liability and Pension Expense by the Employer as required by GASB Statement No. 68) provides funding information regarding the pension plans that are required by GASB Statement No. 68 - changes in net pension liability (NPL), balances of deferred pension outflows of resources and deferred pension inflows of resources (including prospective schedules of amortization of the deferred outflows and inflows), and the calculation of pension expense for the year.

The third section (Net Pension Liability and Disclosures required by GASB Statement No. 67) provides the

information that is required by GASB Statement No. 67 - the calculation of the net pension liability; the actuarial assumptions and census data that were used in calculating that NPL; the discount rate that was used in the calculations; and the sensitivity of the NPL to changes in the discount rate. The Statement of Plan Net Position and the Statement of Changes in Plan Net Position for the fiscal year ended June 30, 2025, are included at the end of this section.

1. Disclosures about the Defined Benefit Retirement Plans

This first section provides the disclosures about the defined benefit retirement plans required by GASB Statement No. 67, including the plan descriptions, benefits, and membership at June 30, 2025.

Plan Descriptions

The Vermont State Retirement System (VSRS) (3 V.S.A. Chapter 16) is a single employer defined benefit pension plan which covers substantially all general State employees and State Police, except employees hired in a temporary capacity. Membership in the system is a condition of employment.

Management of the plan is vested in the VSRS Retirement Board, which consists of an appointee of the Governor; State Treasurer; Commissioner of Human Resources; Commissioner of Finance and Management; three members of the Vermont State Employees' Association who are active members of the system (each chosen by such association in accordance with its articles of association) and one retired state employee who is a beneficiary of the system (to be elected by the Vermont Retired State Employees' Association).

The Vermont State Teachers' Retirement System (STRS) (16 V.S.A. Chapter 55) is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation. It covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2025, the retirement system consisted of 137 participating employers.

Management of the plan is vested in the STRS Board of Trustees, which consists of the Secretary of Education (ex-officio); the State Treasurer (ex-officio); the Commissioner of Financial Regulation (ex-officio); two trustees and one alternate who are members of the system (each elected by the members of the system under rules adopted by the board) and one trustee and one alternate who are retired members of the system receiving retirement benefits (who are elected by the Association of Retired Teachers of Vermont).

The Vermont Municipal Employees' Retirement System (MERS) (24 V.S.A., Chapter 125) is a cost-sharing, multiple-employer defined benefit pension plan designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirement is required to join the system. During the year ended June 30, 2025, the retirement system consisted of 363 participating employers.

Management of the plan is vested in the MERS Retirement Board of Trustees, which consists of the State Treasurer; two employee representatives who at all times during their term of office are contributing members and have completed five years of creditable service (each elected by the membership of the system); one employer representative who shall at all times during their term of office be a member of the governing body, chief executive officer or supervisor of a participating employer (elected by the membership of the system) and one employer representative who shall at all times during their term of office be a member of the governing body, chief executive officer or supervisor of a participating employer (appointed by the Governor from candidates jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association).

Copies of each individual defined benefit retirement plan's annual actuarial valuation report, and information

describing each defined benefit plan's provisions in greater detail, are available for inspection at the Retirement Division, Office of the State Treasurer, 109 State Street, Montpelier, Vermont 05609-6901.

Membership of the Vermont State Retirement System is made up of the following:

Group A: General employees who did not join the non-contributory system on July 1, 1981
Group C: State police, law enforcement positions, and airport firefighters
Group D: Judges
Group F: Terminated vested members of the non-contributory system and all other general employees
Group G: Certain Department of Corrections and Department of Mental Health positions

Membership of the State Teachers' Retirement System is made up of the following:

Group A: General teachers who did not join the non-contributory system on July 1, 1981
Group C: Terminated vested members of the non-contributory system and all other general teachers

Membership of the Vermont Municipal Employees' Retirement System is made up of the following:

Group A: General employees whose legislative bodies have not elected to become a member of Group B or C
Group B & C: General employees whose legislative bodies have elected to become members of Group B or C
Group D: Sworn police officers, firefighters and emergency medical personnel

At June 30, 2025, the State Treasurer's Office reports the following membership of each of the defined benefit plans by status and group:

	Vermont State Retirement System	Vermont State Teachers Retirement System	Vermont Municipal Employees Retirement System
Total Active Members	8,963	10,526	8,991
Retirees and beneficiaries currently receiving benefits	8,256	10,772	4,890
Terminated employees entitled to benefits but not yet receiving them (vested)	934	1,057	1,250
Inactive members	2,721	3,612	5,297
Total Members	20,874	25,967	20,428

Contributions

Vermont State Retirement System. Title 3 VSA Chapter 16 of Vermont Statutes grant the authority to the retirement board to review annually the amount of state contribution recommended by the actuary of the retirement system as necessary to achieve and preserve the financial integrity of the fund and submit this recommendation to the Governor and both houses of the Legislature. Employee contributions are established in Chapter 16. Contribution rates for the fiscal year ended June 30, 2025, for the various groups are as follows:

Vermont State Retirement System	Group A	Group C	*Group D	*Group F	*Group G
Employee Contributions	6.65% of gross payroll	10.03% of gross payroll	1st Quartile - 6.65% 2nd Quartile - 8.15% 3rd Quartile - 8.15% 4th Quartile - 8.15%	1st Quartile - 6.65% 2nd Quartile - 8.15% 3rd Quartile - 8.15% 4th Quartile - 8.15%	1st Quartile - 11.33% 2nd Quartile - 12.83% 3rd Quartile - 12.83% 4th Quartile - 12.83%
Employer Contributions**	18.37% of gross payroll	18.37% of gross payroll	18.37% of gross payroll	18.37% of gross payroll	18.37% of gross payroll
*Contributions rates are based on where the employees' hourly pay rate falls into the 4 hourly pay rate quartiles, and is applied to all pay that is subject to retirement contributions.					
**Employer Contribution rate changed to 18.37% effective 11/17/2024, prior to the mid-year rate change, the previous employer contribution rate was 16.87% of gross payroll.					

State Teachers' Retirement System. Title 16 VSA Chapter 55 of Vermont Statutes grant the authority to the board of trustees of the system to annually review the amount of State contribution recommended by the actuary of the retirement system to achieve and preserve the financial integrity of the fund and submit this recommendation to the Governor and both houses of the Legislature. The board of trustees also certifies the rates of contribution payable by employees. Contribution rates for the fiscal year ended June 30, 2025, for the various groups are as follows:

Vermont State Teachers Retirement System	Group A	*Group C - Group #1 & #2
Employee Contributions	5.50% of gross salary	Salary Range $40,000.00 or less - 6.15% $40,000.01 to $50,000.00 - 6.20% $50,000.01 to $60,000.00 - 6.30% $60,000.01 to $70,000.00 - 6.40% $70,000.01 to $80,000.00 - 6.55% $80,000.01 to $90,000.00 - 6.80% $90,000.01 to $100,000.00 - 7.10% $100,000.01 or more - 7.35%
Non-employer Contributions	Appropriation based on June 2023 actuarial recommendation of amount needed to fund benefits earned during the year (4.72% of projected payroll), plus amount needed to liquidate the accrued liability over the remaining amortization period ($163,340,676).	
*Employee Contributions are based on where employees' base salary and any additional stipends paid falls in the salary range chart.		

Vermont Municipal Employees Retirement System. Title 24 VSA Chapter 125 of Vermont Statutes grant the authority to the retirement board to annually review the amount of municipalities contribution recommended by the actuary of the retirement system to achieve and preserve the financial integrity of the fund and certify the rates of contributions payable by employers. The board of trustees also certifies the rates of contribution payable by employees. Contribution rates for the fiscal year ended June 30, 2025, for the various groups are as follows:

Vermont Municipal Employees Retirement System	Group A	Group B	Group C	Group D
Employee Contributions	4.00% of gross salary	6.375% of gross salary	11.50% of gross salary	12.85% of gross salary
Employer Contributions	5.50% of gross salary	7.00% of gross salary	8.75% of gross salary	11.35% of gross salary

Benefits provided

Benefit terms are established or amended in accordance with 3 V.S.A. Chapter 16 for the Vermont State Retirement System, in accordance with 16 V.S.A. Chapter 55 for the Vermont State Teachers Retirement System, and in accordance with 24 V.S.A Chapter 125 for the Vermont Municipal Employees Retirement System.

Details of the pension benefits provided by each of the retirement plans are included on the next 3 pages:

Vermont State Retirement System	Group A	Group C	Group D	Group F	Group G
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave payoff	Highest 2 consecutive years, including unused annual leave payoff	If served 5 or more years as a judge in Group D and are 57 years of age on or before 06/30/2022, or are a Group D member with 15 or more years of service on or before 06/30/2022 - AFC is final salary at retirement. All other - average earned income from final 2 years of service	Highest 3 consecutive years, excluding unused annual leave payoff	Highest 3 consecutive years, excluding unused annual leave payoff
Benefit Formula	1.67% x AFC x creditable service	2.5% x AFC x creditable service up to 20 years	3.33% x AFC x creditable service (after 12 years in Group D)	1.25% x AFC x service prior to 12/31/90 + 1.67% x AFC x service after 1/1/91	2.50% x AFC x creditable service
Maximum Benefit Payable	100% of AFC	If eligible for retirement on 07/01/2022 or after: 50% of AFC, but for each year of service that is completed on or after 7/1/2022, after attaining age 50 and 20 years of service, maximum retirement allowance cap increases 1.5% for each additional year of service. All others: 50% of AFC.	100% of final salary if served 5 or more years as a judge in Group D and are 57 years of age on or before 06/30/2022, or are a Group D member with 15 or more years of service on or before 06/30/2022. All other - 80% of your salary at retirement	50% of AFC if hired before 7/1/08, 60% of AFC if hired on or after 7/1/08	50% of AFC
Normal Retirement (no reduction)	Age 65 with 5 years of service or 62 with 20 years of service	Age 55, mandatory at 57 years of age	If first appointed or elected on or before 06/30/2022 - Age 62 with 5 years of service, if first appointed or elected on or after 07/01/2022 - Age 65 with 5 years of service	Age 62 or with 30 years of service if hired before 7/1/08, Age 65 or a combination of age & service credit that equals 87 if hired on or after 7/1/08	Age 65 with 5 years of service or 55 with 20 years of service
Early Retirement Eligibility	Age 55 with 5 years of service or 30 years of service (any age)	Age 50 with 20 years of service	Age 55 with 5 years of service or 30 years of service (any age)	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarially reduced benefit if under 30 years of service	No reduction	3% per year from age 62	If hired before 7/1/08: 6% per year preceding age 62, If hired on or after 7/1/08: no reduction if age 65 with 5 years of service, or if combination of age and service equal to 87; otherwise, monthly reduction preceding age 65 based on years of service: 35+ years - 1/8th of 1%; 30-34 years - 1/4th of 1%; 25-29 years - 1/3rd of 1%; 20-24 years - 5/12th of 1%; less than 20 years - 5/9th of 1%	Actuarially equivalent reduction
Post-Retirement COLA	Full CPI, up to a maximum of 5%, after 12 months of retirement	If eligible for retirement on 07/01/2022 or after: 100% CPI, with a ceiling of 4% and a floor of 1%, must have collected a benefit for 24 months prior to the COLA effective date. All others: Full CPI, up to a maximum of 5%, after 12 months of retirement.	If eligible for retirement on 07/01/2022 or after:100% CPI if CPI is greater than 1%, with a ceiling of 5% for amounts equal to or less than $75,000 annual retirement allowance, 50% CPI if CPI is greater than 1%, with a ceiling of 5% for amounts greater than $75,000 annual retirement allowance. No COLA if CPI is less than 1%, must have collected a benefit for 24 months prior to the COLA effective date. All others: Full CPI, up to a maximum of 5%, after 12 months of retirement.	If eligible for retirement on 07/01/2022 or after:100% CPI, with a ceiling of 4% and a floor of 0%, must have collected a benefit for 24 months prior to the COLA effective date. Will not receive a COLA until have met normal retirement age. All others: for members retiring on or after 07/01/2008, 100% of a fiscal year CPI increase. For members who retired before 07/01/2008, 50% of a fiscal year CPI increase. Annual COLA adjustments have a minimum of 1% and maximum of 5%.	If eligible for retirement on 07/01/2022 or after:100% CPI, with a ceiling of 4% and a floor of 0%, must have collected a benefit for 24 months prior to the COLA effective date. Will not receive a COLA until have met normal retirement age.
Disability Benefit*	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC, with children's benefit of 10% of AFC to maximum of three concurrently, if injured on the job 50% of AFC.	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC
Death-in-Service Benefit	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	70% of accrued benefit with no actuarial reduction applied, plus children's benefit	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently

* Service connected disability has no minimum service requirement, ordinary disability requires 5 years of service.

Vermont State Teachers Retirement System	Group A	Group C - Group #1*	Group C - Group #2**
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave, sick leave, and bonus/incentives	Highest 3 consecutive years, excluding all payments for anything other than service actually performed	Highest 3 consecutive years, excluding all payments for anything other than service actually performed
Benefit Formula	1.67% X creditable service X AFC	1.25% X service prior to 6/30/90 X AFC + 1.67% X service after 7/1/90 X AFC	1.25% X service prior to 6/30/90 X AFC + 1.67% X service after 7/1/90 X AFC, 2% X AFC after attaining 20.0 years
Maximum Benefit Payable	100% of AFC	53.34% of AFC	60% of AFC
Normal Retirement (no reduction)	Age 60 or with 30 years of service	Age 62 or with 30 years of service	Age 65 or when the sum of age and service credit equals 90
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% per year from age 62	Actuarial reduction
Post-Retirement COLA	Full CPI, up to a maximum of 5%, after 12 months of retirement	If retired or eligible for retirement on 06/30/2022 or before: 50% CPI, up to a maximum of 5% after 12 months of normal retirement or with 30 years, or age 62; minimum of 1%. If eligible for retirement on 07/01/2022 or after: 50% CPI, up to a maximum of 4% after 24 months of retirement prior to the COLA effective date.	If retired or eligible for retirement on 06/30/2022 or before: 50% CPI, up to a maximum of 5% minimum of 1% after 12 months of normal retirement or age 65. If eligible for retirement on 07/01/2022 or after: 50% CPI, up to a maximum of 4% after 24 months of retirement prior to the COLA effective date.
Disability Benefit***	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC	Unreduced, accrued benefit with minimum of 25% of AFC
Death-in-Service Benefit	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefit up to maximum of three concurrently	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied plus children's benefits up to maximum of three concurrently

* Group #1 are members who were at least 57 years old or had at least 25 years of service on June 30, 2010.
** Group #2 members who were under 57 years of age or had less than 25 years of service on June 30, 2010.
*** Must have 5 or more years of creditable service, and served as a teacher in the state during the 5 years immediately preceding the date of separation from service.

Vermont Municipal Employees Retirement System	Group A	Group B	Group C	Group D
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit Formula	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service:1.4% x Group A x AFC	2.5% x creditable service x AFC + previous service:1.4% x Group A x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service:1.4% x Group A x AFC; 1.7% x Group B x AFC; 2.5% x Group C x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Normal Retirement (no reduction)	Age 65 with 5 years of service or 55 with 35 years of service	Age 62 with 5 years of service or 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65 *1	6% per year from age 62 *	N/A	No reduction
Post-Retirement COLA	50 % of CPI, up to 2% per year	50 % of CPI, up to 3% per year	50 % of CPI, up to 3% per year	50 % of CPI, up to 3% per year
Disability Benefit	Unreduced, accrued benefit	Unreduced, accrued benefit	Unreduced, accrued benefit	Unreduced, accrued benefit plus children's benefit representing 10% of AFC to maximum of three concurrently
Death-in-Service Benefit	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied	70% of accrued benefit with no actuarial reduction applied, plus children's benefit

* A special early retirement factor of 3% per year only for municipal police officers who have attained age 60.

2. Employer Reporting of Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension Plans as required by GASB Statement No. 68

This section includes the information that is required to be reported by employers per GASB Statement No. 68. It reports information regarding the calculation of the State's net pension liability, including changes during the measurement period in both total pension liability and plan net position; balances in the various components of deferred pension outflows of resources and deferred pension inflows of resources and the amounts to be recognized in pension expense in future periods; and the calculation of pension expense. In addition to presenting the NPL, this section also includes information on the actuarial assumptions and census data used in the valuation, the discount rate that was used to calculate the NPL, and disclosures as to the sensitivity of the NPL to changes in the discount rate.

The State is responsible for 98.8769% of the VSRS net pension liability. The Vermont Veterans' Home (a discrete component unit) is responsible for 1.1231% of the VSRS net pension liability. The State is responsible for 100% of the STRS net pension liability as a non-employer contributing entity. The information presented in this section is for those two plans. The State does not participate in the MERS plan, so no employer information is presented for that plan.

Reporting Date, Measurement Date, and Valuation Date (Employer Reporting)

Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the State's reporting date (June 30, 2025) and for the State's reporting period (the

year ended June 30, 2025). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than the end of the employer's prior fiscal year. For the reporting date of June 30, 2025, the State has chosen to use the end of the prior fiscal year (June 30, 2024) as the measurement date, and the year ended June 30, 2024, as the measurement period.

The total pension liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end. The State has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of June 30, 2023, to the measurement date of June 30, 2024. There were no material changes in assumptions or benefit terms that occurred between the actuarial valuation date and the measurement date.

Net Pension Liabilities (Employer Reporting)

The net pension liability (NPL) is measured as the portion of the actuarial present value of projected benefit payments that is attributable to past periods of employee service, net of the pension plan's fiduciary net position. The changes in the components for the measurement period are as follows (amounts are in thousands):

	Vermont State Retirement System			State Teachers' Retirement System		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a-b)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances - June 30, 2023	$ 3,579,984	$ 2,423,230	$ 1,156,754	$ 4,397,768	$ 2,527,709	$ 1,870,059
Changes for the year:						
Service cost	80,807	-	80,807	83,618	-	83,618
Interest	249,388	-	249,388	304,810	-	304,810
Benefit changes	-	-	-	8,872	-	8,872
Difference between expected and actual experience	38,476	-	38,476	29,710	-	29,710
Contributions - employer	-	140,851	(140,851)	-	-	-
Contributions - non-employer	-	-	-	-	206,169	(206,169)
Contributions - employee	-	57,061	(57,061)	-	56,092	(56,092)
Net investment income	-	240,381	(240,381)	-	260,344	(260,344)
Benefit payments, including refunds of contributions	(196,200)	(196,200)	-	(253,961)	(253,961)	-
Administrative expenses	-	(2,695)	2,695	-	(4,023)	4,023
Other changes	-	1,212	(1,212)	-	25,356	(25,356)
Net changes	172,471	240,610	(68,139)	173,049	289,977	(116,928)
Balances - June 30, 2024	$ 3,752,455	$ 2,663,840	$ 1,088,615	$ 4,570,817	$ 2,817,686	$ 1,753,131
Fiduciary net position as a percentage of total pension liability			70.99%			61.65%

Proportionate Share of Net Pension Liability

	Vermont State Retirement System			
		Proportionate Share		
	Amount	2024	2023	Change
Governmental activities	$ 1,070,131	98.3021%	98.1190%	0.1831%
Business type activities	6,258	0.5748%	0.6256%	-0.0508%
Discrete component unit	12,226	1.1231%	1.2554%	-0.1323%
Total net pension liability	1,088,615	100.0000%	100.0000%	

	State Teachers' Retirement System			
		Proportionate Share		
	Amount	2024	2023	Change
Governmental activities	1,753,131	100.0000%	100.0000%	0.0000%
Total governmental activities net pension liability	$ 2,823,262			

Additional information regarding the changes in the net pension liability for the year ended June 30, 2025, can be found in the Required Supplementary information immediately following these notes to the financial statements.

Deferred Pension Outflows of Resources and Deferred Pension Inflows of Resources (Employer Reporting)

Most changes in the net pension liability are included in pension expense during the year of change. Changes resulting from current-period service cost, interest on the total pension liability, and changes in benefit terms are required to be included in pension expense immediately. Similarly, projected earnings on the pension plan's investments are also required to be included in the determination of pension expense immediately.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods, depending on the nature of the change.

The effect on the net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. This treatment arises from the concept that these changes result from the use of estimates, where probabilities of events range from 0 to 100 percent, while actual events either occur or do not occur. Therefore, differences between some estimates and actual experience will occur with every measurement that incorporates future events.

The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning with the current period. Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. This treatment arises from the concept that pensions arise from an exchange between employer and employee of salaries and benefits for employee service each period and that these transactions and related pension measurements are viewed in the context of ongoing, career-long employment relationships.

Employer contributions subsequent to the measurement date of the net pension liability are required to be

reported as deferred outflows of resources, and will be recognized as a reduction of the net pension liability at June 30, 2026. As of June 30, 2025, the State reported the following deferred pension outflows of resources and deferred pension inflows of resources (amounts are in thousands):

	Vermont State Retirement System			
	Primary Government		Discrete Component Units	
Source	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 110,680	$ -	$ 1,257	$ -
Changes of assumptions	44,269	-	503	-
Net differences between projected and actual earnings on plan investments	19,985	-	227	-
Change in proportion and the effect of certain employer contributions on the employer's net pension liability	6,503	4,158	1,644	3,989
Employer contributions made subsequent to the measurement date	142,310	-	1,675	-
Total	$ 323,747	$ 4,158	$ 5,306	$ 3,989

	State Teachers' Retirement System	
	Primary Government	
Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 90,622	$ -
Changes of assumptions	-	11,873
Net differences between projected and actual earnings on plan investments	9,174	-
Employer contributions made subsequent to the measurement date	203,401	-
Total	$ 303,197	$ 11,873

	Primary Government	
	Total	
Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 201,302	$ -
Changes of assumptions	44,269	11,873
Net differences between projected and actual earnings on plan investments	29,159	-
Change in proportion and the effect of certain employer contributions on the employer's net pension liability	6,503	4,158
Employer contributions made subsequent to the measurement date	345,711	-
Total	$ 626,944	$ 16,031

The amounts reported as deferred pension outflows of resources resulting from employer contributions made

subsequent to the measurement date (VSRS - $142.310 million Primary Government and $1.675 million Component Units; and STRS - $203.401 million Primary Government), will be recognized as a reduction of the net pension liability at June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows (amounts are in thousands):

	State Teachers' Retirement System	Vermont State Retirement System	Total	Vermont State Retirement System
Year Ended June 30	Primary Government	Primary Government	Primary Government	Discrete Component Units
2026	$ 12,782	$ 65,988	$ 78,770	$ (7)
2027	88,186	102,024	190,210	415
2028	(6,044)	15,419	9,375	(466)
2029	(11,952)	(6,152)	(18,104)	(300)
2030	4,951	-	4,951	-
Total	$ 87,923	$ 177,279	$ 265,202	$ (358)

Pension Expense (Employer Reporting)

As discussed above, most changes in the net pension liability are included in pension expense in the year of change, including changes resulting from current-period service cost, interest on the total pension liability, changes in benefit terms, and projected earnings on the pension plan's investments. Other changes in net pension liability are recorded as deferred pension outflows of resources and deferred pension inflows of resources and included in pension expense on a systematic and rational manner over current and future periods.

Pension expense for the year ended June 30, 2025, is as follows (amounts are in thousands):

	State Teachers' Retirement System	Vermont State Retirement System	Total	Vermont State Retirement System
	Primary Government	Primary Government	Primary Government	Discrete Component Units
Service cost	$ 83,618	$ 79,898	$ 163,516	$ 909
Interest on total pension liability	304,810	246,588	551,398	2,800
Employee contributions	(56,092)	(56,421)	(112,513)	(640)
Changes in benefit terms	8,872	-	8,872	-
Plan administrative costs	4,023	2,666	6,689	29
Other changes	(25,356)	(1,199)	(26,555)	(13)
Projected earnings on plan investments	(177,977)	(167,729)	(345,706)	(1,905)
Recognition (amortization) of deferred pension outflows of resources:				
Difference between expected and actual experience	4,952	7,609	12,561	86
Recognition of deferred outflows from prior periods	117,230	164,204	281,434	1,865
Changes in proportional share of contributions	-	2,277	2,277	548
Recognition (amortization) of deferred pension inflows of resources:				
Net difference between projected and actual investment earnings	(16,474)	(13,990)	(30,464)	(159)
Recognition of deferred inflows from prior periods	(81,250)	(73,425)	(154,675)	(834)
Changes in proportional share of contributions	-	(1,437)	(1,437)	(1,388)
Total Pension Expense	$ 166,356	$ 189,041	$ 355,397	$ 1,298

Actuarial Methods and Assumptions (Employer Reporting)

Methods and assumptions used to determine pension expense and the total pension liability are based on a valuation date of June 30, 2023, for VSRS and STRS.

	VSRS	STRS
Valuation date	6/30/2023*	6/30/2023*
Inflation assumptions	2.30%	2.30%
Investment rate of return, net of pension plan investment expenses, including inflation	7.00%	7.00%
Projected salary increases	3.76% - 6.38%	3.19% - 8.50%
Cost of living adjustments	The January 1, 2024 COLA: Groups A, C, D, F (retired on or after 7/1/2008) - 2.20%, Group F (retired before 7/1/2008) - 1.10%	The January 1, 2024 COLA: Group A: 2.20%; Group C: 1.10%
Post Retirement Adjustments: assumed annual rate of cost-of-living increases	Groups A, C, & D retiring prior to 07/01/2022: 2.25%; Group F (retiring on or after 7/1/2008): 2.35%; Group F (retiring before 7/1/2008): 1.25%. Group A retiring on or after 07/01/2022: 2.25%, Group C retiring on or after 07/01/2022: 2.10%. Group D retiring on or after 07/01/2022: 2.25% on the first $75,000 of retirement benefits, and 1.10% on amounts above $75,000 of retirement benefits. Group F & G retiring on or after 07/01/2022: 2.15%.	Group A: 2.30%; Group C: 1.20%. Group C retiring on or after 07/01/2022: 1.20%
Census Data for 2023 Valuation		
Retired members or beneficiaries currently receiving benefits	8,058	10,431
Inactive members	2,287	3,167
Active members	8,611	10,618
Terminated vested members	844	998
Total membership	19,800	25,214
*Valuation date is rolled forward to the measurement date of June 30, 2024 using standard actuarial techniques		

Mortality rates are based as follows for the various retirement systems:

Vermont State Retirement System

- *Pre-retirement Mortality*: Groups A & F: PubG-2010 General Employee Amount-Weighted Table with generational projection using scale MP-2021. Groups C & G: PubS-2010 Public Safety Employee Amount-Weighted Table with generational projection using scale MP-2021. Group D: PubG-2010 General Employee Amount-Weighted Above Median Table with generational projection using scale MP-2021.

- *Post-retirement Retiree Mortality*: Groups A & F: PubG-2010 General Healthy Retiree Amount-Weighted Table with credibility adjustments of 101% and 105% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Groups C & G: PubS-2010 Public Safety Retiree Amount-Weighted Table with generational projection using scale MP-2021. Group D: PubG-2010 General Healthy Retiree Amount-Weighted Above Median Table with generational projection using scale MP-2021.

- *Post-retirement Beneficiaries Mortality*: Groups A,F,C, & G: Pub-2010 Contingent Survivor Amount-Weighted Table with generational projection using scale MP-2021. Group D: Pub-2010 Contingent Survivor Amount-Weighted Above Median Table with generational projection using scale MP-2021.

- *Disabled Post-retirement Mortality:* Groups A,F, & D: PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table with generational projection using scale MP-2021. Groups C & G: PubS-2010 Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021.

Vermont State Teachers' Retirement System

- *Pre-retirement Mortality*: All Groups: PubT-2010 Teacher Employee Amount-Weighted Table with generational projection using scale MP-2021.

- *Post-retirement Retiree Mortality*: All Groups: PubT-2010 Teacher Healthy Retiree Amount-Weighted Table, with credibility adjustments of 103% and 93% for the Male and Female tables, respectively, with generational projection using scale MP-2021.

- *Post-retirement Beneficiaries Mortality*: All Groups: Pub-2010 Contingent Survivor Amount-Weighted Table with generational projection using scale MP-2021.

- *Disabled Post-retirement Mortality:* All Groups: PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the three-year period ended June 30, 2022. Actuarial valuations attempt to estimate costs associated with the pension system based on a number of demographics, economic, and retirement experience assumptions. To the extent assumptions are at variance to experience, this can result in actuarial gains and losses ultimately impacting contribution rates and the development of the actuarially required contribution. Experience studies are required by statute to be conducted at least once every three fiscal years to review actual experience in comparison to these assumptions and to provide recommended changes to assumptions.

The long-term expected rate of return on pension plan investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, measurement date are summarized in the following table:

(Table on next page.)

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
US Agg Fixed Income	19.00%	1.70%
TIPS	2.00%	1.70%
Large/Mid Cap US Equity	4.00%	4.20%
Small Cap US Equity	3.00%	4.70%
Dev'd Large/Mid Cap Int'l Equity	5.00%	5.95%
Global Equity	32.00%	5.25%
Core Real Estate	3.00%	3.45%
Non-Core Real Estate	4.00%	5.70%
Private Credit	11.00%	5.70%
Private Equity	11.00%	7.45%
Private Core Infrastructure	4.00%	4.95%
Agriculture/Farmland	2.00%	3.95%
Total	100.00%	

Nominal long-term expected rates of return for these asset classes are equal to the sum of the above expected long-term real rates and the expected long-term inflation rate of 2.3%.

Discount Rate (Employer Reporting)

The discount rate used to measure the total pension liability as of June 30, 2024 measurement date was 7.00% for the VSRS and STRS. The discount rate used for the prior year was 7.00% for the VSRS and STRS. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 68.

The annual money-weighted rate of return on pension plan investments calculated as the internal rate of return on pension plan investments, net of pension plan investment expenses for the year ended June 30, 2024, measurement date was 10.16% for VSRS, and 10.23% for STRS. Amounts for the prior year were 7.65%, and 7.64% respectively. A money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Employer Reporting)

The following presents the net pension liability of the various retirement systems (at the June 30, 2024, measurement date), calculated using the discount rates determined above, as well as what the systems' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate (amounts are in thousands):

(Table on next page.)

	VSRS	STRS
One-percent decrease		
Discount rate	6.00%	6.00%
Net pension liability	$ 1,563,741	$ 2,310,104
Net pension liability, as reported		
Discount rate	7.00%	7.00%
Net pension liability	$ 1,088,615	$ 1,753,131
One-percent increase		
Discount rate	8.00%	8.00%
Net pension liability	$ 696,170	$ 1,288,520

Payable to the Defined Benefit Pension Plan (Employer Reporting)

At June 30, 2025, the State reported a payable of $6,637,010 for the outstanding amount of contributions to the VSRS pension plan required for the year ended June 30, 2025.

3. Net Pension Liability and Disclosures required by GASB Statement No. 67 (Plan Reporting)

This section includes the information that is required to be presented by GASB Statement No. 67, reporting on the financial statements for the defined benefit plans for the year ended June 30, 2025. Separate valuations were performed by the State's actuary to calculate the total pension liability in accordance with this standard for financial reporting by pension plans and calculates the net pension liability (NPL). The plans' valuations as of June 30, 2024, were rolled forward to the pension plans' fiscal year end of June 30, 2025. In addition to presenting the NPL, this section also includes information on the actuarial assumptions used in the valuation, the discount rate that was used to calculate the NPL, and disclosures as to the sensitivity of the NPL to changes in the discount rate.

Net Pension Liabilities (Plan Reporting)

The components of the net pension liabilities of the defined benefit retirement plans at June 30, 2025, are shown as follows with amounts in thousands:

	Vermont State Retirement System	Vermont State Teachers' Retirement System	Vermont Municipal Employees Retirement System
Total pension liability	$ 3,929,566	$ 4,762,243	$ 1,454,167
Fiduciary net position	(2,944,071)	(3,136,316)	(1,121,819)
Net pension liability	$ 985,495	$ 1,625,927	$ 332,348
Fiduciary net position as a percentage of total pension liability	74.92%	65.86%	77.15%

Additional information regarding changes in the net pension liability for the year ended June 30, 2025, can be found in the Required Supplementary Information section immediately following these notes to the financial statements.

Actuarial Assumptions (Plan Reporting)

The June 30, 2025, total pension liability was determined by rolling forward the total pension liability as of June 30, 2024, to June 30, 2025, using the actuarial assumptions and methods used in the June 30, 2024, actuarial valuation of the plans. There were no material changes in assumptions or benefit terms that occurred between the actuarial valuation date and the measurement date.

(Table on next page.)

	VSRS	STRS	MERS
Valuation date	6/30/2024*	6/30/2024*	6/30/2024*
Inflation assumptions	2.30%	2.30%	2.30%
Investment rate of return, net of pension plan investment expenses, including inflation	7.00%	7.00%	7.00%
Projected salary increases	3.76% - 6.38%	3.19% - 8.50%	4.07% - 6.21%
Cost of living adjustments	The January 1, 2025 COLA: Groups A, C, D, F, & G (retired on or after 7/1/2008) - 3.80%, Group F (retired before 7/1/2008) - 1.90%	The January 1, 2025 COLA: Group A: 3.80%; Group C: 1.90%	The January 1, 2025 COLA: Group A, B, C, & D: 1.90%
Post Retirement Adjustments: assumed annual rate of cost-of-living increases	Groups A, C, & D retiring prior to 07/01/2022: 2.25%; Group F (retiring on or after 7/1/2008): 2.35%; Group F (retiring before 7/1/2008): 1.25%. Group A retiring on or after 07/01/2022: 2.25%, Group C retiring on or after 07/01/2022: 2.10%. Group D retiring on or after 07/01/2022: 2.25% on the first $75,000 of retirement benefits, and 1.10% on amounts above $75,000 of retirement benefits. Group F & G retiring on or after 07/01/2022: 2.15%.	Group A: 2.30%; Group C: 1.20%. Group C retiring on or after 07/01/2022: 1.20%	Group A - 1.10%, Groups B,C & D - 1.20%
Census Data for 2024 Valuation			
Retired members or beneficiaries currently receiving benefits	8,142	10,625	4,638
Inactive members	2,554	3,500	5,020
Active members	8,819	10,567	8,692
Terminated vested members	869	1,050	1,160
Total membership	20,384	25,742	19,510
*Valuation date is rolled forward to the measurement date using standard actuarial techniques			

Mortality rates are based as follows for the various retirement systems:

Vermont State Retirement System

- *Pre-retirement Mortality*: Groups A & F: PubG-2010 General Employee Amount-Weighted Table with generational projection using scale MP-2021. Groups C & G: PubS-2010 Public Safety Employee Amount-Weighted Table with generational projection using scale MP-2021. Group D: PubG-2010 General Employee Amount-Weighted Above Median Table with generational projection using scale MP-2021.

- *Post-retirement Retiree Mortality*: Groups A & F: PubG-2010 General Healthy Retiree Amount-Weighted Table with credibility adjustments of 101% and 105% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Groups C & G: PubS-2010 Public Safety Retiree Amount-Weighted Table with generational projection using scale MP-2021. Group D: PubG-2010 General Healthy Retiree Amount-Weighted Above Median Table with generational projection using scale MP-2021.

- *Post-retirement Beneficiaries Mortality*: Groups A,F,C, & G: Pub-2010 Contingent Survivor Amount-Weighted Table with generational projection using scale MP-2021. Group D: Pub-2010 Contingent Survivor Amount-Weighted Above Median Table with generational projection using scale MP-2021.

- *Disabled Post-retirement Mortality:* Groups A,F, & D: PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table with generational projection using scale MP-2021. Groups C & G: PubS-2010 Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021.

Vermont State Teachers' Retirement System

- *Pre-retirement Mortality*: All Groups: PubT-2010 Teacher Employee Amount-Weighted Table with generational projection using scale MP-2021.

- *Post-retirement Retiree Mortality*: All Groups: PubT-2010 Teacher Healthy Retiree Amount-Weighted Table, with credibility adjustments of 103% and 93% for the Male and Female tables, respectively, with generational projection using scale MP-2021.

- *Post-retirement Beneficiaries Mortality*: All Groups: Pub-2010 Contingent Survivor Amount-Weighted Table with generational projection using scale MP-2021.

- *Disabled Post-retirement Mortality:* All Groups: PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2021.

Vermont Municipal Employees Retirement System

- *Pre-retirement Mortality*: Groups A & B: 60% PubG-2010 General Employee Amount-Weighted Below-Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using Scale MP-2021. Group C: PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group D: PubS-2010 Public Safety Employee Amount-Weighted Below-Median, with generational projection using scale MP-2021.

- *Post-retirement Retiree Mortality*: Groups A & B: PubG-2010 General Healthy Retiree Amount-Weighted Below Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Group C: PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D: PubS-2010 Public Safety Retiree Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

- *Post-retirement Beneficiaries Mortality*: All Groups: Pub-2010 Contingent Survivor Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

- *Disabled Post-retirement Mortality:* Groups A, B, & C: PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021. Group D: PubS-2010 Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the three-year period ended June 30, 2022.

The long-term expected rate of return on pension plan investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
US Agg Fixed Income	19.00%	2.20%
TIPS	2.00%	1.70%
Large/Mid Cap US Equity	4.00%	3.70%
Small Cap US Equity	3.00%	4.45%
Dev'd Large/Mid Cap Int'l Equity	5.00%	5.95%
Global Equity	32.00%	4.79%
Core Real Estate	3.00%	3.95%
Non-Core Real Estate	4.00%	5.95%
Private Credit	11.00%	5.70%
Private Equity	11.00%	7.45%
Private Core Infrastructure	4.00%	4.95%
Agriculture/Farmland	2.00%	3.70%
Total	100.00%	

Nominal long-term expected rates of return for these asset classes are equal to the sum of the above expected long-term real rates and the expected long-term inflation rate of 2.30%.

Discount Rate (Plan Reporting)

The discount rate used to measure the total pension liability was 7.00% for the VSRS, STRS, and MERS. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 67.

The annual money-weighted rate of return on pension plan investments calculated as the internal rate of return on pension plan investments, net of pension plan investment expenses for the year ended June 30, 2025, was 10.65% for VSRS, 10.76% for STRS, and 10.69% for MERS. Amounts for the prior year were 10.16%, 10.23% and 10.22% respectively. A money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Plan Reporting)

The following presents the net pension liability of the various retirement systems, calculated using the discount rates determined above, as well as what the systems' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate (amounts are in thousands):

(Table on next page.)

	VSRS	STRS	MERS
One-percent decrease			
Discount rate	6.00%	6.00%	6.00%
Net pension liability	$ 1,481,268	$ 2,203,732	$ 522,651
Net pension liability, as reported			
Discount rate	7.00%	7.00%	7.00%
Net pension liability	$ 985,495	$ 1,625,927	$ 332,348
One-percent increase			
Discount rate	8.00%	8.00%	8.00%
Net pension liability	$ 576,099	$ 1,143,940	$ 176,328

The defined benefit plans financial statements are on the following two pages:

(Notes continue on next page.)

Statement of Fiduciary Net Position
Defined Benefit Plans
June 30, 2025

	Vermont State Retirement Fund	State Teachers' Retirement Fund	Vermont Municipal Employees' Retirement Fund
Assets			
Cash and short term investments	$ 83,203,891	$ 73,828,408	$ 34,313,447
Investments			
Fixed income	167,290,319	176,649,058	66,276,046
Equities	78,597,040	95,257,713	29,267,388
Mutual and commingled funds	1,715,992,889	1,858,828,540	649,929,512
Private partnerships	973,325,758	1,003,480,379	360,171,553
Receivables			
Contributions - current	10,457,783	9,249,333	9,217,343
Contributions - non-current	-	-	4,411,675
Investments sold	36,718,631	38,727,787	14,539,182
Interest and dividends	1,091,615	1,152,601	704,792
Due from other funds	105,580	-	263,073
Other	728,237	7,079,267	781,494
Prepaid expenses	72,457	218,700	51,910
Capital assets, net of depreciation	297,493	301,381	120,502
Total assets	3,067,881,693	3,264,773,167	1,170,047,917
Liabilities			
Accounts payable	1,990,666	59,084	39,968
Investments purchased	121,143,413	127,858,594	47,988,751
Interest payable	7,871	7,871	2,998
Due to other funds	399,136	262,346	94,866
Subscription Liability	269,555	269,555	102,688
Total liabilities	123,810,641	128,457,450	48,229,271
Net position restricted for employees' pension benefits	$ 2,944,071,052	$ 3,136,315,717	$ 1,121,818,646

Statement of Changes in Fiduciary Net Position
Defined Benefit Plans
For the Fiscal Year Ended June 30, 2025

	Vermont State Retirement Fund	State Teachers' Retirement Fund	Vermont Municipal Employees' Retirement Fund
Additions			
Contributions			
Employer - pension benefit	$ 143,985,346	$ -	$ 37,617,112
Non-employer - pension benefit	-	203,401,121	-
Plan member	64,058,809	60,756,113	37,038,357
Transfers from other pension trust funds	1,895,310	913,580	669,239
Transfers from non-state systems	-	8,125	-
Other revenues	-	10,707,699	-
Total contributions	209,939,465	275,786,638	75,324,708
Investment Income			
Net appreciation in fair value of investments	271,025,919	300,040,567	102,215,527
Dividends	6,232,007	6,736,675	2,324,889
Interest income	6,859,328	7,727,715	3,281,296
Other income	-	22,304	-
Total investment income	284,117,254	314,527,261	107,821,712
Less Investment Expenses			
Investment managers and consultants	4,805,139	4,968,664	1,695,680
Total investment expenses	4,805,139	4,968,664	1,695,680
Net investment income	279,312,115	309,558,597	106,126,032
Total additions	489,251,580	585,345,235	181,450,740
Deductions			
Retirement benefits	199,747,266	259,274,174	59,406,724
Refunds of contributions	4,465,536	3,394,728	3,764,111
Death claims	1,025,418	280,647	893,607
Transfers to other pension trust funds	864,699	461,376	2,466,112
Depreciation	102,420	108,635	41,880
Administration expenses	2,814,901	3,195,627	1,564,478
Total deductions	209,020,240	266,715,187	68,136,912
Change in net position	280,231,340	318,630,048	113,313,828
Net position restricted for employees' pension benefits			
July 1, 2024	2,663,839,712	2,817,685,669	1,008,504,818
June 30, 2025	$ 2,944,071,052	$ 3,136,315,717	$ 1,121,818,646

B. Defined Contribution Retirement Plans

Retirement Plan Descriptions

In accordance with Title 3 of the Vermont Statutes Annotated, Chapter 16A, the State established an optional single employer defined contribution pension plan for exempt State employees effective January 1, 1999. The Vermont State Defined Contribution Plan is reported in the Pension Trust Funds. Exempt employees hired after January 1, 1999, have a one-time opportunity to elect either the defined benefit or defined contribution plan. Employees are required to contribute at the rate of 2.85%. The State is required to contribute to each employee's account at the rate of 7% of the employee's compensation for each payroll period. An employee becomes vested in the plan after completion of 23 months of creditable service as a State employee. During the fiscal year ended June 30, 2025, member contributions totaled $784,787 with State employer contributions at $2,035,350. As of June 30, 2025, the Vermont State Defined Contribution Plan's net position totaled $93,063,986 and there were 523 participants.

The Vermont Municipal Employees' Defined Contribution Plan (24 V.S.A. 5070), a multiple employer defined contribution pension plan, was implemented by the Vermont Municipal Employees' Retirement System's Board of Trustees on July 1, 2000, and is reported as a pension trust fund. The defined contribution plan was offered by municipal employers to one or more groups of their eligible employees. Once offered by the employer, each eligible employee was required to make an election to participate. Employees participating in one of the municipal defined benefit plans who elected to participate in the defined contribution plan had the July 1, 2001, actuarial value of their accrued defined benefit plan transferred to the defined contribution plan. Employers that did not offer the defined contribution plan to their employees as of December 31, 1999, have an opportunity to do so no later than December 31 of any subsequent year with the transfer effective July 1 of the following year.

Participating municipal employees are required to contribute at the rate of 5% of earnable compensation. Employers are required to contribute at the rate of 6.00%. Employees become vested in the plan after 12 months of service. During the fiscal year ended June 30, 2025, member contributions totaled $523,970 and employer contributions at $610,301. As of June 30, 2025, the Municipal Employees' Defined Contribution Plan's net position totaled $33,259,280 and there were 425 participants.

The Single Deposit Investment Account (SDIA), a non-contributory multiple employer defined contribution pension plan reported as a Pension Trust Fund, was established according to the provisions of Public Act 41 of the 1981 Session. The Act authorized a new Group B non-contributory plan within the State Teachers Retirement System (STRS) and a new Group E non-contributory plan within the Vermont State Retirement System (VSRS).

The STRS's members in the Group A contributory plan could have elected to either remain in the Group A plan or transfer to the new Group B non-contributory plan. Group A members electing to transfer to the Group B plan had their choice between the following three options:

1. Have both their accumulated employee contributions and accumulated interest returned to them; or
2. Have their accumulated contributions returned to them and only their accumulated interest invested by the retirement board in the SDIA; or
3. Have both their accumulated employee contributions and accumulated interest invested by the retirement board in the SDIA.

The VSRS's members in the Group A contributory plan could have elected to either remain in the Group A plan or transfer to the new Group E non-contributory plan. Group A members electing to transfer to the Group E plan had their choice between the following three options:

1. Have both their accumulated employee contributions and accumulated interest returned to them; or
2. Have their accumulated contributions returned to them and only their accumulated interest invested by the retirement board in the SDIA; or
3. Have both their accumulated employee contributions and accumulated interest invested by the retirement board in the SDIA.

No additional contributions could be made to the SDIA beyond those described above. The SDIA funds are not available to the members until they retire or terminate their employment. At June 30, 2025, there were 690 members, with a net position of $21,140,055 in the Single Deposit Investment Account.

The defined contribution plans' financial statements are as follows:

Statement of Fiduciary Net Position
Defined Contribution Plans
June 30, 2025

	Vermont State Defined Contribution Fund	Single Deposit Investment Account	Vermont Municipal Employees' Defined Contribution Fund
Assets			
Cash and short term investments	$ 123,182	$ -	$ 74,233
Investments			
Mutual and commingled funds	92,930,669	21,140,055	33,427,537
Receivables			
Contributions	120,166	-	20,917
Prepaid expenses	50,784	-	221
Total assets	93,224,801	21,140,055	33,522,908
Liabilities			
Accounts payable	55,235	-	555
Due to other funds	105,580	-	263,073
Total liabilities	160,815	-	263,628
Net position restricted for employees' pension benefits	$ 93,063,986	$ 21,140,055	$ 33,259,280

Statement of Changes in Fiduciary Net Position
Defined Contribution Plans
For the Fiscal Year Ended June 30, 2025

	Vermont State Defined Contribution Fund	Single Deposit Investment Account	Vermont Municipal Employees' Defined Contribution Fund
Additions			
Contributions			
Employer - pension benefit	$ 2,035,350	$ -	$ 610,301
Plan member	784,787	-	523,970
Transfers from other pension trust funds	270,752	-	43,306
Transfers from non-state systems	59,916	-	-
Total contributions	3,150,805	-	1,177,577
Investment Income			
Net appreciation in fair value of investments	6,257,949	-	2,140,061
Dividends	4,227,441	701,753	1,656,017
Interest income	3,963	-	6,343
Other income	60,076	-	14,589
Total investment income	10,549,429	701,753	3,817,010
Less Investment Expenses			
Investment managers and consultants	-	31,483	-
Total investment expenses	-	31,483	-
Net investment income	10,549,429	670,270	3,817,010
Total additions	13,700,234	670,270	4,994,587
Deductions			
Retirement benefits	1,230,344	2,055,310	332,622
Death claims	63,296	-	-
Transfers to non-state systems	5,017,404	629,031	1,746,871
Operating expenses	159,329	-	134,606
Total deductions	6,470,373	2,684,341	2,214,099
Change in net position	7,229,861	(2,014,071)	2,780,488
Net position restricted for employees' pension benefits			
July 1, 2024	85,834,125	23,154,126	30,478,792
June 30, 2025	$ 93,063,986	$ 21,140,055	$ 33,259,280

C. Other Postemployment Benefits (OPEB)

In addition to providing pension benefits, the State offers postemployment medical insurance, dental insurance, and life insurance benefits to retirees of the VSRS and STRS. Component units and authorities of the State will perform their own valuation as the State does not assume the risk or financial burden for their health care costs.

The State reports under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* GASB Statement No. 75 requires employer and nonemployer contributing entities to report their net OPEB liability on their financial statements.

Defined Benefit OPEB Plans
In order to provide the necessary disclosures that are required under the various GASB Statements, the disclosures below are separated into three sections. The first section (Disclosures about the Defined Benefit OPEB Plans) offers disclosures about the plans themselves - descriptions of the plans and who is covered; a discussion of benefits provided by each of the plans.

The second section (Financial Reporting of Net OPEB Liability and OPEB Expense by the Employer as required by GASB Statement No. 75) provides funding information regarding the OPEB plans that are required by GASB Statement No. 75 - changes in net OPEB liability, balances of deferred OPEB outflows of resources and deferred OPEB inflows of resources (including prospective schedules of amortization of the deferred outflows and inflows), and the calculation of OPEB expense for the year.

The third section (Net OPEB Liability and Disclosures required by GASB Statement No. 74) provides the information that is required by GASB Statement No. 74 - the calculation of the net OPEB liability (NOL); the actuarial assumptions and census data that were used in calculating that NOL; the discount rate that was used in the calculations; and the sensitivity of the NOL to changes in the discount rate.

1.Disclosures about the Defined OPEB Plans

This first section provides the disclosures about the defined benefit retirement plans required by GASB Statement No. 74, including the plan descriptions, contribution information, benefits, and membership at June 30, 2025.

Plan Descriptions and Contribution Information

Vermont State Postemployment Benefits Trust Fund
The Vermont State Postemployment Benefits Trust Fund (VSPB) (3 V.S.A. 479a), a single employer defined benefit OPEB plan, was established in fiscal year 2007 as an irrevocable trust fund for the purpose of accumulating and providing reserves to support retiree postemployment benefits other than pension benefits for members of the Vermont State Retirement System (VSRS).

The VSPB is managed by the VSRS Retirement Board (see VSRS in Note IV.G.5.A.1 above). Title 3 V.S.A. Chapters 16 and 21 provides the authority to establish and amend the benefit provisions of the plan, and to establish and amend contribution requirements. Contributions are actuarially determined annually as necessary to achieve and preserve the financial integrity of the fund and the VSRS Retirement Board submits this recommendation to the Governor and both houses of the Legislature. State contributions for the fiscal year ended June 30, 2025, were $78,303,178, which is 11.31% of covered payroll. Employees are not required to contribute to the OPEB plan.

Benefits are provided through the State's self-insured Medical Insurance Fund (an internal service fund). VSPB plan members have access to the same benefit plans as active employees.

State employees hired prior to July 1, 2008 and retiring directly from active State service for any reason (disability, early, or normal) may elect to carry whatever medical coverage is in effect at that time into retirement for themselves and their dependents. During their lifetime the retiree will pay 20% of the cost of the premium, except

in the case where retirees select joint or survivorship options. If the retiree chooses the joint or survivor pension options and predeceases their spouse, the medical benefits along with the pension benefit will continue for the spouse. However, generally, the surviving spouse must pay 100% of the cost of the premium.

In addition, once a retiree or surviving spouse becomes eligible for Medicare coverage (at age 65); it is mandatory that they enroll in both Medicare Part A and Part B as soon as possible. Medicare thus becomes the primary insurer with the State plan becoming the secondary insurer. The insured's State insurance premium costs will then decrease in recognition of this change.

Vermont State Retirement System's defined benefit plan Group C members who terminate with 20 or more years of service, but are not yet 50 years old, may elect to receive medical coverage at the time they begin receiving their retirement benefits. For all other Vermont State Retirement System's active employees, if the employee does not retire directly from State service (inactive members), they are not eligible to participate in the State's medical insurance plan. If the insurance is terminated at any time after retirement benefits have been received, coverage will not be able to be obtained again at a later date.

Based on legislation enacted during fiscal year 2008, Vermont State Retirement System's defined benefit plan Group F employees hired after June 30, 2008, will pay, upon retirement, a tiered retiree health care premium amount based on completed years of service. The tiered rate paid will range from 100% of the premium cost for retirees with less than 10 years of service to 20% of the premium cost for retirees with 20 or more years of service. Additionally, as part of the enacted legislation, Group F employees hired after June 30, 2008, will also have the ability to elect health care insurance at the 20% premium cost level when they begin to receive retirement benefits in a manner comparable to regular retirements even if the employee terminated prior to their early retirement date, provided the member had 20 years of service upon termination of employment.

Retired Teachers' Health and Medical Benefit Fund

The Retired Teachers' Health and Medical Benefit Fund (RTHMB) (16 V.S.A. 1944b), a cost-sharing multiple employer defined benefit OPEB plan with a special funding situation, was created by the legislature on July 1, 2014, to explicitly appropriate State contributions to the fund for health care expenses separate from the State's contribution to the State Teachers' Retirement System (STRS) pension trust fund. Prior to fiscal year 2015, the health care expenses for the STRS's retirees were paid through a sub-fund of the defined benefit pension trust fund and no State contribution was explicitly budgeted or funded.

The RTHMB is managed by the STRS Retirement Board (see STRS in Note IV.G.5.A.1 above). Title 16 V.S.A. Chapter 55 provides the authority to establish and amend the benefit provisions of the plan, and to establish and amend contribution requirements. Contributions are actuarially determined annually as necessary to achieve and preserve the financial integrity of the fund and the STRS Retirement Board submits this recommendation to the Governor and both houses of the Legislature. State contributions for the fiscal year ended June 30, 2025, were $70,577,175, which is 9.12% of covered payroll. Employees are not required to contribute to the OPEB plan.

Retirees of the STRS participate in multi-employer health coverage plans operated by the Vermont Education Health Initiative (VEHI) which is managed jointly by the Vermont School Boards Insurance Trust and the Vermont National Education Association. VEHI partners with Blue Cross Blue Shield to provide health insurance to retired and active teachers. VEHI issues its own audited financial statements. These and the plan information are available from the VEHI Offices, 2 Prospect Street, Suite 5, Montpelier, VT 05602.

STRS's members have access to medical benefit plans in retirement as offered by VEHI. The plans are identical to those offered to active teachers in public school systems in Vermont. Members may pick up medical coverage under one of the plans offered for themselves and all eligible dependents at the time of retirement, or anytime thereafter during one of the semi-annual open enrollment periods. If the member has a minimum of 10 years of creditable service at the time of retirement, the system picks up 80% of the retiree's premium only, based on the cost of the "standard plan" as defined by statute. The retiree must pick up the full cost of the premium for all covered dependents. Once a retiree becomes eligible for Medicare coverage (at age 65), it is mandatory that they enroll in both Medicare Part A and Part B. Medicare becomes the primary insurer and the Teacher's medical

plans become the secondary insurer. Two of the plans offered become “carve-out” plans to coordinate with Medicare, and one of the plans is replaced with a true Medicare supplemental plan. The premiums for all plans are reduced in accordance with the decrease in liability once Medicare becomes the primary insurer.

During fiscal year 2025 there were 137 participating employers in the STRS - RTHMB plan.

Membership in the plans consisted of the following at June 30, 2025:

	VSRS - VSPB	STRS - RTHMB
Retired members or beneficiaries currently receiving benefits	5,721	7,102
Retired members or beneficiaries not receiving benefits	-	3,670
Vested terminated members entitled to but not yet receiving benefits	-	4,669
Active members	9,258	10,526
Total	14,979	25,967

2. Employer Reporting of OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB Plans as required by GASB Statement No. 75

This section includes the information that is required to be reported by employers per GASB Statement No. 75. It reports information regarding the calculation of the State’s net OPEB liability, including changes during the measurement period in both total OPEB liability and plan net position; balances in the various components of deferred OPEB outflows of resources and deferred OPEB inflows of resources and the amounts to be recognized in OPEB expense in future periods; and the calculation of OPEB expense. In addition to presenting the NOL, this section also includes information on the actuarial assumptions and census data used in the valuation, the discount rate that was used to calculate the NOL, and disclosures as to the sensitivity of the NOL to changes in the discount rate.

The State is responsible for 98.7143% of the VSPB net OPEB liability. The Vermont Veterans’ Home (a discrete component unit) is responsible for 1.2857% of the VSPB net OPEB liability. The State is responsible for 100% of the RTHMB net OPEB liability as a non-employer contributing entity. The information presented in this section is for those two plans.

Reporting Date, Measurement Date, and Valuation Date (Employer Reporting)

Net OPEB liabilities, deferred OPEB outflows of resources, deferred OPEB inflows of resources, and OPEB expense are all presented as of the State’s reporting date (June 30, 2025) and for the State’s reporting period (the year ended June 30, 2025). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 75 requires that the current measurement date be no earlier than the end of the employer’s prior fiscal year. For the reporting date of June 30, 2025, the State has chosen to use the end of the prior fiscal year (June 30, 2024) as the measurement date, and the year ended June 30, 2024, as the measurement period.

The total OPEB liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer’s most recent fiscal year-end. The State has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of June 30, 2023, to the measurement date of June 30, 2024. There were no material changes in assumptions or benefit terms that occurred between the actuarial valuation date and the measurement date.

Net OPEB Liabilities (Employer Reporting)

The net OPEB liability (NOL) is measured as the portion of the actuarial present value of projected benefit payments that is attributable to past periods of employee service, net of the OPEB plan's fiduciary net position. The changes in the components for the measurement period are as follows (amounts are in thousands):

	VSRS - VSPB			STRS - RTHMB		
	Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a-b)	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances - June 30, 2023	$ 1,029,530	$ 137,759	$ 891,771	$ 851,763	$ 72,228	$ 779,535
Changes for the year:						
Service cost	26,723	-	26,723	19,827	-	19,827
Interest	72,341	-	72,341	59,826	-	59,826
Benefit changes	-	-	-	272	-	272
Difference between expected and actual experience	25,103	-	25,103	3,898	-	3,898
Changes of assumptions	114,929	-	114,929	73,414	-	73,414
Contributions - non-employer	-	-	-	-	61,682	(61,682)
Contributions - employer	-	67,147	(67,147)	-	-	-
Net investment income	-	18,157	(18,157)	-	13,759	(13,759)
Benefit payments, including refunds of contributions	(46,408)	(46,408)	-	(34,460)	(34,460)	-
Administrative expenses	-	-	-	-	(2)	2
Net changes	192,688	38,896	153,792	122,777	40,979	81,798
Balances - June 30, 2024	$ 1,222,218	$ 176,655	$ 1,045,563	$ 974,540	$ 113,207	$ 861,333
Fiduciary net position as a percentage of total OPEB liability			14.45%			11.62%

Proportionate Share of Net OPEB Liability

	VSRS - VSPB			
		Proportionate Share		
	Amount	2024	2023	Change
Governmental activities	$ 1,025,190	98.0515%	98.0283%	0.0232%
Business type activities	6,930	0.6628%	0.6569%	0.0059%
Discrete component unit	13,443	1.2857%	1.3149%	-0.0292%
Total net OPEB liability	1,045,563	100.0000%	100.0000%	

	STRS - RTHMB			
		Proportionate Share		
	Amount	2024	2023	Change
Governmental activities	861,333	100.0000%	100.0000%	0.0000%
Total governmental activities net OPEB liability	$ 1,886,523			

Additional information regarding the changes in the net OPEB liability for the year ended June 30, 2025, can be found in the Required Supplementary information immediately following these notes to the financial statements.

Deferred OPEB Outflows of Resources and Deferred OPEB Inflows of Resources (Employer Reporting)

Most changes in the net OPEB liability are included in OPEB expense during the year of change. Changes resulting from current-period service cost, interest on the total OPEB liability, and changes in benefit terms are required to be included in OPEB expense immediately. Similarly, projected earnings on the OPEB plan's investments are also required to be included in the determination of OPEB expense immediately.

The effects of certain other changes in the net OPEB liability are required to be included in OPEB expense over the current and future periods, depending on the nature of the change. The effect on the net OPEB liability of differences between the projected earnings on OPEB plan investments and actual experience with regard to those earnings is required to be included in OPEB expense in a systematic and rational manner over a closed period of five years, beginning with the current period. Changes in the net OPEB liability not included in OPEB expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to OPEBs. This treatment arises from the concept that these changes result from the use of estimates, where probabilities of events range from 0 to 100 percent, while actual events either occur or do not occur. Therefore, differences between some estimates and actual experience will occur with every measurement that incorporates future events.

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning with the current period. Changes in the net OPEB liability not included in OPEB expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to OPEBs. This treatment arises from the concept that OPEBs arise from an exchange between employer and employee of salaries and benefits for employee service each period and that these transactions and related OPEB measurements are viewed in the context of ongoing, career-long employment relationships.

Employer contributions subsequent to the measurement date of the net OPEB liability are required to be reported as deferred outflows of resources, and will be recognized as a reduction of the net OPEB liability at June 30, 2026.

As of June 30, 2025, the State reported the following deferred OPEB outflows of resources and deferred OPEB inflows of resources (amounts are in thousands):

	VSRS - VSPB		VSRS - VSPB	
	Primary Government		Discrete Component Units	
Source	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 32,360	$ 14,215	$ 422	$ 185
Changes of assumptions	229,740	465,440	2,992	6,062
Net differences between projected and actual earnings on plan investments	1,982	-	26	-
Change in proportion and the effect of certain employer contributions on the employer's net OPEB liability	21,429	20,337	11,077	12,169
Employer contributions made subsequent to the measurement date	77,305	-	998	-
Total	$ 362,816	$ 499,992	$ 15,515	$ 18,416

Source	STRS - RTHMB Primary Government Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 33,213	$ -
Changes of assumptions	100,650	317,938
Net differences between projected and actual earnings on plan investments	-	8,447
Employer contributions made subsequent to the measurement date	70,577	-
Total	$ 204,440	$ 326,385

Source	Primary Government Total Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 65,573	$ 14,215
Changes of assumptions	330,390	783,378
Net differences between projected and actual earnings on plan investments	1,982	8,447
Change in proportion and the effect of certain employer contributions on the employer's net OPEB liability	21,429	20,337
Employer contributions made subsequent to the measurement date	147,882	-
Total	$ 567,256	$ 826,377

The amounts reported as deferred OPEB outflows of resources resulting from employer contributions made subsequent to the measurement date (VSRS-VSPB - $77.305 million Primary Government and $0.998 million Component Units; and STRS - RTHMB - $70.577 million Primary Government), will be recognized as a reduction of the net OPEB liability at June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs, will be recognized in OPEB expense as follows (amounts are in thousands):

(Table on next page.)

Year Ended June 30	STRS - RTHMB Primary Government	VSRS - VSPB Primary Government	TOTAL Primary Government	VSRS - VSPB Discrete Component Units
2026	$ (66,749)	$ (68,655)	$ (135,404)	$ (1,837)
2027	(66,901)	(44,008)	(110,909)	(846)
2028	(72,468)	(58,272)	(130,740)	(928)
2029	(10,816)	(70,655)	(81,471)	(595)
2030	14,135	(5,718)	8,417	108
Thereafter	10,277	32,827	43,104	199
Total	$ (192,522)	$ (214,481)	$ (407,003)	$ (3,899)

OPEB Expense (Employer Reporting)

As discussed above, most changes in the net OPEB liability are included in OPEB expense in the year of change, including changes resulting from current-period service cost, interest on the total OPEB liability, changes in benefit terms, and projected earnings on the OPEB plan's investments. Other changes in net OPEB liability are recorded as deferred OPEB outflows of resources and deferred OPEB inflows of resources and included in OPEB expense on a systematic and rational manner over current and future periods. OPEB expense for the year ended June 30, 2025, is as follows (amounts are in thousands):

	Primary Government		Primary Government	Component Units
	STRS - RTHMB	VSRS - VSPB	TOTAL	VSRS - VSPB
Service cost	$ 19,827	$ 26,379	$ 46,206	$ 344
Interest on total OPEB liability	59,826	71,411	131,237	930
Changes in benefit terms	272	-	272	-
Plan administrative costs	2	-	2	-
Projected earnings on plan investments	(6,009)	(10,236)	(16,245)	(133)
Recognition (amortization) of deferred OPEB outflows of resources:				
Difference between expected and actual experience	563	3,282	3,845	43
Change in assumptions	10,609	15,027	25,636	196
Recognition of deferred outflows from prior periods	29,384	45,598	74,982	594
Changes in Proportions	-	7,195	7,195	3,306
Recognition (amortization) of deferred OPEB inflows of resources:				
Difference between projected and actual investment earnings	(1,550)	(1,538)	(3,088)	(20)
Recognition of deferred inflows from prior periods	(96,847)	(161,671)	(258,518)	(2,106)
Changes in Proportions	-	(6,328)	(6,328)	(4,173)
Total OPEB Expense	$ 16,077	$ (10,881)	$ 5,196	$ (1,019)

Actuarial Methods and Assumptions (Employer Reporting)

Actuarial Assumptions (Employer Reporting)

Total OPEB liability at the June 30, 2024, measurement date was determined using the June 30, 2023, actuarial valuation and applying roll forward procedures. The actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified were as follows:

	VSRS - VSPB	STRS - RTHMB
Inflation	2.30%	2.30%
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation	7.00%, net of OPEB plan investment expense, including inflation
Discount rate	7.00%	7.00%
Salary increase rate	Varies by age from age 20 - 6.38%, to age 60 - 3.76%	Varies by age from age 20 - 8.50%, to age 65 - 3.19%
Health care cost trend rate		
Non-Medicare	8.10% graded to 4.50% over 12 years	8.10% graded to 4.50% over 12 years
Medicare	8.44% graded to 4.50% over 12 years	8.44% graded to 4.50% over 12 years
Medicare STRS 65	N/A	5.50% graded to 4.50% over 10 years
Retiree contributions	Equal to health trend	Equal to health trend
Plan membership - 6/30/2023		
Retired members or beneficiaries currently receiving benefits	5,672	7,369
Retired members or beneficiaries not receiving benefits	-	2,891
Vested terminated members entitled to but not yet receiving benefits	-	1,953
Active members	8,855	10,618
Total	14,527	22,831

The actuarial assumptions used in the June 30, 2023; valuation were based on the results of the following actuarial experience studies:

Vermont State Retirement System
Experience Study: July 1, 2019 – June 30, 2022, completed in September 2023 by Segal

Vermont State Teachers' Retirement System
Experience Study: July 1, 2019 – June 30, 2022, completed in September 2023 by Segal

Mortality rates are based on the following:

Vermont State Retirement System

- *Pre-retirement Mortality*: Groups A, F & DC: PubG-2010 General Employee Headcount-Weighted with generational projection using scale MP-2021. Group C: PubS-2010 Public Safety Employee Headcount-Weighted with generational projection using scale MP 2021. Group D: PubG-2010 General Employee Headcount-Weighted Above Median, with generational projection using scale MP-2021.

- *Post-retirement Retiree Mortality*: Groups A, F & DC: PubG-2010 General Healthy Retiree Headcount-Weighted with credibility adjustments of 101% and 105% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Group C: PubS-2010 Public Safety Retiree Headcount-Weighted with generational projection using scale MP-2021. Group D: PubG-2010 General Healthy Retiree Headcount-Weighted Above Median with generational projection using scale MP 2021.

- *Post-retirement Beneficiaries Mortality*: Groups A, F, DC, & C Pub-2010 Contingent Survivor Headcount-Weighted with generational projection using MP 2021. Group D: Pub-2010 Contingent Survivor Headcount-Weighted Above Median with generational projection using MP 2021.

- *Disabled Mortality:* Groups A, F & DC: PubNS-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table with generational projection using scale MP-2021. Group C: PubS-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table with generational projection using scale MP-2021.

Vermont State Teachers' Retirement System

- *Pre-retirement Mortality*: All Groups: PubT-2010 Teacher Employee Headcount-Weighted Table with generational projection using scale MP-2021.

- *Post-retirement Retiree Mortality*: All Groups: PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table, with credibility adjustments of 103% and 93% for the Male and Female tables, respectively, with generational projection using scale MP-2021.

- *Post-retirement Beneficiaries Mortality*: All Groups: Pub-2010 Teacher Contingent Survivor Headcount-Weighted Table with generational projection using scale MP-2021.

- *Disabled Mortality:* All Groups: PubNS-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table with generational using scale MP-2021.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. The following table contains the target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate or return assumption:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Global Equity	43.00%	5.25%
US Aggregate Fixed Income	19.00%	1.70%
Emerging Markets Debt	2.00%	4.70%
US TIPS	3.00%	1.70%
Private Credit	12.00%	5.70%
Real Estate	11.00%	3.45%
Private Energy	10.00%	8.45%
Total	100.00%	

Discount Rate (Employer Reporting)

The discount rate used to measure the total OPEB liability was 7.00% for the VSPB's OPEB and RTHMB's OPEB plans. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position

was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 74. The discount rate used in the prior year was 7.00% for VSPB OPEB plan and the RTHMB OPEB plan.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate (Employer Reporting)

The following presents the NOL of the plans, as well as what the plans' NOL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in thousands):

	VSRS - VSPB	STRS - RTHMB
One-percent decrease		
Discount rate	6.00%	6.00%
Net OPEB liability	$ 1,195,696	$ 996,213
Net OPEB liability, as reported		
Discount rate	7.00%	7.00%
Net OPEB liability	$ 1,045,563	$ 861,333
One-percent increase		
Discount rate	8.00%	8.00%
Net OPEB liability	$ 920,389	$ 749,505

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate (Employer Reporting)

The following presents the NOL of the plans, as well as what the plans' NOL would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (amounts in thousands):

	VSRS - VSPB	STRS - RTHMB
One-percent decrease		
Healthcare cost trend rate		
Non-medicare	7.10% graded to 3.50%	7.10% graded to 3.50%
Medicare	7.44% graded to 3.50%	7.44% graded to 3.50%
Medicare VSTRS 65	N/A	4.50% graded to 3.50%
Net OPEB liability	$ 910,298	$ 735,275
Net OPEB liability, as reported		
Healthcare cost trend rate		
Non-medicare	8.10% graded to 4.50%	8.10% graded to 4.50%
Medicare	8.44% graded to 4.50%	8.44% graded to 4.50%
Medicare VSTRS 65	N/A	5.50% graded to 4.50%
Net OPEB liability	$ 1,045,563	$ 861,333
One-percent increase		
Healthcare cost trend rate		
Non-medicare	9.10% graded to 5.50%	9.10% graded to 5.50%
Medicare	9.44% graded to 5.50%	9.44% graded to 5.50%
Medicare VSTRS 65	N/A	6.50% graded to 5.50%
Net OPEB liability	$ 1,211,635	$ 1,018,955

Payable to the OPEB Plans (Employer Reporting)

At June 30, 2025, the State reported a payable of $3,057,195 for the outstanding amount of contributions to the VSPB plan required for the year ended June 30, 2025.

3. Net OPEB Liability and Disclosures required by GASB Statement No. 74 (Plan Reporting)

This section includes information that is required to be presented by GASB Statement No. 74. The plans elected to base the valuations on plan data as of June 30, 2024, and used update procedures to roll forward the total OPEB liability to the OPEB plans' fiscal year end. In addition to presenting the NOL, this section also includes information on the actuarial assumptions and census data used in the valuation, the discount rate that was used to calculate the NOL, and disclosures as to the sensitivity of the NOL to changes in the discount rate.

GASB Statement No, 74 requires that OPEB plans disclose the NOL and other related disclosures.

Net OPEB Liabilities (Plan Reporting)

The components of the net OPEB liabilities at June 30, 2025, were as follows (amounts in thousands):

	VSRS - VSPB	STRS - RTHMB
Total OPEB liability	$ 1,345,739	$ 1,200,774
Fiduciary net position	(223,369)	(162,808)
Net OPEB liability	$ 1,122,370	$ 1,037,966
Fiduciary net position as a percentage of total OPEB liability	16.60%	13.56%

Additional information regarding changes in net OPEB liability for the year ended June 30, 2025, can be found in the Required Supplementary Information section of these financial statements.

Actuarial Assumptions (Plan Reporting)

The total OPEB liability at June 30, 2025, was determined using the June 30, 2024, actuarial valuation and applying roll forward procedures. The actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified were as follows:

(Table on next page.)

	VSRS - VSPB	STRS - RTHMB
Inflation	2.30%	2.30%
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation	7.00%, net of OPEB plan investment expense, including inflation
Discount rate	7.00%	7.00%
Salary increase rate	Varies by age from age 20 - 6.38%, to age 60 - 3.76%.	Varies by age from age 20 - 8.50%, to age 65 - 3.19%.
Health care cost trend rate		
Non-Medicare	9.00% graded to 4.50% over 13 years	9.00% graded to 4.50% over 13 years
Medicare	9.50% graded to 4.50% over 13 years	9.50% graded to 4.50% over 13 years
Medicare STRS 65	N/A	7.50% graded to 4.50% over 12 years
Retiree contributions	Equal to health trend	Equal to health trend
Plan membership - 6/30/2024		
Retired members or beneficiaries currently receiving benefits	5,680	7,434
Retired members or beneficiaries not receiving benefits	-	3,000
Vested terminated members entitled to but not yet receiving benefits	-	2,072
Active members	9,063	10,567
Total	14,743	23,073

The actuarial assumptions used in the June 30, 2024; valuation were based on the results of the following actuarial experience studies:

Vermont State Retirement System
Experience Study: July 1, 2019 – June 30, 2022, completed in September 2023 by Segal

Vermont State Teachers' Retirement System
Experience Study: July 1, 2019 – June 30, 2022, completed in September 2023 by Segal

Mortality rates are based on the following:

Vermont State Retirement System

- *Pre-retirement Mortality*: Groups A, F & DC: PubG-2010 General Employee Headcount-Weighted with generational projection using scale MP-2021. Group C & G: PubS-2010 Public Safety Employee Headcount-Weighted with generational projection using scale MP 2021. Group D: PubG-2010 General Employee Headcount-Weighted Above Median, with generational projection using scale MP-2021.

- *Post-retirement Retiree Mortality*: Groups A, F & DC: PubG-2010 General Healthy Retiree Headcount-Weighted with credibility adjustments of 101% and 105% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Group C & G: PubS-2010 Public Safety Retiree Headcount-Weighted with generational projection using scale MP-2021. Group D: PubG-2010 General Healthy Retiree Headcount-Weighted Above Median with generational projection using scale MP 2021.

- *Post-retirement Beneficiaries Mortality*: Groups A, F, DC, C, & G Pub-2010 Contingent Survivor Headcount-Weighted with generational projection using MP 2021. Group D: Pub-2010 Contingent Survivor Headcount-Weighted Above Median with generational projection using MP 2021.

- *Disabled Mortality:* Groups A, F & DC: PubNS-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table with generational projection using scale MP-2021. Group C & G: PubS-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table with generational projection using scale MP-2021.

Vermont State Teachers' Retirement System

- *Pre-retirement Mortality*: All Groups: PubT-2010 Teacher Employee Headcount-Weighted Table with generational projection using scale MP-2021.

- *Post-retirement Retiree Mortality*: All Groups: 103% for the males and 93% for females of PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table with generational projection using scale MP-2021.

- *Post-retirement Beneficiaries Mortality*: All Groups: PubT-2010 Teacher Contingent Survivor Headcount-Weighted Table with generational projection using scale MP-2021.

- *Disabled Mortality:* All Groups: PubNS-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table with generational using scale MP-2021.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation.

The following table contains the target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate or return assumption:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Global Equity	43.00%	7.09%
US Aggregate Fixed Income	19.00%	4.50%
Emerging Markets Debt	4.00%	7.00%
US TIPS	3.00%	4.00%
Private Credit	10.00%	8.00%
Real Estate	11.00%	6.25%
Private Equity	10.00%	9.75%
Total	100.00%	

Discount Rate (Plan Reporting)

The discount rate used to measure the total OPEB liability was 7.00% for the VSPB's OPEB and RTHMB's OPEB plans. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statement No. 74. The discount rate used in the prior year was 7.00% for VSPB OPEB and the RTHMB OPEB plans.

For the year ended June 30, 2025, the annual money-weighted rate return of investments, net of investment expense, was 11.30% for the VSPB, and 10.20% for the RTHMB. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate (Plan Reporting)

The following presents the NOL of the plans, as well as what the plans' NOL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentge-point higher than the current rate (amounts in thousands):

	VSRS - VSPB	STRS - RTHMB
One-percent decrease		
Discount rate	6.00%	6.00%
Net OPEB liability	$ 1,290,037	$ 1,205,549
Net OPEB liability, as reported		
Discount rate	7.00%	7.00%
Net OPEB liability	$ 1,122,370	$ 1,037,966
One-percent increase		
Discount rate	8.00%	8.00%
Net OPEB liability	$ 982,509	$ 899,072

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate (Plan Reporting)

The following presents the NOL of the plans, as well as what the plans' NOL would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (amounts in thousands):

(Table on next page.)

	VSRS - VSPB	STRS - RTHMB
One-percent decrease		
Healthcare cost trend rate		
Non-medicare	8.00% graded to 3.50%	8.00% graded to 3.50%
Medicare	8.50% graded to 3.50%	8.50% graded to 3.50%
Medicare STRS 65	N/A	6.50% graded to 3.50%
Net OPEB liability	$ 970,907	$ 881,777
Net OPEB liability, as reported		
Healthcare cost trend rate		
Non-medicare	9.00% graded to 4.50%	9.00% graded to 4.50%
Medicare	9.50% graded to 4.50%	9.50% graded to 4.50%
Medicare STRS 65	N/A	7.50% graded to 4.50%
Net OPEB liability	$ 1,122,370	$ 1,037,966
One-percent increase		
Healthcare cost trend rate		
Non-medicare	10.00% graded to 5.50%	10.00% graded to 5.50%
Medicare	10.50% graded to 5.50%	10.50% graded to 5.50%
Medicare STRS 65	N/A	8.50% graded to 5.50%
Net OPEB liability	$ 1,308,534	$ 1,233,258

Dental Insurance
Dental plans are available to retired State employees, retired teachers, retired municipal employees and their eligible dependents. The dental plan must be elected at the time of retirement. The retiree pays the full premium for all covered lives. There is no cost to the State.

Life Insurance
In the case of life insurance, if a State employee retires with 20 or more years of service and was participating in the life insurance program, a $10,000 benefit will continue into retirement. If a State employee retires due to disability prior to age 60, and if proper documentation is approved by the life insurance company, full life insurance coverage will continue at the State's expense up to age 65. When the retiree reaches the age of 65 and if they have a total of 20 years or more of active and retired (while receiving disability) service, life insurance coverage will automatically change to the $10,000 level with 100% of the premium being paid by the State. In addition, a retiree may convert their insurance coverage in effect at their time of retirement to an individual policy within 30 days of their retirement date without a physical exam.

Vermont Municipal Employees Health Benefit Fund
The Vermont Municipal Employees Retirement System (MERS), a cost-sharing, multiple-employer public employees' retirement system, is administered by the State but has no associated State health care benefit or liability. While the Vermont Municipal Employees Health Benefit Fund is classified as a postemployment benefit fund, there is no accrued liability in excess of the assets of the fund. There is no annual required contribution and unfunded actuarial accrued liability.

The MERS Retirement Health Savings Plan (RHS) established on July 1, 2007, is a tax-advantaged savings plan that assists retirees in paying for healthcare costs after retirement. Contributions to this fund are deposited into the RHS Plan member accounts on a tax-free basis, accumulate interest on a tax-free basis, and are drawn out during retirement on a tax-free basis to reimburse health care expenses, including out-of-pocket expenses, deductibles, and premiums.

The MERS Board deposited an initial amount of $5.1 million into the RHS accounts on July 2, 2007. Additional employer contributions totaling approximately $6 million were collected during the course of the fiscal years 2008 and 2009 that were deposited in member accounts during fiscal year 2009. No such contributions have been made since fiscal year 2009. Future contributions and subsequent transfers to member accounts will be made as directed by the MERS Board of Trustees. There is no guarantee that the RHS member accounts will receive any additional funding. While classified as a postemployment benefit fund, there is no accrued liability in excess of the asset of the fund. There is no annual required contribution and unfunded actuarial accrued liability.

All MERS defined benefit pension plan members and retirees who have a minimum of 5 years of contributory service are eligible to participate in the RHS plan. The amount each member will receive is determined by the total number of contributory years of service in the system. Each year of service is equal to one share. The share value is determined based on the total eligible population, the total number of years of contributory service represented, and the amount of the distribution. The share value will change when future deposits are made. All eligible members receive the first five shares in their medical reimbursement account, which may be used for any medical expense, including premium reimbursement. The additional shares, representing service credit above five years, are deposited into the premium reimbursement account, which may only be used for medical, dental, vision or long-term health care premium reimbursements.

The money may be accessed by members only after separation from service and the achievement of retiree status from the MERS plan. For members who were already receiving retirement benefits from the MERS, the funds in their RHS account could be accessed after July 2, 2007, to reimbursement expenses incurred after July 1, 2007. Members who are still actively employed, and members in a vested-terminated status, may access the funds once they retire and begin receiving monthly pension payments. Funds in the RHS accounts are invested in the appropriate age-related Milestone Fund through a third-party record keeper.

At June 30, 2025, there were 3,368 active and retired members participating in the MERS RHS plan. The net position of the MERS RHS plan at June 30, 2025, was $15,346,248.

The financial statements for the OPEB Funds are on the following two pages:

Statement of Fiduciary Net Position
Other Postemployment Benefit Funds
June 30, 2025

	Vermont State Postemployment Benefits Trust Fund	Vermont Retired Teachers' Health and Medical Benefits Fund	Vermont Municipal Employees' Health Benefit Fund
Assets			
Cash and short term investments	$ 15,109,909	$ 2,453,277	$ 2,096,408
Investments			
Mutual funds	179,299,028	142,875,252	13,249,840
Private partnerships	25,787,844	16,926,819	-
Contributions	3,094,236	602,086	-
Due from other funds	149,678	-	-
Other receivables	29,975	19,963	-
Total assets	223,470,670	162,877,397	15,346,248
Liabilities			
Accounts payable	101,240	69,010	-
Total liabilities	101,240	69,010	-
Net position restricted for employee's other postemployment benefits	$ 223,369,430	$ 162,808,387	$ 15,346,248

Statement of Changes in Fiduciary Net Position
Other Postemployment Benefit Funds
For the Fiscal Year Ended June 30, 2025

	Vermont State Postemployment Benefits Trust Fund	Vermont Retired Teachers' Health and Medical Benefits Fund	Vermont Municipal Employees' Health Benefit Fund
Additions			
Contributions			
Employer - healthcare benefit	$ 78,303,178	$ -	$ -
Non-employer - healthcare benefit	-	70,577,175	-
Total contributions	78,303,178	70,577,175	-
Investment Income			
Net appreciation in fair value of investments	20,480,867	15,448,347	1,283,427
Dividends	-	-	368,824
Interest income	508,031	1,117,062	63,006
Total investment income	20,988,898	16,565,409	1,715,257
Less Investment Expenses			
Investment managers and consultants	38,423	31,459	-
Total investment expenses	38,423	31,459	-
Net investment income	20,950,475	16,533,950	1,715,257
Total additions	99,253,653	87,111,125	1,715,257
Deductions			
Other postemployment benefits	52,525,210	37,506,661	607,682
Operating expenses	14,428	2,779	349,424
Total deductions	52,539,638	37,509,440	957,106
Change in net position	46,714,015	49,601,685	758,151
Net position restricted for employees postemployment benefits			
July 1, 2024	176,655,415	113,206,702	14,588,097
June 30, 2025	$ 223,369,430	$ 162,808,387	$ 15,346,248

6. Changes in Long-term Liabilities

Governmental activities long-term liabilities are generally liquidated by payments from the governmental and internal service funds' programs, including all major governmental fund types except for the Education Fund. Bonds payable are liquidated by transfers of resources from the General, Transportation, Special and Federal Funds. During the year ended June 30, 2025, the following changes occurred in the governmental activities long-term liabilities:

	Restated** Total Liability July 1, 2024	Additions	Reductions	Total Liability June 30, 2025	Amounts due within one year
Governmental activities					
Bonds payable					
Bonds	$ 606,245,000	$ -	$ (56,125,000)	$ 550,120,000	$ 54,105,000
Bond premium	45,699,781	-	(8,546,587)	37,153,194	7,761,289
Total bonds payable	651,944,781	-	(64,671,587)	587,273,194	61,866,289
Lease liabilities	76,838,696	20,502,818	(12,342,098)	84,999,416	11,214,136
SBITA liabilities	35,363,118	35,057,094	(26,989,806)	43,430,406	21,609,409
Compensated absences*	54,339,279	4,487,754	-	58,827,033	55,957,015
Claims and judgments	80,204,314	314,670,252	(319,453,037)	75,421,529	29,009,857
Contingent liabilities	7,000,000	-	-	7,000,000	-
Net pension liabilities	3,005,054,570	798,211,024	(980,003,514)	2,823,262,080	-
Net other postemployment liabilities	1,653,722,934	391,883,411	(159,082,988)	1,886,523,357	-
Pollution remediation obligations	18,149,506	3,060,980	(2,231,905)	18,978,581	1,875,000
Total governmental activities long-term liabilities	$ 5,582,617,198	$ 1,567,873,333	$ (1,564,774,935)	$ 5,585,715,596	$ 181,531,706

*The change in the compensated absences liability is presented as a net change

**The beginning balance for the compensated absences liability was restated due to the implementation of GASB Statement No. 101.

During the year ended June 30, 2025, the changes in the business-type activities and fiduciary funds long-term liabilities are as follows:

	Restated** Total Liability July 1, 2024	Additions	Reductions	Total Liability June 30, 2025	Amounts due within one year
Business-type activities					
Compensated absences*	$ 480,243	$ -	$ (4,085)	$ 476,158	$ 408,441
Lottery prize awards payable	7,678,282	101,677,268	(102,972,383)	6,383,167	6,215,313
SBITA liabilities	4,596,083	628,746	(735,513)	4,489,316	756,704
Net pension liabilities	7,237,208	2,134,788	(3,114,129)	6,257,867	-
Net other postemployment liabilities	5,857,758	1,751,691	(679,437)	6,930,012	-
Other liabilities	8,831,376	1,090,140	-	9,921,516	2,007,150
Total business-type activities long-term liabilities	$ 34,680,950	$ 107,282,633	$ (107,505,547)	$ 34,458,036	$ 9,387,608
Fiduciary					
Compensated absences*	$ 30,983	$ -	$ (2,296)	$ 28,687	$ 21,643
SBITA liabilities	-	1,317,709	(283,870)	1,033,839	236,066
Total fiduciary long-term liabilities	$ 30,983	$ 1,317,709	$ (286,166)	$ 1,062,526	$ 257,709

*The change in the compensated absences liability is presented as a net change

**The beginning balance for the compensated absences liability was restated due to the implementation of GASB Statement No. 101.

The compensated absences for the Business-type activities are included as part of accrued salaries and benefits on the proprietary funds' Statement of Net Position. The compensated absences for the fiduciary funds are included as part of accrued liabilities on the fiduciary funds Statement of Net Position.

The Pollution Remediation Obligation (PRO) liabilities were measured using the actual contract cost when no changes in cost are expected, or a method that is materially close to the expected cash flow technique. Liability

estimates are subject to change due to cost increases or reductions, or changes in technology or applicable laws or regulations governing the remediation efforts. There are no viable potentially responsible parties or insurance available to reduce the remediation costs. Overall, the state has recorded a pollution remediation liability of $18,978,581 of which $1,875,800 is due within one year.

Pollution remediation liability activity in fiscal year 2025 was as follows:

Superfund Sites

Under the federal Superfund law, the State is responsible for sharing remediation costs at sites where the United States Environmental Protection Agency (USEPA) expends resources from the superfund trust for cleanup. Currently, there are four sites where the state has referred the matter to federal Superfund jurisdiction, and has executed a contract, or legal obligation, to share in the cost for cleanup and long-term operations and maintenance. These obligations are reflected in a State Superfund Contract. The Superfund sites in Vermont are in various stages of cleanup, from initial assessment to cleanup activities. The PRO as of June 30, 2025 is $4,022,166 and the estimated current amount due is $105,000.

There are two superfund sites where no liability has been reported because obligations are not yet reasonably estimable. The sites are an abandoned copper mine requiring cleanup of acid mine drainage and a former industrial site for manufacturing and electroplating operations that has contaminated soil, sediment and groundwater with metals and industrial solvents.

Department of Environmental Conservation

The Vermont Agency of Natural Resources through the Department of Environmental Conservation (DEC) administers the Environmental Contingency Fund, authorized under 10 V.S.A. §1283, to pay for the investigation and cleanup of contaminated sites where there is no potentially responsible Party (PRP) or the PRP is recalcitrant, and the state considers it necessary to investigate and mitigate the effects of hazardous material releases to the environment. In the latter case, the state has the right to recover costs from the PRP, but in the former case, there is often no viable PRP to pursue and, if the pollution is significant, the state is left with little or no discretion to avoid fixing the problem. The two largest potential obligations include former mining facilities with waste rock piles that may discharge asbestos into downstream waters. The total PRO for Environmental Conservation as of June 30, 2025, is $10,233,878 and the estimated current amount due in the coming year is $1,270,000.

Other State Agencies and Departments

The Vermont Agency of Transportation has multiple sites where investigation or cleanup is underway. The projects include remediation for soil and groundwater contamination detected during construction and infrastructure bridge improvements. Although not under federal Superfund law, the agencies and departments work with regulators, including the USEPA, to ensure the remediation of contaminated sites. Additionally, the Vermont State Military Department has one site reporting an Aqueous Film Forming Foam (AFFF) spill. It is expected the clean-up costs will be entirely reimbursed through a Cooperative Agreement with The National Guard Bureau. The total PRO for AOT as of June 30, 2025, is $4,617,537 with an estimated $400,000 to be expended in the current fiscal year.

The Department of Buildings and General Services has one site where cleanup is underway. The project relates to brownfield remediation whereby firefighting foams containing PFAS impacted the water treatment system. Testing of drinking water has been ongoing with a contingency in place for installing additional groundwater monitoring wells. The total PRO as of June 30, 2025, is $105,000 with an estimated $100,000 to be expended in the current fiscal year.

H. Fund Balance/Net Position

Governmental Funds

The composition of the summarized fund balances reported on the governmental funds' Balance Sheet for the fiscal year ended June 30, 2025, are as follows:

	Restricted Purposes	Committed Purposes	Assigned Purposes
General Fund			
Government Operations	$ -	$ -	$ 34,047,729
Public Safety and Regulatory Services	-	-	2,324,586
Health and Human Services	-	-	19,292,961
Natural Resources Protection and Preservation	-	-	6,230,812
Economic and Community Development	-	-	84,700,619
Total General Fund	$ -	$ -	$ 146,596,707
Transportation Fund			
Transportation	$ -	$ 28,083,453	$ -
Total Transportation Fund	$ -	$ 28,083,453	$ -
Education Fund			
Educational Services	$ -	$ 96,574,917	$ -
Total Education Fund	$ -	$ 96,574,917	$ -

(Table continues on the next page.)

	Restricted Purposes	Committed Purposes	Assigned Purposes
Special Fund			
Government Operations	$ 1,017,430	$ 134,646,829	$ 3,182,492
Public Safety and Regulatory Services	825,180	106,456,634	20,758
Health and Human Services	34,532,246	68,546,595	5,537
Employment and Training	-	19,533,625	-
Educational Services	-	15,148,471	-
Natural Resources Protection and Preservation	12,419,131	108,824,750	135
Economic and Community Development	449,698	16,693,949	-
Transportation	-	506,509	-
Total Special Fund	$ 49,243,685	$ 470,357,362	$ 3,208,922
Federal Revenue Fund			
Government Operations	$ 225,855	$ -	$ -
Public Safety and Regulatory Services	37,064,759	-	-
Health and Human Services	67,908,475	-	-
Employment and Training	70,745	-	-
Educational Services	2,718,299	-	-
Natural Resources Protection and Preservation	573,486,004	-	-
Economic and Community Development	1,212,950	-	-
Total Federal Revenue Funds	$ 682,687,087	$ -	$ -
Global Commitment Fund			
Health and Human Services	$ 36,678,102	$ -	$ -
Total Global Commitment Fund	$ 36,678,102	$ -	$ -
Non-major Governmental Funds			
Government Operations	$ 25,366	$ -	$ -
Health and Human Services	66,704	-	-
Educational Services	-	58,728,768	-
Natural Resources Protection and Preservation	143,172	23,053,557	-
Economic and Community Development	7,676	-	-
Capital Outlays	1,639,606	-	-
Debt Service	-	3,872,844	-
Total Non-major Governmental Funds	$ 1,882,524	$ 85,655,169	$ -

Note V. OTHER INFORMATION

A. Risk Management

1. Workers' Compensation and Risk Management

The Agency of Administration's Financial Services Division oversees the Workers' Compensation and Risk Management programs, which administers all insurance programs for State government with the exception of the health and life insurance plans listed below. State policy is to minimize the purchase of commercial insurance by either self-funding or otherwise retaining the risk when it makes sense to do so. The programs set aside assets and pay claims utilizing the following three Internal Service Funds:

State Employees' Workers' Compensation Fund
State Liability Self Insurance Fund
Risk Management – All Other Fund (used for the purchase of commercial insurance policies)

The State Employees' Workers' Compensation Fund covers all State employees who are injured on the job, pursuant to State statute. Certain quasi-governmental entities may also request coverage through this program. The State has unlimited exposure to liability and has not purchased any excess workers' compensation insurance to limit this exposure. All claims are processed by a third-party administrator. Two types of claims audits are conducted annually. One type is a claims management audit by an independent outside claims consulting company to ensure that the claims operations and claims adjusting follow leading industry practice. The second audit is a complete actuarial review of Workers' Compensation claims and fund to review and recommend reasonable reserve and funding levels. Reserve fund allocations are prepared by the actuary by reviewing their loss forecast and determining an experience modification factor by department that considers the claim experience of the individual department.

The State Liability Insurance Fund covers general and employment practices liability, discrimination, bodily injury, and automobile liability risk. The coverage is comparable to standard private commercial policies. This liability coverage is offered to state agencies and certain quasi-governmental agencies. The State's exposure to tort risk in Vermont is subject to the doctrine of sovereign immunity and is governed by the Vermont Tort Claims Act, 12 V.S.A. §5601. The current sovereign immunity limits are $500,000 per person and $2,000,000 per occurrence. Exposure outside of Vermont and to federal suit and other non-tort suit is potentially unlimited. The State has a per claim self-insured retention (SIR) for the first $1,000,000 of exposure. The State purchases an excess commercial liability insurance policy up to $1,000,000 per occurrence, $1,000,000 aggregate for a policy that provides insurance coverage for a claim or suit arising out of those occurrences, wrongful acts, employment practices wrongful acts, or employee benefit wrongful acts to which maximum limits of liability are applicable under the Vermont Tort Claims Act. The State purchases another policy with limits of $5,000,000 per occurrence, $5,000,000 aggregate in excess of the $1,000,000 SIR for claims that are not subject to the Vermont Tort Claims Act. A third excess policy provides coverage of $5,000,000 per occurrence, $5,000,000 aggregate over the $5,000,000 underlying policy limits. Claims are processed by the third-party administrator and/or the Vermont Attorney General's Office. Two types of claims audits are conducted annually. One type is a claims management audit by an independent outside claims consulting company to ensure that the claims operations and claims adjusting follow leading industry practice. The second is a complete actuarial review of liability claims and fund to review and recommend reasonable reserve and funding levels. The actuary prepares reserve fund allocations to each State department for general liability and automobile liability by reviewing their loss forecast and determining an experience modification factor by department that considers the claim experience of the individual department.

The Risk-Management All Other Fund provides insurance coverage through purchased commercial policies for risks not covered by the above funds. This coverage provides insurance for State-owned real property, flood, terrorism, cyber liability, bonds for various categories of employees, professional liability coverage for judges, workers' compensation coverage for non-state employees on contract with the Agency of Human Services, and various other miscellaneous coverages. The State's liability exposure is limited to the amount of the various deductibles associated with the respective policies and potentially for any claims in excess of the purchased limits. Premium charges from the various insurers are either assessed directly against the entity requiring the coverage or apportioned among those entities receiving the benefits of the coverage. Risk Management also assesses a surcharge of up to 5% of the premium to cover administrative costs. Entities eligible for coverage are state agencies and certain quasi-governmental agencies. The actuary prepares a reserve fund allocation to each State department for property insurance by reviewing their loss forecast and determining an experience modification factor by department that considers the claim experience of the individual department. The actuary's flood insurance premium allocation is based upon loss exposure. The actuary's cyber liability insurance premium allocation is based on claims history and a risk score due to cyber exposure.

2. Health Care Insurance, Dental Assistance Plan, and Life Insurance Funds for State Employee Benefit Plans

The Employee Benefits Division of the Department of Human Resources maintains medical/behavioral health insurance, dental assistance plan, and life insurance funds for the benefit of current State employees, retired former employees, and legislators as well as employees and certain former employees of outside "special" groups (Special Groups) which have been declared eligible to participate by statute or labor agreement. Not all of these named groups may participate in every plan. Detailed eligibility information for each group listed above can be found in the plan summaries that follow. Temporary and contractual employees are not eligible to participate in these plans.

Enrolled plan participants share in the premium cost of the medical/behavioral health plan. Prescription drug coverage is included in the medical/behavioral health plan. Premium rate development is performed by an outside actuary in conjunction with the Operations Division of the Department of Human Resources. The State's liability for incurred but not yet reported (IBNR) claims is calculated by the actuary and is based on the State's prior claims experience. Special Groups covered under the health insurance plan remit premium to the State for their members. Retirees covered under the health plan pay premium through the Retirement Division of the Treasurer's Office.

The plan options are: TotalChoice which is a "preferred provider organization" indemnity-type plan; and the SelectCare plan which is a "point of service" plan similar to an open-ended Health Maintenance Organization (members may opt out of the SelectCare network but must meet a deductible and coinsurance to do so). Benefits are administered under a managed care arrangement. Both health plan options are self-insured by the State. The State uses a third-party administrator to provide administrative services, including claims payment. To limit the State's large claims exposure, the State has purchased a stop loss insurance policy.

The self-funded State of Vermont Employee Dental Assistance Plan provides up to $1,000 regular dental benefits annually and up to $1,750 lifetime benefit for orthodontic expenses for each participant. These plan caps effectively limit the State's exposure to catastrophic loss, so no stop-loss insurance has been purchased. The Operations Division within the Department of Human Resources develops the premium rates, in consultation with the dental plan administrator's actuary. Participants include all groups mentioned in paragraph 1 above except for retirees. The State pays 100% of the premium for State employee participants and their covered dependents. Special Groups covered under the dental assistance plan remit premium to the State for their members.

The State of Vermont Employee Life Insurance Program consists of a Term-Life benefit and an Accidental Death and Dismemberment (AD&D) benefit, each of which provides coverage equal to two times a participant's base salary rounded down to the nearest $100. Retirees who have worked for the State for at least twenty years and who have life insurance at the time of retirement receive a retiree life benefit of $10,000 with no AD&D coverage. Both Life and AD&D are fully insured benefits. The State purchases insurance under which the carrier retains liability for all claims. The Operations Division calculates the premium rates charged to departments for both of these programs. The State pays 75% of active employees' premiums and 100% of retirees' premium costs. Only current State employees, retired State employees, and current active employees of the Special Groups are eligible to participate. Special Groups covered under the life insurance plan remit premium to the State for their members. In addition, employees can supplement their basic life coverage up to 8 times their annual salary up to a maximum of $1,000,000. This supplemental plan also provides coverage for spouses and domestic partners up to $250,000 and children up to $20,000. This supplemental coverage is paid 100% by the employee.

The State of Vermont Family and Medical Leave Insurance (FMLI) provides eligible employees with 60% of their pre-leave base weekly wages, for up to a combined total of six weeks per benefit year if the employee can't work due to a serious health condition (including the birth of a child), caring for a family member with a serious health condition, bonding with a child during the first year following birth or within the first year of initial placement for adoption or fostering, caring for a covered military servicemember with a serious illness or injury who is a spouse, child, parent or next of kin, a qualifying exigency associated with active duty in the military or a call to active duty of a parent, spouse or child. This coverage is paid 100% by the State of Vermont.

Three years' changes in the respective funds' claims liability amounts are displayed in the following table:

Fund and Fiscal Year	Liability at Beginning of the Fiscal Year	Current FY Claims and Changes in Estimates	Current FY Claims Payments	Liability at End of the Fiscal Year
Workers' Compensation Fund				
2023	$ 29,465,031	$ 12,051,405	$ (11,994,264)	$ 29,522,172
2024	29,522,172	14,497,765	(11,791,240)	32,228,697
2025	32,228,697	12,892,418	(10,559,864)	34,561,251
State Liability Insurance Fund				
2023	11,628,952	17,047,978	(2,301,595)	26,375,335
2024	26,375,335	4,144,409	(12,921,071)	17,598,673
2025	17,598,673	1,102,278	(6,062,421)	12,638,530
Medical Insurance Fund				
2023	24,362,231	242,348,575	(230,574,765)	36,136,041
2024	36,136,041	281,367,986	(287,461,622)	30,042,405
2025	30,042,405	293,365,694	(295,383,207)	28,024,892
Dental Insurance Fund				
2023	336,152	6,603,417	(6,438,474)	501,095
2024	501,095	6,771,756	(6,938,312)	334,539
2025	334,539	7,309,862	(7,447,545)	196,856

B. Budget Stabilization Reserves

The Legislature created Budget Stabilization Reserves within the General Fund per 32 V.S.A 308, the Transportation Fund per 32 V.S.A 308a, and the Education Fund Budget per 16 V.S.A 4026. These reserves were created to reduce the effects of annual variations in State revenues upon these funds by reserving certain surpluses of revenues.

The reserves balances consist of any budgetary basis surplus at the close of the fiscal year, provided the balance in each fund's Budget Stabilization Reserve shall not exceed an amount equal to five percent of its appropriations for the prior fiscal year plus any additional amounts as may be authorized by the Vermont Legislature. Use of the reserve is limited to offsetting the respective fund's deficit at the close of a fiscal year. For fiscal year 2025, the State fully funded the Budget Stabilization Reserves for the General, Transportation and Education Funds to their respective statutory maximum levels. The balances at June 30, 2025 are as follows: $120,045,694 in the General Fund's Budget Stabilization Reserve; $15,976,026 in the Transportation Fund's Budget Stabilization Reserve; and $52,059,534 in the Education Fund's Budget Stabilization Reserve.

In addition to the Budget Stabilization Reserve, the General Fund Balance Reserve, also known as the "Rainy Day Reserve" was established per 32 V.S.A 308c. After satisfying the requirements of 32 V.S.A 308, and after other reserve requirements have been met, fifty percent of any remaining at the end of fiscal year General Fund surplus determined on budgetary basis shall be reserved in the General Fund Balance Reserve. The General Fund Balance Reserve shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year without legislative authorization. Use of General Fund Balance Reserve is limited to the use of up to fifty percent of the amounts added in the prior fiscal year from the General Fund Balance Reserve to fund unforeseen or emergency needs, and to compensate for a reduction of revenues if the official State revenue estimates are reduced by two percent or more form the original estimate used to determined general

appropriations act or budget adjustment act. For fiscal year 2025, the balance in the General Fund Balance Reserve was $99,060,516.

C. Contingent and Limited Liabilities

1. Contingent Liabilities

Federal Grants:
The State receives federal grants that are subject to audit and review by federal grantor agencies that could result in expenditures being disallowed under the terms of the grants. However, it is believed that required reimbursements resulting from such disallowances would not be material.

2. Limited Liabilities

Vermont Economic Development Authority:
The State has a limited liability for the VEDA. VEDA may create one or more debt service reserve funds in accordance with 10 V.S.A. Section 219. Annually, VEDA must report to the State the amount necessary to bring the reserve balances up to the minimum required by statute. This sum so certified may be appropriated by the State. To date, it has not been necessary for the State to appropriate money to maintain the reserve and it is not anticipated that any appropriation will have to be made.

Vermont Bond Bank:
The State has a limited liability for the Vermont Bond Bank (VBB). The Bank is required to maintain debt service reserve funds. 24 V.S.A. Section 4675 requires the State to provide annual appropriations to restore the reserve funds to the required minimum balance, if necessary. It has never been necessary for the State to appropriate money to the reserve fund and it is not anticipated that it will need to make an appropriation in the future.

Vermont Housing Finance Agency:
The State has a limited liability for the Vermont Housing Finance Agency (Agency). The Agency may create one or more debt service reserve funds in accordance with 10 V.S.A. Section 632. Annually, the Agency must report to the State the amount necessary to bring these reserve fund balances up to the minimum required by statute. This sum so certified may be appropriated by the State. It has not been necessary for the State to appropriate money to maintain the reserve fund and it is not anticipated that any appropriation will have to be made.

Vermont Student Assistance Corporation:
The State has a limited liability for the VSAC. VSAC may create one or more debt service reserve funds in accordance with 10 V.S.A. Section 2867. Annually, VSAC must report to the State the amount necessary to bring the reserve balances up to the minimum required by statute. This sum so certified may be appropriated by the State. To date, it has not been necessary for the State to appropriate money to maintain the reserve and it is not anticipated that any appropriation will have to be made.

University of Vermont:
The State has a limited liability for the UVM. UVM may create one or more debt service reserve funds in accordance with 16 V.S.A. Section 2363. Annually, UVM must report to the State the amount necessary to bring the reserve balances up to the minimum required by statute. This sum so certified may be appropriated by the State. To date, it has not been necessary for the State to appropriate money to maintain the reserve and it is not anticipated that any appropriation will have to be made.

Vermont State Colleges:
The State has a limited liability for the VSC. VSC may create one or more debt service reserve funds in accordance with 16 V.S.A. Section 2186. Annually, VSC must report to the State the amount necessary to bring the reserve balances up to the minimum required by statute. This sum so certified may be appropriated by the State. To date, it has not been necessary for the State to appropriate the money to maintain the reserve and it is not anticipated that any appropriation will have to be made.

3. Contractual Liabilities

As of June 30, 2025, the State of Vermont had contractual obligations of $2,543,746,032, of which $981,610,828 are funded from federal sources. The Agency of Transportation (AOT) had contractual commitments of $800,683,931. The Agency of Human Services (AHS) had contractual commitments of $768,573,510. The combined total for AHS and AOT is 62% of the total contractual obligation of the State at fiscal year end. Contracts such as retainer contracts and contracts for commodities have not been included since the nature of these on-going contracts are tracked statewide to ensure the best prices for supplies and some professional services.

Remaining contractual obligations include:

- The Agency of Transportation contracts are mainly used for infrastructure construction; of which 75% of Transportation's contracts have end dates of June 30, 2026.
- The AHS contracts remaining obligations are used for the Department of Children and Families (36%), the Department of Vermont Health Access (29%), the Department of Aging and Independent Living (11%), the Department of Corrections (9%) and the Department of Health (5%). 69% of the Human Services contracts will expire by June 30, 2026.
- Of the contracts in the Agency of Administration, 63% have end dates that expire by the end of fiscal year 2026. The Agency of Administration contract obligations are for capital construction (46%) and human resource benefit administration services (39%).
- At the Agency of Digital Services (ADS), 78% of their contract obligations are for project management consulting and development and 2% for Cyber Security. 45% of ADS's contracts will expire by the end of fiscal year 2026.
- The State Treasurer's Office contracts are mostly investment management services and health insurance for the retirement plans; of which 67% have end dates that will expire by the end of fiscal year 2026.
- Of the contract obligations for the Department of Liquor and Lottery (DLL), 97% are distributor vendor contracts. 91% of DLL's contracts have end dates of June 30, 2026.

Following is a summary of contractual obligations by agency, department, or office at June 30, 2025:

(Table on next page.)

Agency, Department, or Office	Total Contractual Obligation	Funded by Federal Sources	Funded by Other Sources
Agency of Transportation	$ 800,683,931	$ 496,345,662	$ 304,338,270
Agency of Human Services	768,573,510	380,136,127	388,437,382
Agency of Digital Services	257,500,339	-	257,500,339
Agency of Administration	213,313,600	638,693	212,674,907
Department of Liquor & Lottery	163,184,331	-	163,184,331
State Treasurer's Office	134,024,943	-	134,024,943
Agency of Natural Resources	76,531,726	60,111,668	16,420,058
Public Service Department	25,471,085	2,993,187	22,477,898
Agency of Education	18,012,856	14,295,356	3,717,500
Military Department	17,747,204	15,716,259	2,030,945
Green Mountain Care Board	16,069,718	-	16,069,718
Secretary of State's Office	11,655,943	6,191,734	5,464,209
Agency of Commerce & Community Development	9,252,886	481,323	8,771,564
Financial Regulation	7,888,764	-	7,888,764
Department of Public Safety	7,880,385	2,470,259	5,410,126
Agency of Agriculture, Food & Markets	3,728,771	998,665	2,730,106
Auditor of Accounts' Office	1,937,601	-	1,937,601
Department of Labor	1,821,597	1,133,439	688,158
Criminal Justice Training Council	1,811,961	-	1,811,961
State's Attorneys and Sheriffs	1,599,823	-	1,599,823
Office of the Attorney General	1,360,281	98,456	1,261,825
Joint Fiscal Office	1,057,699	-	1,057,699
Public Utility Commission	895,791	-	895,791
Cannabis Control Board	592,365	-	592,365
Center Crime Victim Services	444,128	-	444,128
Enhanced 911 Board	419,933	-	419,933
Human Rights Commission	119,353	-	119,353
Legislative Council	91,980	-	91,980
Judiciary	68,509	-	68,509
Office of the Defender General	5,020	-	5,020
Total	$ 2,543,746,032	$ 981,610,828	$ 1,562,135,204

4. Grant Awards

The State of Vermont engages in many grant programs that benefit municipalities, non-profits, individuals, and families statewide. The grant table below summarizes the grant activity by agency, department, or office. The award balance represents the total grant obligation outstanding. The awards to grantees in the current fiscal year totaled $1,229,868,050. The award adjustments column includes amendments to grants that commenced in prior fiscal years which resulted in a year-to-year net increase of $117,728,481. The Human Services award adjustment includes $25,242,737 for the contribution received from the University of Vermont Medical Center for the Graduate Medical Education program. The grants expended amount of $1,243,628,148 includes payments issued to grantees on both current year awards and prior year grant awards. The award balances on June 30, 2025, represents the remaining unexpended award amounts.

(Table on next page.)

	Number of Grants Awarded in 2025	Total Grant Obligation: Award Balances at June 30, 2024	Current Year Awards	Award Adjustments	Grants Expended	Award Balances at June 30, 2025
Agency of Administration	674	$ 33,877	$ 236,882,517	$ (20,935)	$ 236,879,072	$ 16,387
Agency of Commerce & Community Development	803	120,175,451	88,156,222	13,922,729	88,192,101	134,062,301
Agency of Education	661	17,308,878	148,634,925	-	109,860,509	56,083,294
Agency of Human Services	845	207,130,572	310,555,888	(41,158,460)	293,777,347	182,750,653
Agency of Natural Resources	237	194,391,657	75,464,648	59,538,177	114,164,865	215,229,617
Agency of Transportation	967	309,857,483	135,039,813	22,239,697	137,571,914	329,565,079
Department of Labor	10	5,161,344	11,024,636	-	9,223,078	6,962,902
Enhanced 911 Board	-	152,587	-	-	99,752	52,835
Military Department	10	-	76,817	-	76,817	-
Public Service Department	36	151,566,059	103,467,155	(42,453,869)	72,395,739	140,183,606
State Treasurer's Office	19	146,890	405,190	(71,497)	404,669	75,914
State's Attorneys and Sheriffs	34	-	1,629,563	-	1,629,563	-
Office of the Attorney General	1	80,416	20,000	3,442,147	3,331,686	210,877
Department of Public Safety	279	19,016,197	80,727,616	103,785,999	136,479,567	67,050,245
Center Crime Victim Services	298	1,808,106	7,241,639	-	8,894,864	154,881
Agency of Agriculture, Food & Markets	710	25,484,905	29,541,421	(1,395,507)	29,646,605	23,984,214
Department of Financial Regulation	1	100,000	-	(100,000)	-	-
Secretary of State's Office	1	-	1,000,000	-	1,000,000	-
Total	5,586	$ 1,052,414,422	$ 1,229,868,050	$ 117,728,481	$ 1,243,628,148	$ 1,156,382,805

The Agency of Administration includes the Department of Libraries who awarded 316 grants in the amount of $3.3 million to Public Libraries throughout the State. The Agency of Administration also awarded $205.2 million to help fund higher education in Vermont, $2.9 million to promote cultural development and $25 million to support communities across the State by providing direct economic and emergency funding under the American Rescue Plan. The Agency of Education awarded 661 grants totaling $148.6 million. The Agency of Human Services issued 845 awards or 15.1% of the total number of grants issued by the state and spent $260.7 million to improve the conditions and wellbeing of Vermonters. The Agency of Human Services also awarded $58.4 million to the University of Vermont Medical Center, Inc. for the Graduate Medical Education program (GME). 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. The University of Vermont contributed $25.2 million to the State to support the GME programs; this support is listed as other revenue in the Global Commitment Fund. The Agency of Transportation awarded 967 grants, totaling $135 million, providing funding to communities around the state that focus on safety, preservation and maintenance of existing transportation systems, economic development, and energy efficient transportation choices.

D. Litigation

The State, its agencies, officials, and employees are defendants in numerous lawsuits involving funding for social welfare programs, civil rights actions, public education funding, breach of contract and negligence. The Attorney General is unable to predict the ultimate outcome of the majority of these suits, some of which seek recovery of monetary damages of unspecified amounts. However, based on information provided by the Attorney General, any ultimate liability to the State resulting from these lawsuits that are not covered by various insurance policies, would not materially affect the State's overall financial condition.

E. Joint Venture

The State of Vermont has entered into a Tri-State Lotto Compact with the States of New Hampshire and Maine for the purpose of operating a tri-state lottery. This lottery does not replace Vermont's individual lottery games but is run in addition to the existing games. The Compact provided for the creation of a Tri-State Lottery Commission (Commission) which is an interstate body, both corporate and politic, serving as a common agent for the party

states and representing them both collectively and individually in the exercise of its powers and duties. The Commission is composed of one member from each of the party states. Each State's lottery appoints one of its members to this position. The three-member Commission annually elects a chairperson from among its members. The Commission is empowered to promulgate rules and regulations governing the establishment and to administer the operation of the Tri-State Lotto. Tri-State Lotto tickets are sold in each of the party states and processed in a central location as determined by the Commission. A proportional share of revenue and expenses is allocated to each state based on the ticket sales made by that state. The exceptions to the proportional allocation include: (1) the facilities management fee and agent commissions, which are based on a contracted percentage of operating revenue that varies from state to state; and (2) per diem charges, advertising, and certain printing, travel, and miscellaneous costs, which are allocated based on actual charges generated by each state. Comparative financial information for fiscal years ending June 30, 2025, and 2024 are as follows:

	June 30, 2025	June 30, 2024	Increase (Decrease)
Comparative Financial Information			
Assets	$ 32,132,585	$ 31,677,146	$ 455,439
Liabilities	27,804,529	27,657,737	146,792
Operating revenues	112,371,042	111,342,236	1,028,806
Interest income	1,221,439	1,180,883	40,556
Gain/(loss) on the sale of investments	13,109	11,106	2,003
Commissions, fees and bonus expense	9,128,396	8,970,732	157,664
Prize awards	70,875,011	68,437,372	2,437,639
Other operating expenses	3,682,715	5,849,888	(2,167,173)
Total transfers to member states	29,919,468	29,276,233	643,235
Transfer to Vermont	6,050,193	5,749,560	300,633

Tri-State Lotto Commission issues separately audited financial statements. Additional information regarding the Tri-State Lotto Commission may be obtained by contacting the Vermont Lottery Commission, 1311 US Route 302-Berlin, Suite 100, Barre, Vermont 05641.

F. Tax Abatements

The State of Vermont provides tax abatements through various programs subject to the requirements of GASB Statement No. 77. A tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity through which the government promises to forgo tax revenues to which they are otherwise entitled, and the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefit the government or its citizens. As of June 30, 2025, the State provided tax abatements through the following programs:

Vermont Affordable Housing Tax Credit	
Purpose of program	The program encourages construction or rehabilitation of affordable housing projects in the State.
Tax being abated	Personal income, corporate income, bank franchise, and insurance premium taxes
Authority to abate taxes	32 V.S.A. 5930u
Criteria to be eligible to receive abatements and commitment of the taxpayer	Any municipality, private sector developer, State agency as defined in 10 V.S.A. 6301a, the Vermont Housing Finance Agency, or a nonprofit organization qualifying under 26 U.S.C. 501(c)(3), or a cooperative housing organization, the purpose of which is to create and retain affordable housing for Vermonters with lower income and which has in its bylaws a requirement that the housing the organization creates be maintained as affordable housing for Vermonters with lower income on a perpetual basis. The taxpayer applies to and must be approved by the allocating agency to receive the credit. In return, the taxpayer agrees to construct or rehabilitate affordable housing projects as specified in the application submitted. Vermont's designated allocating agency for this tax credit is the Vermont Housing Finance Agency. The participant is required to ensure that eligible housing is maintained as affordable housing by subsidy covenant, as defined in 27 V.S.A. 610 on a perpetual basis.
How taxes are reduced	Taxpayer will claim credit on tax return. Unused credits may be carried forward for fourteen years.
How is the amount of the tax abatement determined	The amount of the credit is determined by the allocating agency based on the amount of eligible investment in the affordable housing project.
Provisions for recapturing abated taxes	N/A
Type of commitments other than taxes	N/A
Dollar amount of taxes abated during reporting period	$6,915,002

Agricultural and Managed Forest Land Use Program	
Purpose of program	The program goal is to preserve the working landscape and the rural character of Vermont.
Tax being abated	Education Property Tax
Authority to abate taxes	32 V.S.A 3756
Criteria to be eligible to receive abatements and commitment of the taxpayer	A property must be at least 25 contiguous acres in size to be eligible for enrollment in the program, with limited exceptions for actively farmed land, and conservation land owned by a qualified organization as defined in 10 V.S.A 6301a. The property owner applies to and must be approved by the Department of Taxes to receive the tax abatement. In return, the owners of agricultural land and/or farm buildings are required to certify annually that their agricultural land and farm buildings meet the requirements to be eligible for the program; and for forested and conservation land (non-agricultural) the property must be managed according to the approved forest or conservation management plan and according to state standards and be inspected at least once every 10 years.
How taxes are reduced	Reduction of assessed value
How is the amount of the tax abatement determined	Land is valued at fixed price per acre as determined by the Current Use Advisory Board
Provisions for recapturing abated taxes	Once enrolled in the program land is subject to a lien, if this land is ever developed or removed from the program, the owner at the time of development must pay a land use change tax of 10% tax on the full fair market value of the changed land determined without regard to the use value appraisal.
Type of commitments other than taxes	As part of the Land Use Program, is a municipal hold harmless payment that reimburses municipalities for property tax revenue not collected due to the reduction in assessed value from property enrolled in the Land Use Program. Fiscal year 2025 payments are $20,502,765.
Dollar amount of taxes abated during reporting period	$55,689,506

Vermont Downtown and Village Center Tax Credit Program	
Purpose of program	The program encourages the improvement and rehabilitation of historic properties in designated downtowns and village centers. It includes three tax credits: The Historic Rehabilitation Tax Credit, the Façade Improvement Tax Credit, and the Code or Technology Improvement Tax Credit.
Tax being abated	Personal income, corporate income, bank franchise, and insurance premium taxes
Authority to abate taxes	32 V.S.A. 5930cc
Criteria to be eligible to receive abatements and commitment of the taxpayer	Commercial buildings and non-profit owned buildings constructed before 1983 located within designated downtown or village centers are eligible for the credit. The taxpayer applies to and must be approved by the Vermont Downtown Development Board to receive the credit. In return, the taxpayer agrees to improve or rehabilitate their historic property in designated downtowns and village centers as specified in the application submitted.
How taxes are reduced	Taxpayer will claim credit on tax return. Unused credits may be carried forward for nine years.
How is the amount of the tax abatement determined	Historic Rehabilitation Tax Credit is 10% of qualified expenditures up to a maximum tax credit of $75,000. Façade Improvement Tax Credit is 25% of qualified expenditures up to a maximum tax credit of $25,000. Code or Technology Improvement Tax Credit is 50% of qualified expenditures up to a maximum tax credit of $50,000 for sprinklers, $50,000 for elevators, $12,000 for platform lifts, $50,000 for other qualified code improvements, and $30,000 for technology improvements.
Provisions for recapturing abated taxes	If, within five years after completion of the qualified project the applicant shall be liable for a recapture penalty in an amount equal to the total tax credit claimed if the Vermont Downtown Development Board finds that any work performed on the qualified project is inconsistent with the approved application; or the applicant knowingly failed to supply any information, or supplied incorrect or untrue information or failed to comply with any award condition; or in the case of the Historic Rehabilitation Tax Credit, the National Park Service revokes certification for unapproved alterations or for work not done as described in the historic preservation certification application.
Type of commitments other than taxes	N/A
Dollar amount of taxes abated during reporting period	$2,660,861

Vermont Employment Growth Incentive (VEGI)	
Purpose of program	The program is designed to encourage business recruitment, growth and expansion.
Tax being abated	Personal income taxes
Authority to abate taxes	32 V.S.A. 3330
Criteria to be eligible to receive abatements and commitment of the taxpayer	Any size business can apply, to be eligible to receive abatements. The Vermont Economic Progress Council (VEPC) must find for the project that the total estimated incremental tax revenues from all sources generated to the State by the proposed economic activity exceeds the revenue costs of the activity to the State, including the cost of the incentive. The host municipality must welcome the new business. The proposed economic activity must conform to applicable town and regional plans. If the business proposes to expand within a limited local market, an incentive must not give the business an unfair competitive advantage over other Vermont businesses in the same or similar line of business and in the same limited local market. Applicants must assert in writing and VEPC must agree that, but for the incentive, the proposed economic activity: would not occur; or would occur in a significantly different manner that is significantly less desirable to the State. The taxpayer applies to and must be approved by the VEPC to receive the tax abatement. In return, the taxpayer agrees to meet their performance requirements for new qualifying employment, new qualifying payroll, and new qualifying capital investments as specified in the application submitted.
How taxes are reduced	Refund of taxes paid
How is the amount of the tax abatement determined	The total amount of abatement is determined by a cost-benefit model analysis that calculates the estimated revenue benefits and costs to the State, based on the qualifying jobs, payroll, and capital investments projected by the applicant.
Provisions for recapturing abated taxes	For three years from the last day of the utilization period if the business experiences a 90% or greater reduction in base employment, or if the business fails to file required claim forms. In addition, if the business fails to meet its capital investment performance requirements by the end of the award period the abatements paid may be recaptured.
Type of commitments other than taxes	N/A
Dollar amount of taxes abated during reporting period	$3,452,832

G. Accounting Changes

Accounting changes related to the implementation of GASB Statement No. 101, *Compensated Absences*

During fiscal year 2025, the State implemented GASB Statement 101, *Compensated Absences.* The accounting and reporting requirements for compensated absences were previously recorded under GASB Statement No. 16, *Accounting for Compensated Absences*. The accounting requirements under GASB Statement No. 101 replaces GASB No. 16 and provides a unified model of recognizing and measuring liabilities for various types of compensated absences, including those that were not previously considered under GASB Statement No. 16, such as unvested sick leave.

The provisions of GASB Statement No. 101, have been applied to net position at July 1, 2024. The following reconciliation of net position, as previously reported at June 30, 2024, to the restated net position.

The effects of accounting changes on net position of component units were as follows:

	Primary Government		
	Governmental Activities Net Position	Business-type Activities Net Position	Total Net Position
As originally reported, July 1	$ 722,508,760	$ 332,332,984	$ 1,054,841,744
Restatements			
Adjustment for the implementation of GASB 101 as of July 1, 2024	(6,254,942)	(93,790)	(6,348,732)
Restated amount	$ 716,253,818	$ 332,239,194	$ 1,048,493,012

	Business-type Activities-Enterprise Funds			
	Liquor Control Fund Net Position	State Lottery Net Position	Non-Major Enterprise Funds Net Position	Total Enterprise Funds Net Position
As originally reported, July 1	$ (6,941,719)	$ (2,932,889)	$ 26,463,010	$ 333,337,240
Restatements				
Adjustment for the implementation of GASB 101 as of July 1, 2024	(21,507)	(71,768)	(515)	(93,790)
Restated amount	$ (6,963,226)	$ (3,004,657)	$ 26,462,495	$ 333,243,450

	Governmental Activities	Private Purpose Trust Fund
	Total Internal Service Funds Net Position	Unclaimed Property Fund Net Position
As originally reported, July 1	$ (28,485,193)	$ 18,883,007
Restatements		
Adjustment for the implementation of GASB 101 as of July 1, 2024	(516,617)	(2,202)
Restated amount	$ (29,001,810)	$ 18,880,805

During fiscal year 2025, the Vermont Veterans' Home, a non-major discretely presented component unit State implemented GASB Statement 101, *Compensated Absences*.

The provisions of GASB Statement No. 101, have been applied to net position at July 1, 2024. The following reconciliation of net position, as previously reported at June 30, 2024, to the restated net position.

The effects of accounting changes on net position of component units were as follows:

	Vermont Veterans' Home	Non-major Component Units
As originally reported	$ (17,658,215)	$ 663,391,991
Restatements		
Adjustment for the implementation of GASB 101 as of July 1, 2024	(29,422)	(29,422)
Restated amount	$ (17,687,637)	$ 663,362,569

H. Subsequent Events

Debt Issuances

2025 Series A - General Obligation Bonds

The State issued $59,780,000 of 2025 Series A - General Obligation Bonds, dated December 17, 2025. The bonds are general obligations of the State of Vermont, and the full faith and credit of the State are pledged to the payment of principal and interest on these bonds. The interest rates on these bonds are 5%, and payment to bondholders is scheduled to commence on February 15, 2026, and terminate on August 15, 2045.

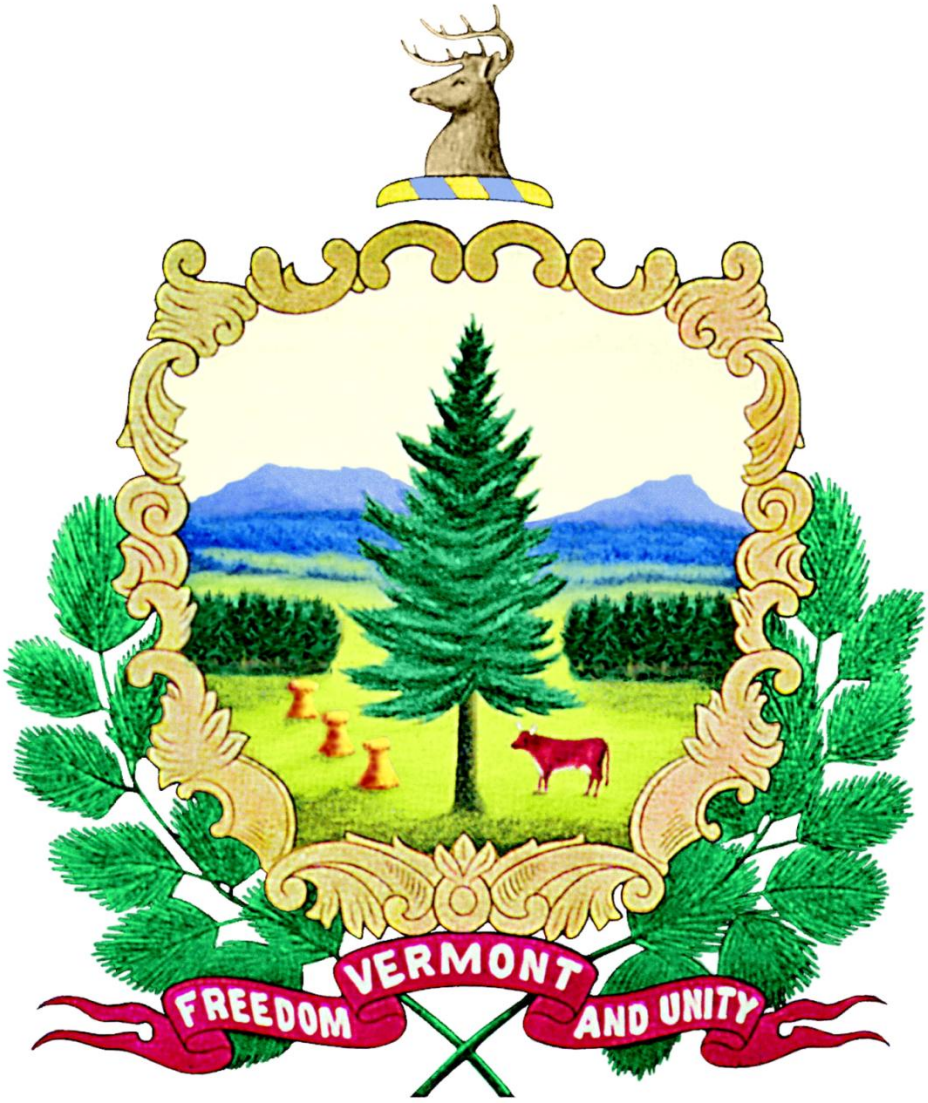
The issuance of these bonds is authorized by capital acts from legislative sessions: Act 33 of 2025, Act 69 of 2023 as amended by Act 162 of 2024, Act 180 of 2022, Act 50 of 2021 as amended by Act 180 of 2022 and Act 69 of 2023, Act 139 of 2020, Act 42 of 2019 as amended by Act 139 of 2020, and Act 84 of 2017 as amended by Act 190 of 2018 and Act 180 of 2022. The proceeds are to be used for various purposes including capital projects, major maintenance at the State buildings, Vermont State Colleges, University of Vermont, various projects in the areas of natural resources, public safety, agriculture, clean water initiatives, various grant purposes, and other projects.

2025 Series B – General Obligation Refunding Bonds

The State issued $66,385,000 of 2024 Series B - General Obligation Refunding Bonds, dated December 17, 2025, for the purpose of current refunding of the following bond series:

$27,945,000 outstanding principal of the 2012 Series F - General Obligation Bonds
$1,535,000 outstanding principal of the 2014 Series A - General Obligation Bonds
$2,105,000 outstanding principal of the 2014 Series C - General Obligation Refunding Bonds
$8,775,000 outstanding principal of the 2015 Series A - General Obligation Bonds
$30,185,000 outstanding principal of the 2015 Series B - General Obligation Bonds
$2,490,000 outstanding principal of the 2015 Series C - General Obligation Refunding Bonds

Interest rates on the bonds are 5%, and payments to bondholders are scheduled to commence on February 15, 2026, and terminate on August 15, 2035. As a result of the bond refunding transaction, the State reduces its total debt service payments over the next 11 fiscal years by $2,503,019 and achieves an economic gain of $2,262,309.



Required Supplementary Information

(Unaudited)

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
VERMONT STATE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
LAST TEN FISCAL YEARS
(Dollar amounts expressed in thousands)
(Unaudited)

	2025	2024	2023	2022
Total pension liability				
Service cost	$ 87,370	$ 80,807	$ 73,319	$ 67,752
Interest	261,574	249,388	236,673	226,513
Differences between expected and actual experience	34,270	38,476	38,771	74,201
Changes of assumptions	-	-	16,346	-
Changes of benefit terms	-	-	-	(49,146)
Benefit payments, including refunds of member contributions	(206,103)	(196,200)	(185,704)	(173,791)
Net change in total pension liability	177,111	172,471	179,405	145,529
Total pension liability, July 1	3,752,455	3,579,984	3,400,579	3,255,050
Total pension liability, June 30	3,929,566	3,752,455	3,579,984	3,400,579
Fiduciary net position				
Contributions - employer	143,985	140,851	116,388	197,523
Contributions - member	64,059	57,061	48,581	44,655
Net investment income (loss)	279,312	240,381	168,509	(215,474)
Benefit payments, including refunds of member contributions	(206,103)	(196,200)	(185,704)	(173,791)
Administrative expenses	(2,917)	(2,695)	(2,579)	(2,352)
Other	1,895	1,212	1,390	862
Net change in fiduciary net position	280,231	240,610	146,585	(148,577)
Fiduciary net position, beginning of year	2,663,840	2,423,230	2,276,645	2,425,222
Fiduciary net position, end of year	2,944,071	2,663,840	2,423,230	2,276,645
Net pension liability, June 30	$ 985,495	$ 1,088,615	$ 1,156,754	$ 1,123,934
Fiduciary net position as a percentage of the total pension liability	74.92%	70.99%	67.69%	66.95%
Covered payroll	$ 663,979	$ 621,256	$ 576,952	$ 552,317
Net pension liability as a percentage of covered payroll	148.42%	175.23%	200.49%	203.49%
Notes to Schedule				
Change in assumptions:				
Discount rate	7.00%	7.00%	7.00%	7.00%
Assumed inflation	2.30%	2.30%	2.30%	2.30%
Assumed COLA increase				
Groups A, and D	2.25%	2.25%	2.25%	2.40%
Group C (retired prior to 7/1/2022)	2.25%	2.25%	2.25%	2.40%
Group C (retired on or after 7/1/2022)	2.10%	2.10%	2.10%	2.15%
Group F (retired before 7/1/2008)	1.25%	1.25%	1.25%	1.35%
Group F (retired on or after 7/1/2008)	2.35%	2.35%	2.35%	2.40%
Group F (retired on or after 7/1/2022)	2.15%	2.15%	2.15%	2.25%

Plan Type: single employer

See Notes to the Required Supplementary Information.

See Independent Auditors' Report.

2021	2020	2019	2018	2017	2016
$ 70,993	$ 53,010	$ 51,946	$ 49,744	$ 42,704	$ 47,012
214,277	204,548	194,127	180,860	178,959	171,563
59,818	5,123	40,476	83,266	19,283	25,051
-	209,787	-	-	42,725	(21,853)
-	-	-	-	-	-
(160,291)	(153,026)	(144,297)	(134,090)	(126,480)	(120,094)
184,797	319,442	142,252	179,780	157,191	101,679
3,070,253	2,750,811	2,608,559	2,428,779	2,271,588	2,169,909
3,255,050	3,070,253	2,750,811	2,608,559	2,428,779	2,271,588
88,944	84,430	66,618	64,564	60,280	54,347
42,113	40,902	40,818	40,423	35,967	34,055
497,423	78,965	106,778	123,632	170,358	17,962
(160,291)	(153,026)	(144,297)	(134,090)	(126,480)	(120,094)
(2,281)	(2,268)	(2,246)	(1,720)	(1,777)	(1,467)
247	594	299	249	444	(14)
466,155	49,597	67,970	93,058	138,792	(15,211)
1,959,067	1,909,470	1,841,500	1,748,442	1,609,650	1,624,861
2,425,222	1,959,067	1,909,470	1,841,500	1,748,442	1,609,650
$ 829,828	$ 1,111,186	$ 841,341	$ 767,059	$ 680,337	$ 661,938
74.51%	63.81%	69.41%	70.59%	71.99%	70.86%
$ 551,981	$ 527,571	$ 521,671	$ 504,553	$ 471,268	$ 462,057
150.34%	210.62%	161.28%	152.03%	144.36%	143.26%
7.00%	7.00%	7.50%	7.50%	7.50%	7.95%
2.30%	2.30%	2.50%	2.50%	2.50%	3.00%
2.40%	2.40%	2.55%	2.55%	2.55%	3.00%
2.40%	2.40%	2.55%	2.55%	2.55%	3.00%
n/a	n/a	n/a	n/a	n/a	n/a
1.35%	1.35%	1.40%	1.40%	1.40%	1.50%
2.40%	2.40%	2.55%	2.55%	2.55%	3.00%
n/a	n/a	n/a	n/a	n/a	n/a

STATE OF VERMONT
VERMONT STATE RETIREMENT SYSTEM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

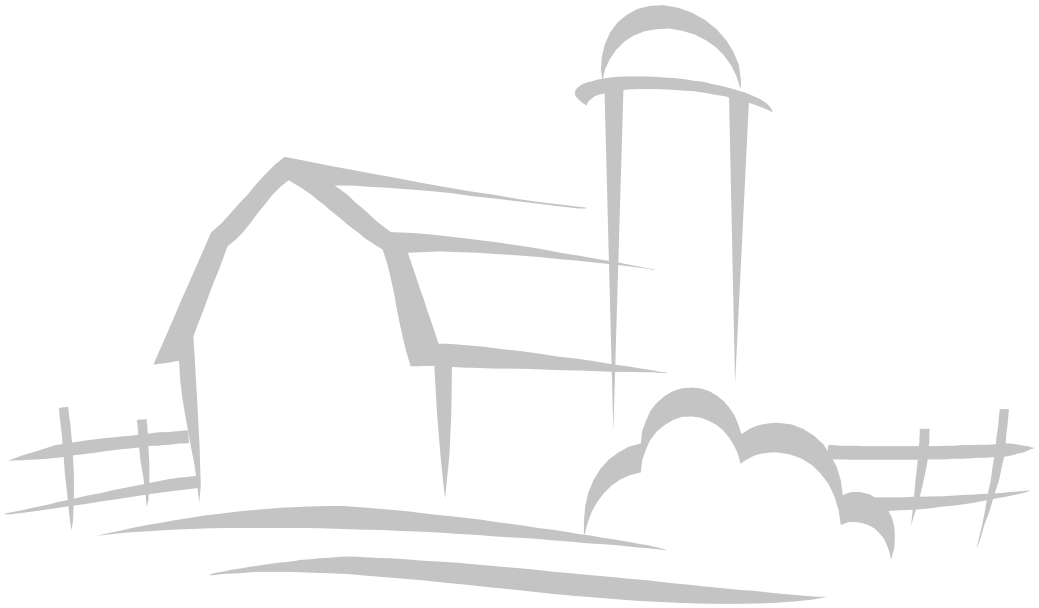
Fiscal Year 2023
Mortality improvement scales were updated to MP-2021.

Fiscal Year 2022
Changes in plan provisions for average final compensation, normal retirement eligibility and amount, early retirement amount, post retirement adjustments, and member contribution rates.

Fiscal Year 2020
Mortality tables updated from variations of RP-2006 with generational improvement to variations of PubG-2010 with generational projection.

GASB 67 valuation, various actuarial assumptions were changed in accordance with the findings of an experience study covering the five-year period ending June 30, 2019.

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Vermont

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATE TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
LAST TEN FISCAL YEARS
(Dollar amounts expressed in thousands)
(Unaudited)

	2025	2024	2023	2022
Total pension liability				
Service cost	$ 88,274	$ 83,618	$ 78,228	$ 71,861
Interest	316,915	304,810	295,777	285,340
Differences between expected and actual experience	49,237	29,710	15,227	52,714
Changes of assumptions	-	-	(17,809)	-
Changes of benefit terms	475	8,872	-	(32,528)
Benefit payments, including refunds of member contributions	(263,475)	(253,961)	(241,627)	(227,698)
Net change in total pension liability	191,426	173,049	129,796	149,689
Total pension liability, July 1	4,570,817	4,397,768	4,267,972	4,118,283
Total pension liability, June 30	4,762,243	4,570,817	4,397,768	4,267,972
Fiduciary net position				
Contributions - non-employer	203,401	206,169	188,096	314,664
Contributions - member	60,756	56,092	51,998	44,597
Net investment income (loss)	309,559	260,344	178,492	(223,275)
Benefit payments, including refunds of member contributions	(263,475)	(253,961)	(241,627)	(227,698)
Administrative expenses	(3,240)	(4,023)	(3,047)	(2,715)
Other	11,629	25,356	14,384	11,047
Net change in fiduciary net position	318,630	289,977	188,296	(83,380)
Fiduciary net position, beginning of year	2,817,686	2,527,709	2,339,413	2,422,793
Fiduciary net position, end of year	3,136,316	2,817,686	2,527,709	2,339,413
Net pension liability, June 30	$ 1,625,927	$ 1,753,131	$ 1,870,059	$ 1,928,559
Fiduciary net position as a percentage of the total pension liability	65.86%	61.65%	57.48%	54.81%
Covered payroll	$ 774,175	$ 743,006	$ 701,567	$ 657,935
Net pension liability as a percentage of covered payroll	210.02%	235.95%	266.55%	293.12%
Notes to Schedule				
Change in assumptions:				
Discount rate	7.00%	7.00%	7.00%	7.00%
Assumed inflation	2.30%	2.30%	2.30%	2.30%
Assumed COLA increase				
Group A	2.30%	2.30%	2.30%	2.40%
Group C	1.20%	1.20%	1.20%	1.35%
Groups C (retired on or after 7/1/2022)	1.20%	1.20%	1.20%	1.20%

Plan Type: cost sharing multiple employer with a special funding situation

See Notes to the Required Supplementary Information.

See Independent Auditors' Report.

2021	2020	2019	2018	2017	2016
$ 72,149	$ 40,744	$ 39,766	$ 40,117	$ 35,383	$ 34,979
270,700	255,393	246,468	237,747	228,939	222,185
88,065	31,637	28,998	59,469	12,523	3,613
-	310,968	-	(32,957)	185,849	(7,224)
-	-	-	-	-	-
(215,249)	(201,237)	(193,197)	(182,259)	(172,156)	(162,751)
215,665	437,505	122,035	122,117	290,538	90,802
3,902,618	3,465,113	3,343,078	3,220,961	2,930,423	2,839,621
4,118,283	3,902,618	3,465,113	3,343,078	3,220,961	2,930,423
125,910	120,247	113,748	110,354	78,664	73,225
42,199	40,599	39,075	37,889	36,142	35,409
512,194	83,105	109,429	125,566	173,167	19,877
(215,249)	(201,237)	(193,197)	(182,259)	(172,156)	(162,751)
(2,782)	(2,815)	(2,715)	(2,084)	(2,214)	(1,797)
9,031	7,103	5,775	4,349	4,055	3,821
471,303	47,002	72,115	93,815	117,658	(32,216)
1,951,490	1,904,488	1,832,373	1,738,558	1,620,900	1,653,116
2,422,793	1,951,490	1,904,488	1,832,373	1,738,558	1,620,900
$ 1,695,490	$ 1,951,128	$ 1,560,625	$ 1,510,705	$ 1,482,403	$ 1,309,523
58.83%	50.00%	54.96%	54.81%	53.98%	55.31%
$ 645,903	$ 624,908	$ 612,899	$ 607,355	$ 586,397	$ 557,708
262.50%	312.23%	254.63%	248.74%	252.80%	234.80%
7.00%	7.00%	7.50%	7.50%	7.50%	7.95%
2.30%	2.30%	2.50%	2.50%	2.50%	3.00%
2.40%	2.40%	2.55%	2.55%	2.55%	3.00%
1.35%	1.35%	1.40%	1.40%	1.40%	1.50%
n/a	n/a	n/a	n/a	n/a	n/a

STATE OF VERMONT
STATE TEACHERS' RETIREMENT SYSTEM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

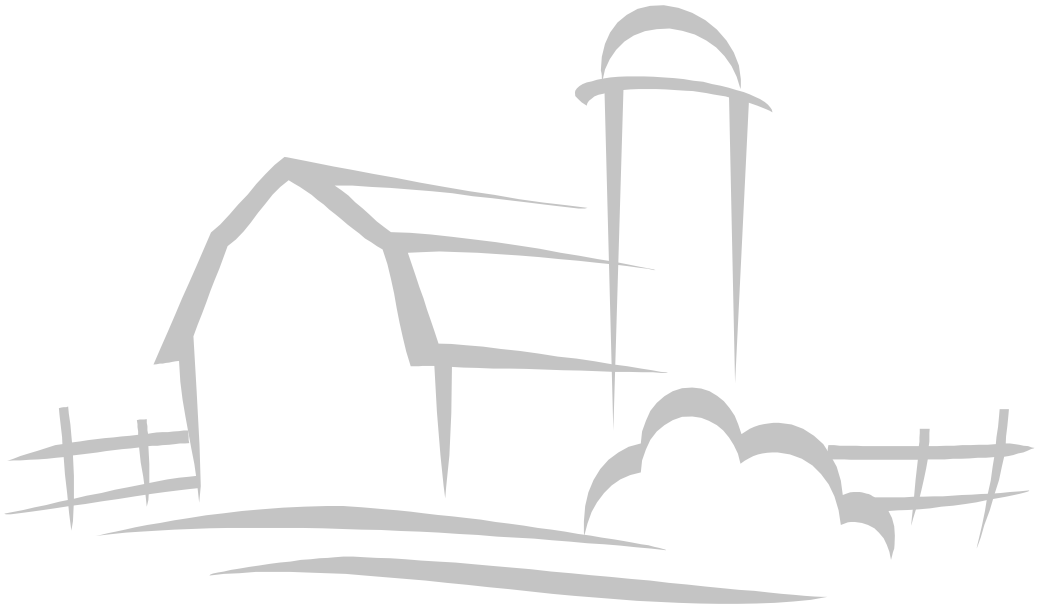
Fiscal Year 2023
Mortality improvement scales were updated to MP-2021.

Fiscal Year 2022
Changes in plan provisions for post-retirement adjustments, and member contribution rates.

Fiscal Year 2020
Mortality tables updated from variations of RP-2006 with generational improvement to variations of PubG-2010 with generational projection.

GASB 67 valuation, various actuarial assumptions were changed in accordance with the findings of an experience study covering the five-year period ending June 30, 2019.

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Vermont

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
LAST TEN FISCAL YEARS
(Dollar amounts expressed in thousands)
(Unaudited)

	2025	2024	2023	2022
Total pension liability				
Service cost	$ 53,079	$ 47,026	$ 42,204	$ 39,576
Interest	95,234	87,472	81,522	76,211
Differences between expected and actual experience	31,732	32,986	9,652	8,120
Changes of assumptions	-	-	3,580	-
Changes of benefit terms	-	438	-	364
Benefit payments, including refunds of member contributions	(66,531)	(59,676)	(53,902)	(48,138)
Net change in total pension liability	113,514	108,246	83,056	76,133
Total pension liability, July 1	1,340,653	1,232,407	1,149,351	1,073,218
Total pension liability, June 30	1,454,167	1,340,653	1,232,407	1,149,351
Fiduciary net position				
Contributions - employer	37,617	33,180	28,456	25,218
Contributions - member	37,038	33,075	29,696	25,025
Net investment income (loss)	106,126	90,909	63,095	(81,508)
Benefit payments, including refunds of member contributions	(66,531)	(59,676)	(53,902)	(48,138)
Administrative expenses	(1,605)	(1,554)	(1,302)	(1,303)
Other	669	458	91	651
Net change in fiduciary net position	113,314	96,392	66,134	(80,055)
Fiduciary net position, beginning of year	1,008,505	912,113	845,979	926,034
Fiduciary net position, end of year	1,121,819	1,008,505	912,113	845,979
Net pension liability, June 30	$ 332,348	$ 332,148	$ 320,294	$ 303,372
Fiduciary net position as a percentage of the total pension liability	77.15%	75.22%	74.01%	73.60%
Covered payroll	$ 438,456	$ 392,232	$ 355,709	$ 331,960
Net pension liability as a percentage of covered payroll	75.80%	84.68%	90.04%	91.39%
Notes to Schedule				
Changes in assumptions and methods:				
Discount rate	7.00%	7.00%	7.00%	7.00%
Assumed inflation	2.30%	2.30%	2.30%	2.30%
Assumed COLA increase				
Group A	1.10%	1.10%	1.10%	1.10%
Group B, C, and D	1.20%	1.20%	1.20%	1.20%

Plan Type: cost sharing multiple employer

See Notes to the Required Supplementary Information.

See Independent Auditors' Report.

2021	2020	2019	2018	2017	2016
$ 37,158	$ 34,726	$ 30,744	$ 28,434	$ 27,246	$ 25,264
70,595	67,361	61,618	56,504	54,780	49,744
15,795	8,292	17,468	14,172	(3,749)	1,088
-	38,774	-	-	14,481	12,204
-	-	-	194	-	-
(43,357)	(39,084)	(35,397)	(31,445)	(27,803)	(25,589)
80,191	110,069	74,433	67,859	64,955	62,711
993,027	882,958	808,525	740,666	675,711	613,000
1,073,218	993,027	882,958	808,525	740,666	675,711
22,298	20,681	19,203	17,520	16,482	15,236
23,074	20,771	19,778	19,167	25,210	15,227
184,850	29,114	38,740	43,889	59,487	6,777
(43,357)	(39,084)	(35,397)	(31,445)	(27,803)	(25,589)
(1,249)	(1,355)	(1,158)	(929)	(875)	(755)
365	460	451	137	(6)	215
185,981	30,587	41,617	48,339	72,495	11,111
740,053	709,466	667,849	619,510	547,015	535,904
926,034	740,053	709,466	667,849	619,510	547,015
$ 147,184	$ 252,974	$ 173,492	$ 140,676	$ 121,156	$ 128,696
86.29%	74.52%	80.35%	82.60%	83.64%	80.95%
$ 327,492	$ 306,103	$ 289,839	$ 274,814	$ 256,730	$ 249,811
44.94%	82.64%	59.86%	51.19%	47.19%	51.52%
7.00%	7.00%	7.50%	7.50%	7.50%	7.95%
2.30%	2.30%	2.50%	2.50%	2.50%	3.00%
1.10%	1.10%	1.15%	1.15%	1.15%	1.50%
1.20%	1.20%	1.30%	1.30%	1.30%	1.80%

Fiscal Year 2024
Changes in plan provisions for employer and member contribution rates, a 0.25% increase each year for four years, starting 07/01/2026.

Fiscal Year 2023
Mortality improvement scales were updated to MP-2021.

Fiscal Year 2022
Changes in plan provisions for member contribution rates, a 0.25% increase each year for four years, starting 07/01/2022.

Fiscal Year 2020
Mortality tables updated from variations of RP-2006 with generational improvement to variations of PubG-2010 with generational projection.

GASB 67 valuation, various actuarial assumptions were changed in accordance with the findings of an experience study covering the five-year period ending June 30, 2019.

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS
SCHEDULE OF EMPLOYER AND NONEMPLOYER CONTRIBUTIONS
LAST TEN YEARS
(Dollar amounts expressed in thousands)
(Unaudited)

Retirement System	Year Ended 6/30	Actuarially Determined Contribution[1] (ADC)	Contributions in Relation to ADC	Contribution (Excess) Deficiency	Covered Payroll (CP)	Contribution as a Percent of CP
Vermont State Retirement System	2025	$ 131,347	$ 143,985	$ (12,638)	$ 663,979	21.69%
	2024	121,873	140,851	(18,978)	621,256	22.67%
	2023	116,038	116,388	(350)	576,952	20.17%
	2022	119,968	197,523	(77,555)	552,317	35.76%
	2021	83,877	88,944	(5,067)	551,981	16.11%
	2020	78,944	84,430	(5,486)	527,571	16.00%
	2019	62,985	66,618	(3,633)	521,671	12.77%
	2018	52,065	64,564	(12,499)	504,553	12.80%
	2017	48,503	60,280	(11,777)	471,268	12.79%
	2016	46,238	54,347	(8,109)	462,057	11.76%
State Teachers' Retirement System[2]	2025	$ 201,183	$ 213,656	$ (12,473)	$ 774,175	27.60%
	2024	194,281	222,021	(27,740)	743,006	29.88%
	2023	194,962	201,925	(6,963)	701,567	28.78%
	2022	196,207	325,245	(129,038)	657,935	49.43%
	2021	132,142	134,541	(2,399)	645,903	20.83%
	2020	126,197	126,942	(745)	624,908	20.31%
	2019	105,641	119,175	(13,534)	612,899	19.44%
	2018	88,409	114,599	(26,190)	607,355	18.87%
	2017	82,660	82,887	(227)	586,397	14.13%
	2016	76,103	76,948	(845)	557,708	13.80%
Vermont Municipal Employees' Retirement System	2025	$ 57,169	$ 37,617	$ 19,552	$ 438,456	8.58%
	2024	50,155	33,180	16,975	392,232	8.46%
	2023	43,344	28,456	14,888	355,709	8.00%
	2022	39,451	25,218	14,233	331,960	7.60%
	2021	36,722	22,298	14,424	327,492	6.81%
	2020	22,618	20,681	1,937	306,103	6.76%
	2019	17,263	19,203	(1,940)	289,839	6.63%
	2018	15,067	17,520	(2,453)	274,814	6.38%
	2017	12,896	16,482	(3,586)	256,730	6.42%
	2016	15,236	15,236	-	249,811	6.10%

Notes to Schedule

[1] ADC for a given fiscal year are based on results from the June 30 actuarial valuation two years prior for STRS and VTRS, and one year prior for MERS.

[2] Included in the ADC is an actuarially determined contribution rate that is applied to the total earnable compensation for teachers whose funding is provided by federal grants and is paid by the employer to the STRS.

See Independent Auditors' Report.

The accompanying notes are an integral part of the required supplemental information.

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

	VSERS	VSTRS	MERS
Valuation date			
Actuarially determined contributions rates are calculated as of June 30 two years prior for VSRS and STRS and one year prior for MERS to the end of the fiscal year in which contributions are reported. Assumptions values listed below were used in determining the actuarially determined contributions rates calculated as of that date.			
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Installments increasing 3% per year	Installments increasing 3% per year	Installments increasing 3% per year
Remaining amortization period	15 years	15 years	14 years
All closed basis			
Asset valuation method	Preliminary Asset Value plus 20% of difference between market and preliminary asset values	Preliminary Asset Value plus 20% of difference between market and preliminary asset values	Preliminary Asset Value plus 20% of difference between market and preliminary asset values
Actuarial assumptions			
Investment rate of return	7.00%	7.00%	7.00%
Inflation rate	2.30%	2.30%	2.30%
Projected salary increases	3.76%-6.38%	3.19%-8.50%	4.07%-6.21%
Cost of living adjustments	Groups A, C & D (retiring before 7/1/2022): 2.25%, Group A retiring on or after 07/01/2022: 2.25%, Group C retiring on or after 07/01/2022: 2.10%, Group D retiring on or after 07/01/2022: 2.25% on the first $75,000 of retirement benefits, and 1.10% on amounts above $75,000 of retirement benefits, Group F (retiring before 7/1/2008) : 1.25%, Group F (retiring on or after 7/1/2008): 2.35%, Group F & G retiring on or after 07/01/2022: 2.15%.	Group A: 2.3%; Group B/C: 1.2%, Group C retiring on or after 07/01/2022: 1.20%	Group A - 1.10%, Groups B,C & D - 1.20%

Mortality Rates

VSERS

Pre-retirement:
- Group A/F - PubG-2010 General Employee Amount-Weighted Table with generational projection using scale MP-2021
- Group C/G - PubS-2010 Public Safety Employee Amount-Weighted Table with generational projection using scale MP-2021
- Group D - PubG-2010 General Employee Amount-Weighted Above Median Table with generational projection using scale MP-2021

Post-retirement Retiree
- Group A/F - PubG-2010 General Healthy Retiree Amount-Weighted Table with credibility adjustments of 101% and 105% for the Male and Female tables, respectively, with generational projection using scale MP-2021
- Group C/G- PubS-2010 Public Safety Retiree Amount-Weighted Table with generational projection using scale MP-2021
- Group D - PubG-2010 General Healthy Retiree Amount-Weighted Above Median Table with generational projection using scale MP-2021

Post-retirement Beneficiaries
- Group A/F/C/G - : Pub-2010 Contingent Survivor Amount-Weighted with generational projection using MP-2021
- Group D - Pub-2010 Contingent Survivor Amount-Weighted Above Median Table with generational projection using scale MP-2021

Disabled Retiree:
- Group A/F/D - : PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table with generational projection using scale MP-2021
- Groups C/G - PubS-2010 Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021

VSTRS

Pre-retirement:
- All Groups - PubT-2010 Teacher Employee Amount-Weighted Table with generational projection using scale MP-2021.

Post-retirement Retiree
- All Groups - PubT-2010 Teacher Healthy Retiree Amount-Weighted Table, with credibility adjustments of 103% and 93% for the Male and Female tables, respectively, with generational projection using scale MP-2021

Post-retirement Beneficiaries
- All Groups - Pub-2010 Contingent Survivor Amount-Weighted Table with generational projection using scale MP-2021.

Disabled Retiree:
- All Groups - PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2021.

VMERS

Pre-retirement:
- Groups A/B: 60% PubG-2010 General Employee Amount-Weighted Below-Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projections using Scale MP-2021.
- Group C: PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021.
- Group D: PubS-2010 Public Safety Employee Amount-Weighted Below-Median, with generational projections using scale MP-2021.

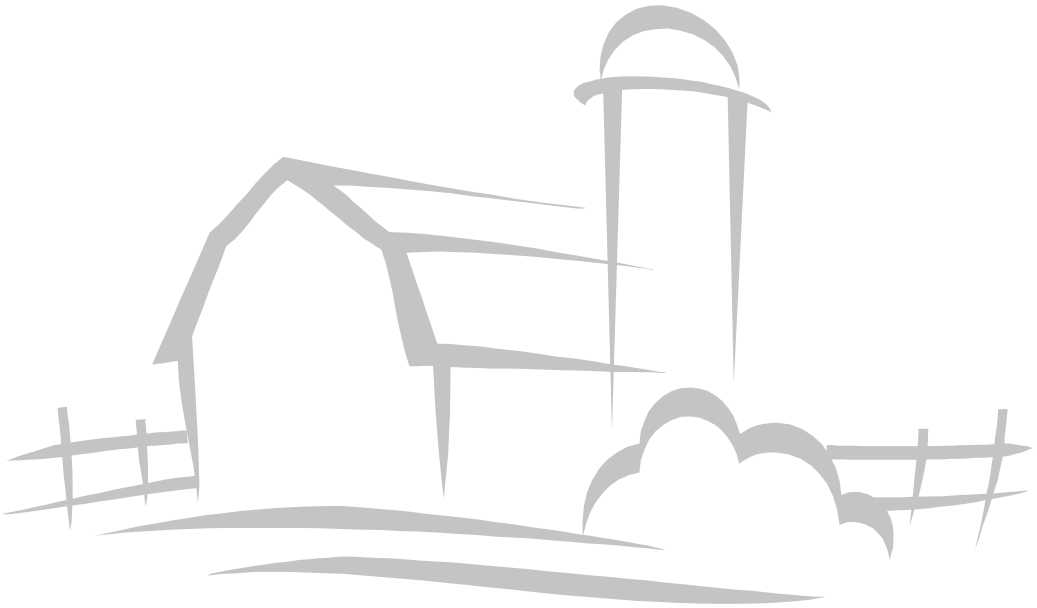
Post-retirement Retiree
- Groups A/B: PubG-2010 General Healthy Retiree Amount-Weighted Below-Median Table with credibility adjustments of 90% and 87% adjustments for males and female tables, respectively with generational projection using scale MP-2021.
- Group C: PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021.
- Group D: PubS-2010 Public Safety Retiree Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

Post-retirement Beneficiaries
- All Groups: Pub-2010 Contingent Survivor Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

Disabled Retiree:
- Group A/B/C: PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table with generational projection using scale MP-2021.
- Group D: PubS-2010 Public Safety Disable Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

See Independent Auditors' Report.

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Vermont

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF STATE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST TEN YEARS[1]
(Dollar amounts expressed in thousands)
(Unaudited)

	Vermont State Retirement System			
	2025	2024	2023	2022
State's proportion of net pension liability	98.8769%	98.7446%	99.1039%	98.4031%
State's proportionate share of the net pension liability	$ 1,076,389	$ 1,142,233	$ 1,113,862	$ 816,577
Fiduciary net position as a percentage of the total pension liability	70.99%	67.69%	66.95%	74.51%

	State Teachers' Retirement System[2]			
	2025	2024	2023	2022
State's proportion of net pension liability	100%	100%	100%	100%
State's proportionate share of the net pension liability	$ 1,753,131	$ 1,870,059	$ 1,928,559	$ 1,695,490
Fiduciary net position as a percentage of the total pension liability	61.65%	57.48%	54.81%	58.83%

[1]The amounts presented for each fiscal year were determined by an actuarial valuation on June 30 two years prior to the fiscal year. The measurement period and measurement date is one year prior to the fiscal year.

[2]The State Teacher's Retirement System has a special funding situation where the State, as the non-employer contributing entity, is responsible for the net pension liability.

See Independent Auditors' Report.

2021	2020	2019	2018	2017	2016
98.3248%	98.3137%	98.2187%	98.2850%	98.3625%	98.3289%
$ 1,092,572	$ 827,153	$ 753,395	$ 668,669	$ 651,099	$ 535,939
63.81%	69.41%	70.59%	71.99%	70.86%	74.88%

2021	2020	2019	2018	2017	2016
100%	100%	100%	100%	100%	100%
$ 1,951,128	$ 1,560,625	$ 1,510,705	$ 1,482,403	$ 1,309,523	$ 1,186,505
50.00%	54.96%	54.81%	53.98%	55.31%	58.22%

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PLANS
SCHEDULE OF INVESTMENT RETURNS
LAST TEN YEARS
(Unaudited)

	2025	2024	2023	2022
VERMONT STATE RETIREMENT SYSTEM				
Annual money-weighted rate of return, net of investment expense	10.65%	10.16%	7.65%	-7.42%
STATE TEACHERS' RETIREMENT SYSTEM				
Annual money-weighted rate of return, net of investment expense	10.76%	10.23%	7.64%	-7.41%
VERMONT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM				
Annual money-weighted rate of return, net of investment expense	10.69%	10.22%	7.69%	-7.88%

See Independent Auditors' Report.

2021	2020	2019	2018	2017	2016
24.59%	3.90%	5.90%	6.73%	10.33%	1.44%
24.75%	4.10%	6.10%	6.99%	10.17%	1.69%
24.32%	3.90%	5.80%	6.75%	10.88%	1.56%

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
VERMONT STATE POSTEMPLOYMENT BENEFIT TRUST FUND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
LAST NINE FISCAL YEARS
(Dollar amounts expressed in thousands)
(Unaudited)

	2025	2024	2023	2022
Total OPEB liability				
Service cost	$ 31,316	$ 26,723	$ 22,817	$ 67,476
Interest	85,940	72,341	63,680	39,605
Changes of benefit terms	-	-	-	(11,431)
Differences between expected and actual experience	(6,036)	25,103	(19,724)	241
Changes of assumptions	64,826	114,929	96,989	(746,859)
Benefit payments, net of retiree contributions, including administrative expense	(52,525)	(46,408)	(41,549)	(35,056)
Net change in total OPEB liability	123,521	192,688	122,213	(686,024)
Total OPEB liability, July 1	1,222,218	1,029,530	907,317	1,593,341
Total OPEB liability, June 30	1,345,739	1,222,218	1,029,530	907,317
Fiduciary net position				
Contributions - employer	78,303	67,147	64,699	35,170
Net investment income (loss)	20,950	18,157	9,810	(15,580)
Benefit payments, including refunds of member contributions	(52,525)	(46,408)	(41,549)	(35,056)
Administrative expenses	(14)	-	(1)	(2)
Net change in fiduciary net position	46,714	38,896	32,959	(15,468)
Fiduciary net position, beginning of year	176,655	137,759	104,800	120,268
Fiduciary net position, end of year	223,369	176,655	137,759	104,800
Net OPEB liability, June 30	$ 1,122,370	$ 1,045,563	$ 891,771	$ 802,517
Fiduciary net position as a percentage of the total OPEB liability	16.60%	14.45%	13.38%	11.55%
Covered payroll	$ 692,472	$ 649,309	$ 605,398	$ 579,629
Net OPEB liability as a percentage of covered-payroll	162.08%	161.03%	147.30%	138.45%
Notes to Schedule				
Discount rate	7.00%	7.00%	7.00%	7.00%
Assumed inflation	2.30%	2.30%	2.30%	2.50%

Plan Type: single employer

GASB No. 74 required supplementary information is not available for fiscal years prior to 2017. Data for future years will be added prospectively.

See Notes to the Required Supplementary Information.

See Independent Auditors' Report.

2021	2020	2019	2018	2017
$ 63,318	$ 45,691	$ 44,590	$ 52,326	$ 66,841
34,088	45,754	49,041	54,401	46,868
-	-	-	(20,233)	-
4,953	20,361	6,284	7,140	-
43,573	127,633	(25,551)	(303,322)	(190,151)
(35,561)	(35,768)	(35,340)	(34,559)	(33,346)
110,371	203,671	39,024	(244,247)	(109,788)
1,482,970	1,279,299	1,240,275	1,484,522	1,594,310
1,593,341	1,482,970	1,279,299	1,240,275	1,484,522
90,463	38,600	63,750	32,957	33,123
7,775	3,030	1,554	872	1,372
(35,561)	(35,768)	(35,340)	(34,559)	(33,346)
(1)	(3)	(2)	(1)	-
62,676	5,859	29,962	(731)	1,149
57,592	51,733	21,771	22,502	21,353
120,268	57,592	51,733	21,771	22,502
$ 1,473,073	$ 1,425,378	$ 1,227,566	$ 1,218,504	$ 1,462,020
7.55%	3.88%	4.04%	1.76%	1.52%
$ 578,702	$ 554,292	$ 548,512	$ 531,543	$ 497,201
254.55%	257.15%	223.80%	229.24%	294.05%
2.41%	2.23%	3.50%	3.87%	3.58%
2.00%	2.00%	2.75%	2.75%	2.75%

STATE OF VERMONT
VERMONT STATE POSTEMPLOYMENT BENEFIT TRUST FUND
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

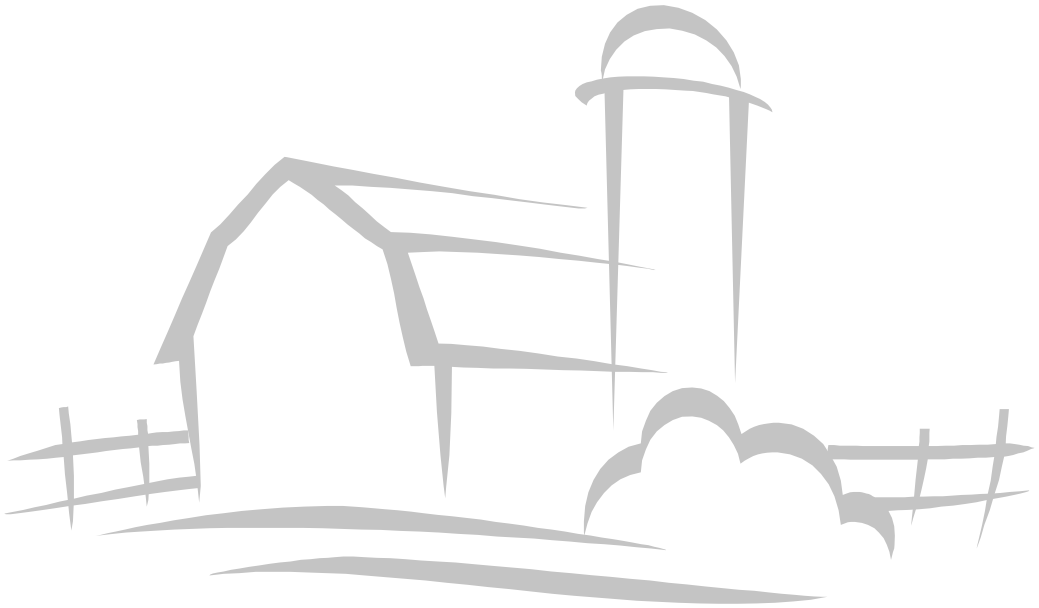
Fiscal Year 2024
Changes in assumptions: The valuation-year per capita health costs and retiree contribution rates were updated. The future trend rates on the valuation-year per capita health costs and retiree contribution rates were modified.

Fiscal Year 2023
Mortality improvement scales were updated to MP-2021.

Fiscal Year 2022
Benefit changes: Changes were made to the eligibility requirements.
Changes in assumptions: The valuation-year per capita health costs and retiree contribution rates were updated; The percentage of active employees eligible to retire and receive the maximum premium subsidy who are assumed to participate in the plan increased from 80% to 85%; The percentage of active employees eligible to retire and receive less than the maximum premium subsidy who are assumed to participate in the plan decreased from 80% to 50%; The percentage of eligible future retirees covering a spouse that are assumed to elect the Premium Reduction Option decreased from 35% to 25%; The percentage of future female retirees assumed to have an eligible spouse who also opts for health coverage decreased from 60% to 55%; Retirement rates were updated for Group C to reflect the best estimate of anticipated future experience.

Fiscal Year 2018
Benefit changes: medical copays were modified, and pharmacy deductible and maximum out of pocket expenses were increased

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Vermont

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
RETIRED TEACHERS' HEALTH AND MEDICAL BENEFITS TRUST FUND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
LAST NINE FISCAL YEARS
(Dollar amounts expressed in thousands)
(Unaudited)

	2025	2024	2023	2022
Total OPEB liability				
Service cost	$ 22,863	$ 19,827	$ 16,347	$ 53,507
Interest	68,528	59,826	53,043	29,254
Changes of benefit terms	(4,262)	272	-	-
Differences between expected and actual experience	(6,611)	3,898	11,434	18,750
Changes of assumptions	183,223	73,414	47,069	(605,232)
Benefit payments, net of retiree contributions, including administrative expense	(37,507)	(34,460)	(34,489)	(28,141)
Net change in total OPEB liability	226,234	122,777	93,404	(531,862)
Total OPEB liability, July 1	974,540	851,763	758,359	1,290,221
Total OPEB liability, June 30	1,200,774	974,540	851,763	758,359
Fiduciary net position				
Contributions - non-employer	70,577	61,682	57,168	54,203
Net investment income (loss)	16,534	13,759	9,043	(186)
Benefit payments, including refunds of member contributions	(37,507)	(34,460)	(34,489)	(28,141)
Administrative expenses	(3)	(2)	(2)	(2)
Other	-	-	-	-
Net change in fiduciary net position	49,601	40,979	31,720	25,874
Fiduciary net position, beginning of year	113,207	72,228	40,508	14,634
Fiduciary net position, end of year	162,808	113,207	72,228	40,508
Net OPEB liability, June 30	$ 1,037,966	$ 861,333	$ 779,535	$ 717,851
Fiduciary net position as a percentage of the total OPEB liability	13.56%	11.62%	8.48%	5.34%
Covered payroll	$ 774,175	$ 743,006	$ 701,567	$ 657,935
Net OPEB liability as a percentage of covered payroll	134.07%	115.93%	111.11%	109.11%
Notes to Schedule				
Discount rate	7.00%	7.00%	7.00%	7.00%
Assumed inflation	2.30%	2.30%	2.30%	2.50%

Plan Type: cost sharing multiple employer with a special funding situation

GASB No. 74 required supplementary information is not available for fiscal years prior to 2017. Data for future years will be added prospectively.

See Notes to the Required Supplementary Information.

See Independent Auditors' Report.

2021	2020	2019	2018	2017
$ 50,729	$ 30,590	$ 20,786	$ 26,273	$ 32,511
28,809	37,030	36,139	32,838	26,425
(75,248)	-	(21,209)	-	-
33,179	31,061	24,665	42,621	-
15,408	155,924	82,448	(50,192)	(33,192)
(30,775)	(27,551)	(29,607)	(29,329)	(29,577)
22,102	227,054	113,222	22,211	(3,833)
1,268,119	1,041,065	927,843	905,632	909,465
1,290,221	1,268,119	1,041,065	927,843	905,632
36,639	35,176	56,594	29,803	23,839
53	283	31	20	41
(30,775)	(27,551)	(29,607)	(29,329)	(29,348)
(2)	(2)	(263)	(279)	(229)
-	501	-	-	-
5,915	8,407	26,755	215	(5,697)
8,719	312	(26,443)	(26,658)	(20,961)
14,634	8,719	312	(26,443)	(26,658)
$ 1,275,587	$ 1,259,400	$ 1,040,753	$ 954,286	$ 932,290
1.13%	0.69%	0.03%	-2.85%	-2.94%
$ 645,903	$ 624,908	$ 612,899	$ 607,355	$ 586,397
197.49%	201.53%	169.81%	157.12%	158.99%
2.20%	2.21%	3.50%	3.87%	3.58%
2.00%	2.00%	2.75%	2.75%	2.75%

STATE OF VERMONT
RETIRED TEACHERS' HEALTH AND MEDICAL BENEFITS TRUST FUND
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

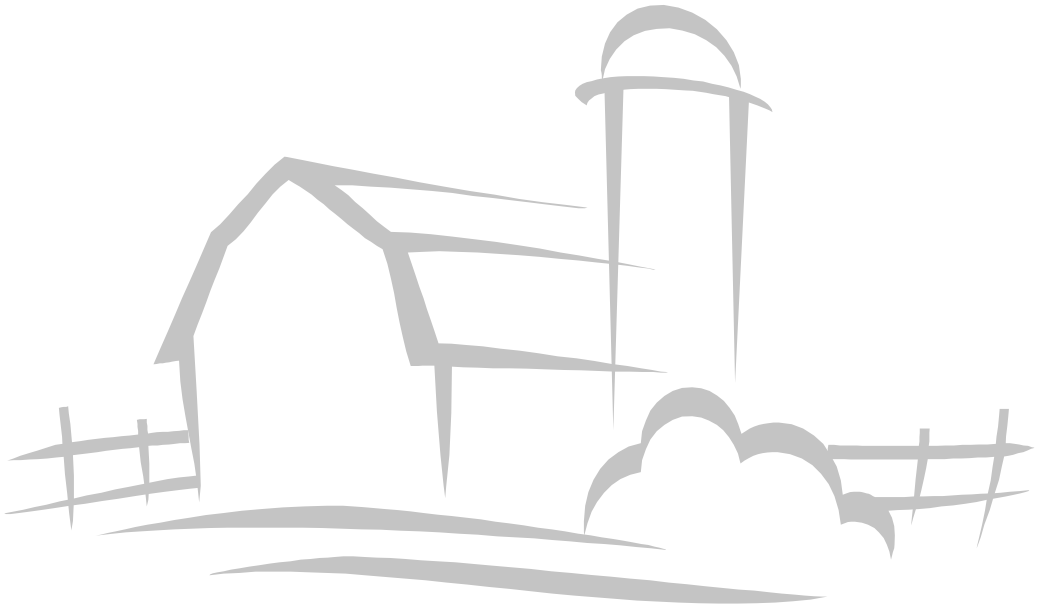
Fiscal Year 2024
Benefit changes: Effective January 1, 2025, hearing aid coverage was added for non-Medicare retirees.
Changes in assumptions: The valuation-year claims and retiree contribution rates were updated. The assumed heath trend rates were modified.

Fiscal Year 2023
Mortality improvement scales were updated to MP-2021.

Fiscal Year 2022
Changes in assumptions: the per capita valuation-year claims and retiree contribution rates were updated; The assumed health trend rates were modified; The percentage of future retirees at retirement assumed to have an eligible spouse who also opts for health coverage was increased from 40% to 60% for males and 25% to 40% for females.

Fiscal Year 2019
Benefit changes: OTC, Fertility, and ED drugs will be removed from the Medicare prescription drug plan, and non-Medicare retirees will be moved to the National Preferred Formulary and Accredo Exclusive Specialty Network.

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Vermont

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLANS
SCHEDULE OF INVESTMENT RETURNS
LAST NINE FISCAL YEARS
(Unaudited)

	2025	2024	2023	2022
Vermont State Postemployment Benefit Trust Fund				
Annual money-weighted rate of return, net of investment expense	11.30%	12.50%	8.70%	-13.09%
Retired Teachers' Health and Medical Benefits Fund *				
Annual money-weighted rate of return, net of investment expense	10.20%	12.00%	11.90%	-3.31%

* The Retired Teachers' Health and Medical Benefits Fund has no investments for those years.

GASB No. 74 required supplementary information is not available for fiscal years prior to 2017. Data for future years will be added prospectively.

See Independent Auditors' Report.

2021	2020	2019	2018	2017
13.90%	6.20%	6.90%	4.00%	6.50%
0.30%	6.20%	N/A	N/A	N/A

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLANS
SCHEDULE OF EMPLOYER AND NONEMPLOYER CONTRIBUTIONS
LAST NINE FISCAL YEARS
(Dollar amounts expressed in thousands)
(Unaudited)

Retirement System	Year Ended 6/30	Actuarially Determined Contribution[1] (ADC)	Contributions in Relation to ADC	Contribution (Excess) Deficiency	Covered Payroll (CP)	Contribution as a Percent of CP
Vermont State Postemployment Benefit Trust Fund (VSPB)	2025	$ 78,295	$ 78,303	$ (8)	$ 692,472	11.31%
	2024	67,147	67,147	-	649,309	10.34%
	2023	64,578	64,699	(121)	605,398	10.69%
	2022	109,708	35,170	74,538	579,629	6.07%
	2021	90,026	90,463	(437)	578,702	15.63%
	2020	87,805	38,600	49,205	554,293	6.96%
	2019	100,188	63,750	36,438	548,512	11.62%
	2018	74,760	32,957	41,803	531,543	6.20%
	2017	71,833	33,123	38,710	497,201	6.66%
Retired Teachers' Health and Medical Benefits Fund (RTHMB)	2025	$ 70,483	$ 70,577	$ (94)	$ 774,175	9.12%
	2024	61,291	61,682	(391)	743,006	8.30%
	2023	54,814	57,168	(2,354)	701,567	8.15%
	2022	102,153	54,203	47,950	657,935	8.24%
	2021	67,912	36,639	31,273	645,903	5.67%
	2020	58,253	35,176	23,077	624,908	5.63%
	2019	54,659	56,594	(1,935)	612,899	9.23%
	2018	37,317	29,803	7,514	607,355	4.91%
	2017	35,918	23,839	12,079	586,397	4.07%

[1]ADC for a given fiscal year are based on results from the June 30 actuarial valuation two years prior.

GASB No. 74 required supplementary information is not available for fiscal years prior to 2017. Data for future years will be added prospectively.

See Independent Auditors' Report.

The accompanying notes are an integral part of the required supplementary information.

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLANS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

	VSPB	RTHMB
Valuation date:		
Actuarially determined contributions rates are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are reported. Assumptions values listed below were used in determining the actuarially determined contributions rates calculated as of that date.		
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percentage of payroll, closed basis	Level percentage of payroll, closed basis
Remaining amortization period	24 years	24 years
Asset valuation method	Market Value	Market Value
Actuarial assumptions		
Investment rate of return	7.00%	7.00%
Discount rate	7.00%	7.00%
Projected salary increases	Varies by age from age 20 - 6.38%, to age 60 - 3.76%.	Varies by age from age 20 - 8.50%, to age 65 - 3.19%.
Inflation	2.30%	2.30%
Health care cost trend rates		
Non-Medicare	7.39% graded to 4.50% over 12 years	7.39% graded to 4.50% over 12 years
Medicare	6.90% graded to 4.50% over 12 years	6.90% graded to 4.50% over 12 years
Medicare STRS 65	N/A	4.50%

Mortality Rates

VSPB

Pre-retirement:

Group A/F: PubG-2010 General Employee Headcount-Weighted with generational projection using scale MP-2021.
Group C: PubS-2010 Public Safety Employee Headcount-Weighted with generational projection using scale MP 2021.
Group D: PubG-2010 General Employee Headcount-Weighted Above Median, with generational projection using scale MP-2021.

Post-retirement Retiree

Group A/F: PubG-2010 General Healthy Retiree Headcount-Weighted with credibility adjustments of 101% and 105% for the Male and Female tables, respectively, with generational projection using scale MP-2021.
Group C: PubS-2010 Public Safety Retiree Headcount-Weighted with generational projection using scale MP-2021.
Group D: PubG-2010 General Healthy Retiree Headcount-Weighted Above Median with generational projection using scale MP 2021.

Post-retirement Beneficiaries

Group A/F/C: Pub-2010 Contingent Survivor Headcount-Weighted with generational projection using MP 2021.
Group D: Pub-2010 Contingent Survivor Headcount-Weighted Above Median with generational projection using MP 2021.

Disabled Retiree:

Group A/D/F: PubNS-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table with generational projection using scale MP-2021.
Group C: PubS-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table with generational projection using scale MP-2021.

RTHMB

Pre-retirement:

All Groups - PubT-2010 Teacher Employee Headcount-Weighted Table with generational projection using scale MP-2021

Post-retirement Retiree

All Groups - PubT-2010 Teacher Healthy Retiree Headcount-Weighted Table, with credibility adjustments of 103% and 93% for the Male and Female tables, respectively, with generational projection using scale MP-2021.

Post-retirement Beneficiaries

All Groups - Pub-2010 Contingent Survivor Headcount-Weighted Table with generational projection using scale MP-2021

Disabled Retiree:

All Groups - PubNS-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table with generational using scale MP-2021.

See Independent Auditors' Report.

STATE OF VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF STATE'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
LAST EIGHT FISCAL YEARS[1]
(Dollar amounts expressed in thousands)
(Unaudited)

	Vermont State Postemployment Benefit Trust Fund			
	2025	2024	2023	2022
State's proportion of net OPEB liability	98.7143%	98.6851%	98.5041%	99.3278%
State's proportionate share of the net OPEB liability	$ 1,032,120	$ 880,046	$ 790,512	$ 1,463,170
Fiduciary net position as a percentage of the total OPEB liability	14.45%	13.38%	11.55%	7.55%

	Retired Teachers' Health and Medical Benefits Fund[2]			
	2025	2024	2023	2022
State's proportion of net OPEB liability	100%	100%	100%	100%
State's proportionate share of the net OPEB liability	$ 861,333	$ 779,535	$ 717,851	$ 1,275,587
Fiduciary net position as a percentage of the total OPEB liability	11.62%	8.48%	5.34%	1.13%

[1]The amounts presented for each fiscal year were determined as of the measurement date. The measurement period and measurement date is one year prior to the fiscal year.

[2]The Retired Teachers' Health and Medical Benefits Fund has a special funding situation where the State, as the non-employer contributing entity, is responsible for the net OPEB liability.

GASB No. 75 required supplementary information is not available for fiscal years prior to 2018. Data for future years will be added prospectively.

See Independent Auditors' Report.

2021	2020	2019	2018
98.3218%	98.9933%	98.2292%	98.2979%
$ 1,401,457	$ 1,215,208	$ 1,196,927	$ 1,437,135
3.88%	4.04%	1.76%	1.52%

2021	2020	2019	2018
100%	100%	100%	100%
$ 1,259,400	$ 1,040,753	$ 954,286	$ 932,290
0.69%	0.03%	-2.85%	-2.94%

STATE OF VERMONT
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under)
Revenues				
Taxes	$ 2,145,200,000	$ 2,215,400,000	$ 2,360,881,991	$ 145,481,991
Earnings of Departments	53,200,000	51,200,000	49,638,611	(1,561,389)
Other	100,000,000	95,800,000	154,730,888	58,930,888
Total revenues	2,298,400,000	2,362,400,000	2,565,251,490	202,851,490
Expenditures				
General Government				
Agency of Administration	101,510,333	194,176,900	82,129,530	(112,047,370)
Agency of Digital Services	209,808	2,489,920	1,077,488	(1,412,432)
Executive Office	1,896,299	2,249,614	2,249,614	-
Legislature	18,812,230	21,672,142	19,582,411	(2,089,731)
Joint Fiscal Office	2,909,179	3,776,272	2,924,930	(851,342)
Sergeant at Arms	1,663,504	2,100,815	1,623,496	(477,319)
Lieutenant Governor's Office	321,409	331,880	312,988	(18,892)
Auditor of Accounts	383,992	445,752	290,750	(155,002)
State Treasurer	2,533,091	8,337,135	1,845,398	(6,491,737)
State Labor Relations Board	329,646	363,714	313,584	(50,130)
VOSHA Review Board	72,964	97,189	69,317	(27,872)
Homeowner Property Tax Assistance	19,100,000	19,011,666	16,641,209	(2,370,457)
Renter Rebate Tax Assistance	9,500,000	9,927,978	9,747,331	(180,647)
Protection to Persons and Property				
Attorney General	10,661,172	11,227,848	10,976,950	(250,898)
Defender General	26,103,599	23,347,844	23,257,103	(90,741)
Judiciary	65,885,661	76,922,422	73,812,086	(3,110,336)
State's Attorneys and Sheriffs	29,559,359	23,697,630	22,397,702	(1,299,928)
Department of Public Safety	85,945,490	126,688,657	66,120,634	(60,568,023)
Military Department	6,807,040	8,530,331	6,997,104	(1,533,227)
Center for Crime Victim Services	1,937,998	2,182,298	1,570,920	(611,378)
Criminal Justice Training Council	3,835,126	6,106,860	4,321,236	(1,785,624)
Agency of Agriculture, Food and Markets	12,516,166	21,716,740	16,564,561	(5,152,179)
Secretary of State	1,417,000	2,143,664	1,781,855	(361,809)
Public Service Department	-	96,844,352	19,439,413	(77,404,939)
Public Utility Commission	-	458,291	448,349	(9,942)
Human Rights Commission	953,800	1,034,526	985,110	(49,416)
Human Services				
Agency of Human Services	1,380,300,605	1,566,736,287	1,430,720,344	(136,015,943)
Green Mountain Care Board	3,509,109	6,654,161	4,285,834	(2,368,327)
Governor's Commission on Women	487,998	516,867	505,042	(11,825)
Human Services Board	486,165	486,165	486,165	-
Office of the Child, Youth, & Family Advocate	431,786	528,740	418,663	(110,077)
Vermont Veterans' Home	4,320,687	11,224,018	10,024,018	(1,200,000)
Labor				
Department of Labor	10,916,365	24,760,799	9,186,116	(15,574,683)
General Education				
Agency of Education	18,475,381	20,392,446	16,467,788	(3,924,658)
State Teacher's Retirement	210,415,138	210,415,138	210,415,138	-
Higher Education	144,203,501	28,033,306	27,309,340	(723,966)

continued on next page

STATE OF VERMONT
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under)
Expenditures				
Natural Resources				
Agency of Natural Resources	51,257,568	164,213,842	57,615,874	(106,597,968)
Land Use Review Board	2,116,482	2,380,298	1,302,244	(1,078,054)
Commerce and Community Development				
Agency of Commerce and Community Development	36,099,372	158,916,751	60,913,332	(98,003,419)
Cultural Development	2,568,168	2,630,860	2,630,860	-
Housing and Conservation Board	1,000,000	161,581,364	36,862,610	(124,718,754)
Transportation				
Agency of Transportation	-	11,707,247	8,506,542	(3,200,705)
Total expenditures	2,271,453,191	3,037,060,729	2,265,130,979	(771,929,750)
Excess of revenues over expenditures	26,946,809	(674,660,729)	300,120,511	974,781,240
Other Financing Sources (Uses)				
Transfers in	26,376,076	130,437,223	130,437,223	-
Transfers out	(178,856,869)	(211,286,515)	(211,286,515)	-
Total other financing sources (uses)	(152,480,793)	(80,849,292)	(80,849,292)	-
Excess of revenues and other sources over (under) expenditures and other uses	(125,533,984)	(755,510,021)	219,271,219	974,781,240
Fund balance, July 1	1,136,582,301	1,136,582,301	1,136,582,301	-
Fund balance, June 30	$ 1,011,048,317	$ 381,072,280	$ 1,355,853,520	$ 974,781,240

See Independent Auditors' Report.

The accompanying notes are an integral part of the required supplementary information.

STATE OF VERMONT
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE
TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under)
Revenues				
Taxes	$ 187,800,000	$ 190,600,000	$ 188,322,386	$ (2,277,614)
Motor vehicle fees	103,600,000	103,600,000	101,491,872	(2,108,128)
Federal	493,926,974	562,681,282	404,939,053	(157,742,229)
Other	45,600,000	44,900,000	45,680,615	780,615
Total revenues	830,926,974	901,781,282	740,433,926	(161,347,356)
Expenditures				
General Government				
Agency of Administration	6,792,149	4,301,711	4,229,261	(72,450)
Protection to Persons and Property				
Department of Public Safety	20,250,000	20,890,756	20,675,668	(215,088)
Transportation				
Agency of Transportation	848,302,242	921,672,524	744,382,120	(177,290,404)
Total expenditures	875,344,391	946,864,991	769,287,049	(177,577,942)
Excess of revenues over (under) expenditures	(44,417,417)	(45,083,709)	(28,853,123)	16,230,586
Other financing sources (uses)				
Transfers in	26,100,000	26,100,000	26,100,000	-
Transfers out	(2,217,692)	(2,217,692)	(2,217,692)	-
Total other financing sources (uses)	23,882,308	23,882,308	23,882,308	-
Excess of revenues and other sources over (under) expenditures and other uses	(20,535,109)	(21,201,401)	(4,970,815)	16,230,586
Fund balance, July 1	(68,522,905)	(68,522,905)	(68,522,905)	-
Fund balance, June 30	$ (89,058,014)	$ (89,724,306)	$ (73,493,720)	$ 16,230,586

See Independent Auditors' Report.

The accompanying notes are an integral part of the required supplementary information.

STATE OF VERMONT
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE
EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under)
Revenues				
Taxes	$ 2,217,820,966	$ 2,213,820,966	$ 2,217,414,266	$ 3,593,300
Interest and premiums	4,900,000	3,200,000	2,454,863	(745,137)
Total revenues	2,222,720,966	2,217,020,966	2,219,869,129	2,848,163
Expenditures				
General Education				
Agency of Education	2,269,319,258	2,289,297,813	2,247,621,875	(41,675,938)
State Teachers' Retirement	55,075,209	55,075,209	55,075,209	-
Total expenditures	2,324,394,467	2,344,373,022	2,302,697,084	(41,675,938)
Excess of revenues over (under) expenditures	(101,673,501)	(127,352,056)	(82,827,955)	44,524,101
Other financing sources (uses)				
Transfers in	66,626,644	66,626,644	66,626,644	-
Transfers out	(1,402,788)	(1,402,788)	(1,402,788)	-
Total other financing sources (uses)	65,223,856	65,223,856	65,223,856	-
Excess of revenues and other sources over (under) expenditures and other uses	(36,449,645)	(62,128,200)	(17,604,099)	44,524,101
Fund balance, July 1	149,834,830	149,834,830	149,834,830	-
Fund balance, June 30	$ 113,385,185	$ 87,706,630	$ 132,230,731	$ 44,524,101

See Independent Auditors' Report.

The accompanying notes are an integral part of the required supplementary information.

STATE OF VERMONT
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE
SPECIAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under)
Revenues				
Special Fund Revenues	$ 578,210,869	$ 1,091,375,528	$ 657,399,310	$ (433,976,218)
Total revenues	578,210,869	1,091,375,528	657,399,310	(433,976,218)
Expenditures				
General Government				
Agency of Administration	37,132,114	73,153,616	47,286,269	(25,867,347)
Agency of Digital Services	511,723	92,045,308	23,028,493	(69,016,815)
Executive Office	255,405	255,405	203,452	(51,953)
Legislature	-	169	169	-
Sergeant at Arms	-	240	240	-
Auditor of Accounts	53,145	53,145	53,145	-
State Treasurer	4,093,817	4,358,817	4,311,346	(47,471)
Vermont Pension Investment Commission	2,449,214	2,453,051	2,045,211	(407,840)
State Labor Relations Board	9,576	9,576	3,894	(5,682)
VOSHA Review Board	51,004	51,004	49,196	(1,808)
Unorganized Towns and Gores	-	525,000	354,787	(170,213)
Protection to Persons and Property				
Attorney General	7,593,666	8,386,515	6,998,550	(1,387,965)
Defender General	739,653	774,148	546,657	(227,491)
Judiciary	7,520,883	11,113,399	4,018,390	(7,095,009)
State's Attorneys and Sheriffs	578,061	578,061	380,976	(197,085)
Department of Public Safety	30,543,044	35,728,290	24,111,026	(11,617,264)
Military Department	271,592	483,626	437,527	(46,099)
Center for Crime Victim Services	4,015,490	4,415,490	3,820,871	(594,619)
Criminal Justice Training Council	343,181	343,181	340,353	(2,828)
Agency of Agriculture, Food and Markets	22,085,454	32,197,190	16,550,089	(15,647,101)
Department of Financial Regulation	19,736,951	20,663,341	19,606,376	(1,056,965)
Secretary of State	19,922,486	22,558,497	19,797,521	(2,760,976)
Public Service Department	12,555,254	68,346,233	35,724,755	(32,621,478)
Public Utility Commission	5,669,552	5,669,552	5,079,908	(589,644)
Enhanced 911 Board	4,900,660	4,902,469	4,736,199	(166,270)
Human Rights Commission	-	33,000	8,549	(24,451)
Department of Liquor and Lottery	445,579	1,728,091	1,659,462	(68,629)
Cannabis Control Board	6,062,214	6,062,214	5,063,604	(998,610)
Human Services				
Agency of Human Services	277,227,521	331,174,588	251,541,490	(79,633,098)
Green Mountain Care Board	5,796,301	7,251,220	5,463,578	(1,787,642)
Governor's Commission on Women	4,508	4,508	2,330	(2,178)
Vermont Veterans Home	1,500,000	-	-	-
Labor				
Department of Labor	9,694,333	9,694,333	4,470,302	(5,224,031)
General Education				
Agency of Education	25,869,846	31,294,685	22,548,198	(8,746,487)

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STATE OF VERMONT
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE
SPECIAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under)
Expenditures				
Natural Resources				
Agency of Natural Resources	92,179,931	178,188,605	94,576,606	(83,611,999)
Land Use Review Board	2,974,795	2,987,127	2,980,394	(6,733)
Commerce and Community Development				
Agency of Commerce and Community Development	15,773,014	52,160,400	16,668,418	(35,491,982)
Housing and Conservation Board	-	2,800,000	292,500	(2,507,500)
Transportation				
Agency of Transportation	9,335,717	64,706,678	36,378,705	(28,327,973)
Total expenditures	627,895,684	1,077,150,772	661,139,536	(416,011,236)
Excess of revenues over expenditures	(49,684,815)	14,224,756	(3,740,226)	(17,964,982)
Other Financing Sources (Uses)				
Transfers in	107,240,475	111,974,720	111,974,720	-
Transfers out	(57,555,660)	(126,199,476)	(126,199,476)	-
Total other financing sources (uses)	49,684,815	(14,224,756)	(14,224,756)	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(17,964,982)	(17,964,982)
Fund balance, July 1	574,563,644	574,563,644	574,563,644	-
Fund balance, June 30	$ 574,563,644	$ 574,563,644	$ 556,598,662	$ (17,964,982)

See Independent Auditors' Report.

The accompanying notes are an integral part of the required supplementary information.

STATE OF VERMONT
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE
FEDERAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under)
Revenues				
Federal	$ 2,556,636,142	$ 3,613,999,745	$ 2,590,905,894	$ (1,023,093,851)
Interest and premiums	-	350,040	350,040	-
Other	-	501,095	501,095	-
Total revenues	2,556,636,142	3,614,850,880	2,591,757,029	(1,023,093,851)
Expenditures				
General Government				
Agency of Administration	1,467,374	45,238,784	14,182,693	(31,056,091)
Agency of Digital Services	-	403,227	402,909	(318)
State Treasurer	-	1,662,464	1,586,564	(75,900)
Protection to Persons and Property				
Attorney General	1,743,215	1,743,215	1,716,877	(26,338)
Defender General	-	3,339,292	3,339,292	-
Judiciary	953,928	1,804,477	1,486,496	(317,981)
State's Attorneys and Sheriffs	31,000	9,640,878	7,970,540	(1,670,338)
Department of Public Safety	58,261,358	198,297,289	178,457,737	(19,839,552)
Military Department	64,995,771	80,265,925	38,812,835	(41,453,090)
Center for Crime Victim Services	6,743,728	6,743,728	6,123,334	(620,394)
Agency of Agriculture, Food and Markets	21,372,479	32,386,353	28,753,127	(3,633,226)
Department of Financial Regulation	-	537,278	537,278	-
Secretary of State	7,016,412	7,676,891	4,132,969	(3,543,922)
Public Service Department	1,752,561	117,728,823	40,937,894	(76,790,929)
Human Rights Commission	89,000	116,200	95,589	(20,611)
Human Services				
Agency of Human Services	1,805,228,431	2,094,813,950	1,956,037,903	(138,776,047)
Human Services Board	307,574	357,574	338,923	(18,651)
Labor				
Department of Labor	34,261,616	38,568,200	35,170,985	(3,397,215)
General Education				
Higher Education	-	173,497,065	173,398,056	(99,009)
Agency of Education	354,654,849	378,566,210	282,216,796	(96,349,414)
Natural Resources				
Agency of Natural Resources	142,316,618	263,376,847	116,331,581	(147,045,266)
Land Use Review Board	-	949,613	468,388	(481,225)

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STATE OF VERMONT
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE
FEDERAL REVENUE FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under)
Expenditures				
Commerce and Community Development				
Agency of Commerce and Community Development	29,119,830	67,766,658	37,072,832	(30,693,826)
Housing and Conservation Board	-	52,846,781	31,180,030	(21,666,751)
Transportation				
Agency of Transportation	-	5,223,849	3,037,002	(2,186,847)
Total expenditures	2,530,315,744	3,583,551,571	2,963,788,630	(619,762,941)
Excess of revenues over expenditures	26,320,398	31,299,309	(372,031,601)	(403,330,910)
Other Financing Sources (Uses)				
Transfers out	(26,320,398)	(30,448,174)	(30,448,174)	-
Total other financing sources (uses)	(26,320,398)	(30,448,174)	(30,448,174)	-
Excess of revenues and other sources over (under) expenditures and other uses	-	851,135	(402,479,775)	(403,330,910)
Fund balance, July 1	551,950,650	551,950,650	551,950,650	-
Fund balance, June 30	$ 551,950,650	$ 552,801,785	$ 149,470,875	$ (403,330,910)

See Independent Auditors' Report.

The accompanying notes are an integral part of the required supplementary information.

STATE OF VERMONT
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE
GLOBAL COMMITMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under)
Revenues				
Global Commitment Premiums	$ 2,021,999,040	$ 2,217,414,458	$ 2,143,635,419	$ (73,779,039)
Total revenues	2,021,999,040	2,217,414,458	2,143,635,419	(73,779,039)
Expenditures				
Human Services				
Agency of Human Services	1,990,193,136	2,185,608,554	2,111,918,967	(73,689,587)
General Education				
Higher Education	1,500,000	1,500,000	1,500,000	-
Agency of Education	260,000	260,000	91,276	(168,724)
Total expenditures	1,991,953,136	2,187,368,554	2,113,510,243	(73,858,311)
Excess of revenues over (under) expenditures	30,045,904	30,045,904	30,125,176	79,272
Other financing sources (uses)				
Transfers out	(30,045,904)	(30,045,904)	(30,045,904)	-
Total other financing sources (uses)	(30,045,904)	(30,045,904)	(30,045,904)	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	79,272	79,272
Fund balance, July 1	(80,916)	(80,916)	(80,916)	-
Fund balance, June 30	$ (80,916)	$ (80,916)	$ (1,644)	$ 79,272

See Independent Auditors' Report.

The accompanying notes are an integral part of the required supplementary information.

Notes to the Required Supplementary Information—Budgetary Reporting
(unaudited)

Budgetary Comparison Schedules
The budgetary schedules provide a comparison of the original and final adopted budget with actual data on a budgetary basis for the Governmental Funds. The State's legal level of budgetary control is at the activity level. The State compiles a separate legal basis budgetary report, which shows the legal compliance with the budget. Budgetary comparison schedules showing legal level detail may be obtained by contacting the State of Vermont, Department of Finance and Management, 109 State Street, 4th Floor, Pavilion Building, Montpelier, Vermont 05609-0401.

Budgetary Process
Vermont statutes require the head of every State department, board, and commission and any officer or individual responsible for any activity for which funds are appropriated by the Vermont Legislature to provide, on or before September 1 preceding any biennium, statements to the Commissioner of Finance and Management showing in detail the amounts appropriated and expended for both the current and preceding fiscal years and the amount estimated to be necessary for similar activity for the ensuing two fiscal years. The Commissioner of Finance and Management and the Secretary of Administration are then required to submit to the Governor by November 15 preceding each biennium, the estimates as received along with any other estimates for the ensuing two fiscal years. The Governor then submits to the Vermont Legislature, no later than the third Tuesday of every annual session, a budget that embodies estimates, requests, and recommendations for appropriations or other authorizations for expenditures from the State treasury for at least the succeeding fiscal year. The Vermont Legislature then enacts into law an appropriations act that must be approved by the Governor before expenditures can be made. In recent years in accordance with Act 250 of 1979 Section 125, it has been the practice of the Governor to submit an annual budget and the Vermont Legislature to enact appropriations on an annual basis.

Budgets are prepared and appropriated on a cash basis and usually at the program level. The Governor may amend appropriations or transfer appropriations within limits established by 32 V.S.A. Chapter 9. The Agency of Administration maintains budgetary control by fund at the appropriation level. Governmental funds' unspent appropriation balances revert to the fund balance at the end of each fiscal year for re-appropriation unless authorized to be carried forward to the following year(s) by legislative act. Unexpended balances of capital projects funds are available for expenditure in the following fiscal year(s).

Revenue Estimates
By July 31 each year, the Joint Fiscal Office and the Secretary of Administration provide to the Emergency Board their respective estimates of State revenues in the General, Transportation, Education, and Global Commitment Funds. The Emergency Board then has 10 days to determine the original revenue estimates for the fiscal year. For the Special and Federal Revenue Funds the original budget for revenues is based on the amount appropriated for expenditures. By January 15, the Joint Fiscal Office and the Secretary of Administration provide to the Emergency Board their respective estimates of State revenues and the Emergency Board determines any revision to the July revenue estimates.

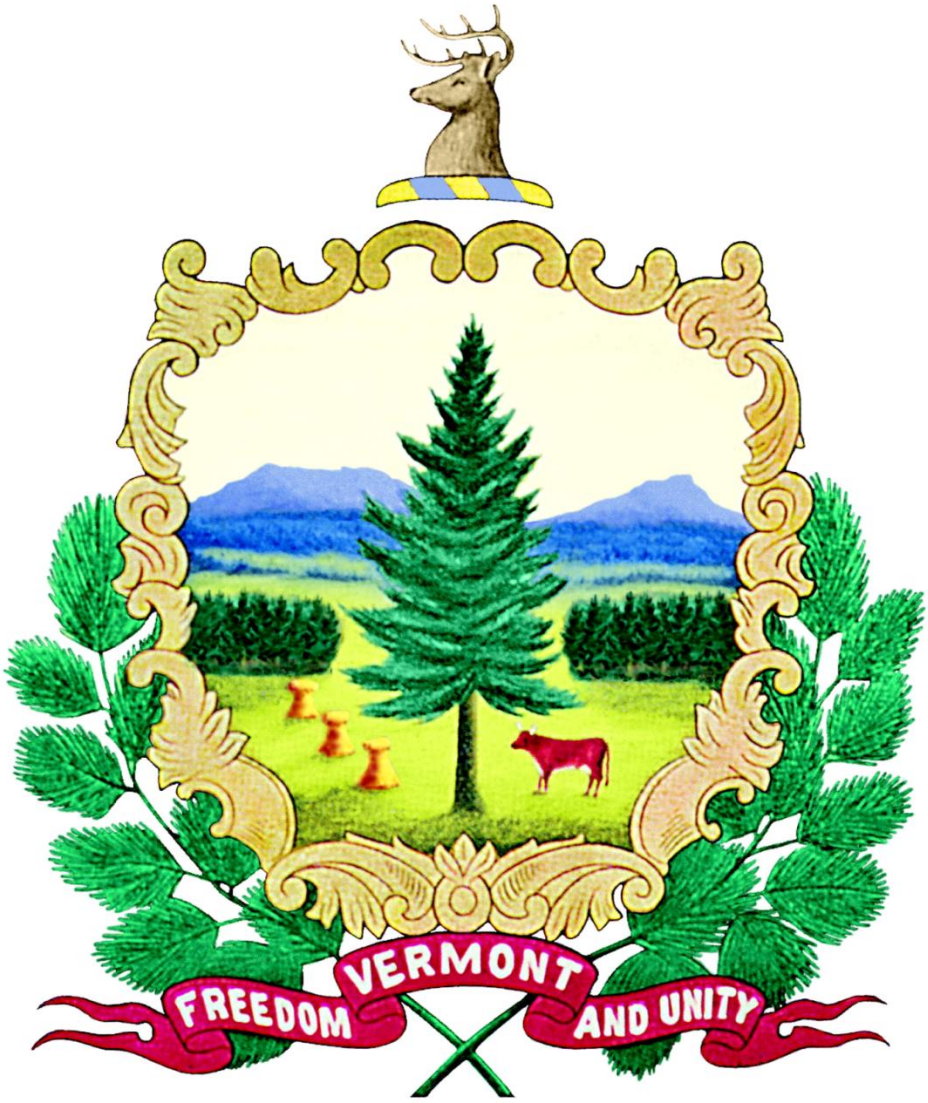
Expenditure and Transfer Budgets
The original budgets for expenditures and transfers are determined by the Legislature through the passage of the annual Appropriation Act. The Commissioner of Finance and Management (with approval from the Governor) may transfer balances of appropriations not to exceed $50,000 made under any appropriation act for the support of the government from one component of an agency, department, or other unit of State government, to any component of the same agency, department, or unit; and may transfer balances of appropriations made under any appropriation act from one department or unit of the agency of transportation to another department or unit of the agency of transportation for the specific purpose of funding authorized transportation projects which have been approved by the federal government for advance construction in which the expenditure of State funds will be reimbursed by federal funds when the federal funds become available, and the transfer is limited to funds which have been approved for reimbursement. If any receipts including federal receipts exceed the appropriated amounts, the receipts may be allocated and expended, subject to the approval of the Secretary of Administration. If, however, the expenditure of those receipts will establish or increase the scope of the program, which

establishment or increase will at any time commit the State to the expenditure of State funds, they may be expended only upon the approval of the Legislature. The full faith and credit of the State has been pledged to support various programs. Any payments that are required to be made by the Treasurer are paid in accordance with Vermont Statutes and do not require an appropriation by the Legislature.

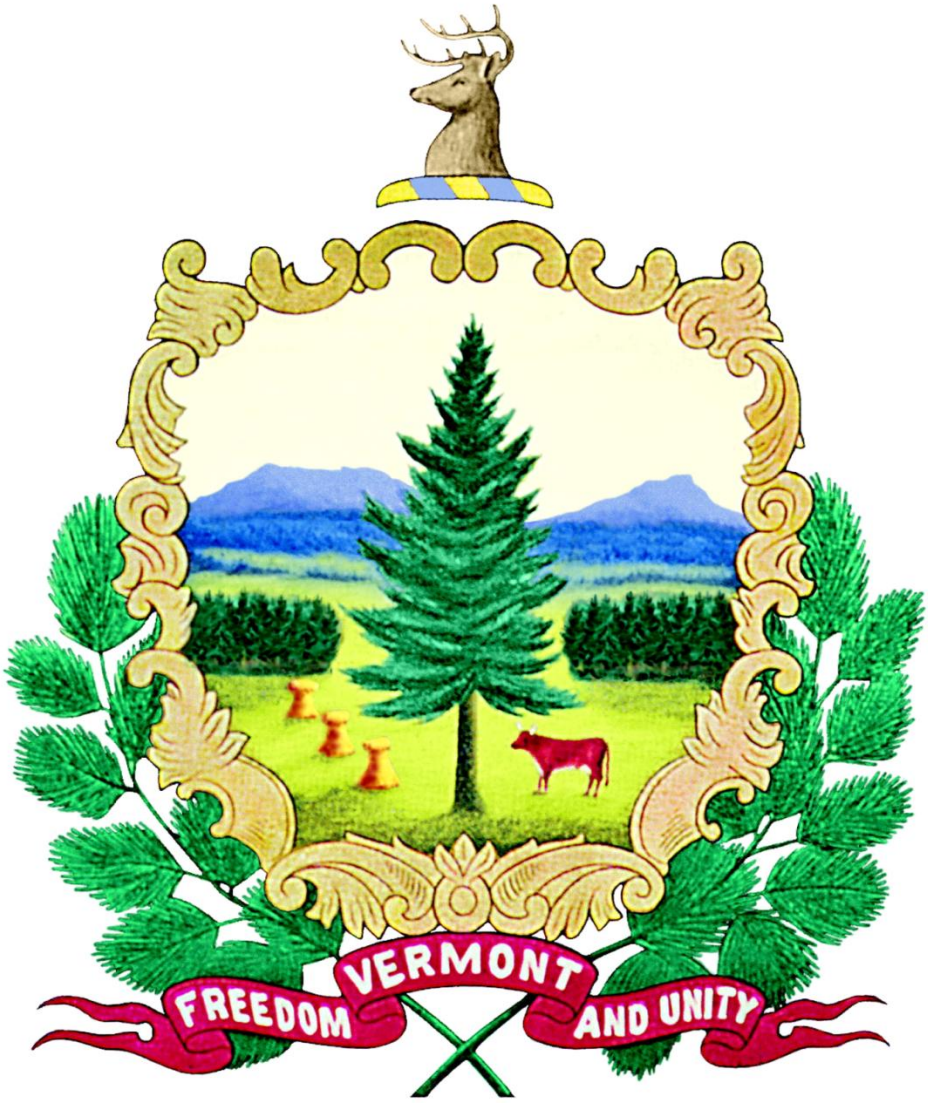
Budgetary and GAAP Basis Reporting

The accompanying budgetary comparison schedules report the actual revenues, expenditures, and other financing sources (uses) on a budgetary basis, which differs significantly from GAAP. These different accounting principles result in basis, perspective, and entity differences in the fund balance - budgetary basis. *Basis differences* arise because the basis of budgeting (cash basis) differs from the GAAP basis used to prepare the statement of revenues, expenditures, and changes in fund balances - governmental funds. *Perspective differences* result because the Appropriation Act's program-oriented structure differs from the fund structure required for GAAP. *Entity differences* arise because certain activity reported within the State's financial reporting entity for GAAP purposes is excluded from the Appropriation Act. The following presents a reconciliation of the budgetary basis and GAAP basis fund balances for the funds reported in the accompanying schedules for the fiscal year ended June 30, 2025:

	General Fund	Transportation Fund	Education Fund	Special Fund	Federal Revenue Fund	Global Commitment Fund
Fund Balance - Budgetary Basis	$ 1,355,853,520	$ (73,493,720)	$ 132,230,731	$ 556,598,662	$ 149,470,875	$ (1,644)
Basis differences						
Cash not in budget balances	(670,501,490)	71,201,701	11,616,936	2,187,211	626,864	1,609
Investments	470,107,785	-	-	-	-	-
Taxes receivable	325,870,754	527,125	77,160,586	5,608,258	-	-
Notes and loans receivable	4,892,903	-	-	2,724,188	-	-
Other receivables	9,335,453	9,374,963	8,508	108,152,108	1,120,083	43,492,555
Interest receivable	5,319,754	36,918	-	208	-	-
Lease receivable	-	2,957,830	-	191,452	-	-
Due from other funds	2,260,693	975	-	11,126,075	4,696,349	84,305,875
Due from federal government	-	157,304,589	-	-	212,910,452	124,216,665
Due from component units	8,405,177	-	-	-	-	-
Interfund receivable	198,407,677	-	-	-	-	-
Advances to other funds	(189,096)	-	-	-	-	-
Advances to component units	5,500,000	-	-	-	-	-
Accounts payable	(78,497,456)	(48,928,137)	(100,321,086)	(33,202,736)	(111,674,383)	(202,534,352)
Accrued liabilities	(29,106,417)	(7,483,047)	-	(7,381,494)	(12,679,886)	(1,728,733)
Retainage payable	(280,058)	-	(58,660)	(336,477)	(1,699,813)	(20,104)
Unearned revenue	-	(55,809)	-	(20,996,363)	(119,225,305)	-
Tax refunds payable	(37,817,900)	-	(161,689)	(2,235)	-	-
Interfund payable	-	(71,174,864)	-	-	-	(1,609)
Intergovernmental payables - federal government	-	-	-	-	(2,164,457)	-
Due to other funds	(93,692,508)	(4,046,042)	-	(3,967,939)	(12,475,655)	(1,875,008)
Due to component units	(122,778,386)	-	(12,935,820)	-	-	-
Unavailable revenue	(232,670,930)	(9,137,801)	(4,861,277)	(101,083,375)	(92,295)	(9,177,152)
Prepaid property taxes	-	-	(6,103,312)	-	-	-
Lease receivable deferred inflows	-	(3,188,951)	-	(194,721)	-	-
Entity differences						
Blended non-budgeted funds	-	4,187,723	-	3,387,147	574,334,508	-
Fund Balance - GAAP Basis	$ 1,120,419,475	$ 28,083,453	$ 96,574,917	$ 522,809,969	$ 682,687,087	$ 36,678,102



Other Supplementary Information



COMBINING FINANCIAL STATEMENTS

Fish & Wildlife Fund - This fund is used to account for the activities of the Fish and Wildlife Department. The Fish and Wildlife Department's mission is to protect and conserve the State's fish, wildlife, plants, and their habitats for the people of Vermont.

General Obligation Bond Projects Fund - This fund accounts for general capital improvement expenditures funded by the issuance of State general obligation bonds.

Transportation Infrastructure Bond Projects Fund - This fund accounts for transportation capital improvement expenditures funded by the issuance of transportation infrastructure special obligation bonds.

General Obligation Debt Service Fund - This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for general obligation bond principal and interest.

Higher Education Endowment Fund - This is a permanent fund whose revenue is used by the University of Vermont and Vermont State Colleges to provide non loan financial assistance to Vermont students attending their institutions and by the Vermont Student Assistance Corporation to provide non loan financial assistance to Vermont students attending a Vermont postsecondary institution.

Vermont Sanitorium Fund - This is a permanent fund whose income is to be used for the treatment and cure of respiratory diseases.

Albert C. Lord Trust Fund - This is a permanent fund whose income is to be used for demonstrations, lectures, and instruction in the care of woodlots and restoration.

Lumberjack Fund - This is a permanent fund whose income is to strengthen annual workshops for educators interested in enhancing classroom skills in the area of fish and wildlife management.

Couching Lion Farm Cemetery Fund - This is a permanent fund whose income is to be used to provide for the care of a private cemetery in Camel's Hump State Park.

Carrie P. Underwood Fund - This is a permanent fund whose income is used to provide aid to poor libraries and to otherwise promote the library interests of the State.

Laura H. Morgan Fund - This is a permanent fund whose income is to be used to benefit the Brandon Training School.

Bennington Battle Monument Fund - This is a permanent fund whose revenue is to be used to repair and maintain the Bennington Battle Monument.

Zenus H. Ellis Fund - This is a permanent fund whose income is to be used to maintain the iron fence and flagpole at the Hubbardton battlefield.

STATE OF VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Special Revenue	Capital Projects	
	Fish & Wildlife Fund	General Obligation Bond Projects Fund	Transportation Infrastructure Bond Projects Fund
ASSETS			
Cash and cash equivalents	$ 10,641,339	$ -	$ 1,639,606
Investments	14,313,135	16,284,585	-
Receivables			
Accrued interest receivable	118	-	-
Other receivables	194,345	-	-
Lease receivable	20,530	-	-
Intergovernmental receivables - federal government	154,317	-	-
Due from other funds	1,292	-	-
Total assets	$ 25,325,076	$ 16,284,585	$ 1,639,606
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
LIABILITIES			
Accounts payable	$ 823,039	$ 7,465,217	$ -
Accrued liabilities	1,185,039	-	-
Retainage payable	-	2,492,277	-
Due to other funds	121,585	57,341	-
Due to component units	-	6,160,001	-
Interfund Payable	-	44,076,251	-
Unearned revenue	95,248	-	-
Total liabilities	2,224,911	60,251,087	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	4,029	-	-
Leases	42,579	-	-
Total deferred inflows of resources	46,608	-	-
FUND BALANCES			
Nonspendable			
Permanent Fund principal	-	-	-
Restricted	-	-	1,639,606
Committed	23,053,557	-	-
Unassigned	-	(43,966,502)	-
Total fund balances	23,053,557	(43,966,502)	1,639,606
Total liabilities, deferred inflows and fund balances	$ 25,325,076	$ 16,284,585	$ 1,639,606

See Independent Auditors' Report.

Debt Service	Permanent Funds		
General Obligation Debt Service Fund	Higher Education Endowment Fund	Vermont Sanitorium Fund	Albert C. Lord Trust Fund
$ 3,872,844	$ 26,552,725	$ 7,119	$ 63,904
-	39,176,043	261,017	231,583
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
$ 3,872,844	$ 65,728,768	$ 268,136	$ 295,487
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	7,000,000	206,502	183,217
-	-	61,634	112,270
3,872,844	58,728,768	-	-
-	-	-	-
3,872,844	65,728,768	268,136	295,487
$ 3,872,844	$ 65,728,768	$ 268,136	$ 295,487

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STATE OF VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Permanent Funds		
	Lumberjack Fund	**Couching Lion Farm Cemetery Fund**	**Carrie P. Underwood Fund**
ASSETS			
Cash and cash equivalents	$ 512	$ 27,470	$ 22,433
Investments	11,539	2,440	14,043
Receivables			
Accrued interest receivable	-	-	-
Other receivables	-	-	-
Lease receivable	-	-	-
Intergovernmental receivables - federal government	-	-	-
Due from other funds	-	-	-
Total assets	$ 12,051	$ 29,910	$ 36,476
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Accrued liabilities	-	-	-
Retainage payable	-	-	-
Due to other funds	-	-	-
Due to component units	-	-	-
Interfund Payable	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Leases	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES			
Nonspendable			
Permanent Fund principal	9,129	1,930	11,110
Restricted	2,922	27,980	25,366
Committed	-	-	-
Unassigned	-	-	-
Total fund balances	12,051	29,910	36,476
Total liabilities, deferred inflows and fund balances	$ 12,051	$ 29,910	$ 36,476

See Independent Auditors' Report.

Permanent Funds			
Laura H. Morgan Fund	Bennington Battle Monument Fund	Zenus H. Ellis Fund	Total Non-major Governmental Funds
$ 4,410	$ 8	$ 7	$ 42,832,377
3,160	5,024	4,702	70,307,271
-	-	-	118
-	-	-	194,345
-	-	-	20,530
-	-	-	154,317
-	-	-	1,292
$ 7,570	$ 5,032	$ 4,709	$ 113,510,250
$ -	$ -	$ -	$ 8,288,256
-	-	-	1,185,039
-	-	-	2,492,277
-	-	-	178,926
-	-	-	6,160,001
-	-	-	44,076,251
-	-	-	95,248
-	-	-	62,475,998
-	-	-	4,029
-	-	-	42,579
-	-	-	46,608
2,500	1,065	1,000	7,416,453
5,070	3,967	3,709	1,882,524
-	-	-	85,655,169
-	-	-	(43,966,502)
7,570	5,032	4,709	50,987,644
$ 7,570	$ 5,032	$ 4,709	$ 113,510,250

STATE OF VERMONT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue	Capital Projects	
	Fish & Wildlife Fund	General Obligation Bond Projects Fund	Transportation Infrastructure Bond Projects Fund
REVENUES			
Taxes			
Motor fuels tax	$ 822,321	$ -	$ -
Earnings of departments			
Fees	195,533	-	-
Rents and leases	64,202	-	-
Sales of services	2,038	-	-
Federal grants	10,253,481	-	-
Fines, forfeits and penalties	7,576	-	-
Investment income/(loss)	1,848,130	189,443	-
Licenses			
Business	650	-	-
Non-business	7,840,970	-	-
Other revenues	1,732,021	-	-
Total revenues	22,766,922	189,443	-
EXPENDITURES			
General government	-	28,880,700	-
Protection to persons and property	-	2,231,827	-
Human services	-	1,150,036	-
Labor	-	1,393,396	-
General education	-	3,000,000	-
Natural resources	21,437,323	13,721,726	-
Commerce and community development	-	6,139,848	-
Transportation	-	415,656	-
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	21,437,323	56,933,189	-
Excess of revenues over (under) expenditures	1,329,599	(56,743,746)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	415,181	-	-
Transfers out	-	(3,353,633)	-
Total other financing sources (uses)	415,181	(3,353,633)	-
Net change in fund balances	1,744,780	(60,097,379)	-
Fund balances, July 1	21,308,777	16,130,877	1,639,606
Fund balances, June 30	$ 23,053,557	$ (43,966,502)	$ 1,639,606

See Independent Auditors' Report.

Debt Service	Permanent Funds		
General Obligation Debt Service Fund	Higher Education Endowment Fund	Vermont Sanitorium Fund	Albert C. Lord Trust Fund
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	4,156,965	28,219	27,550
-	-	-	-
-	-	-	-
-	147,582	-	-
-	4,304,547	28,219	27,550
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	1,702,704	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
78,551,833	-	-	-
78,551,833	1,702,704	-	-
(78,551,833)	2,601,843	28,219	27,550
78,551,833	26,369,277	-	-
-	-	-	-
78,551,833	26,369,277	-	-
-	28,971,120	28,219	27,550
3,872,844	36,757,648	239,917	267,937
$ 3,872,844	$ 65,728,768	$ 268,136	$ 295,487

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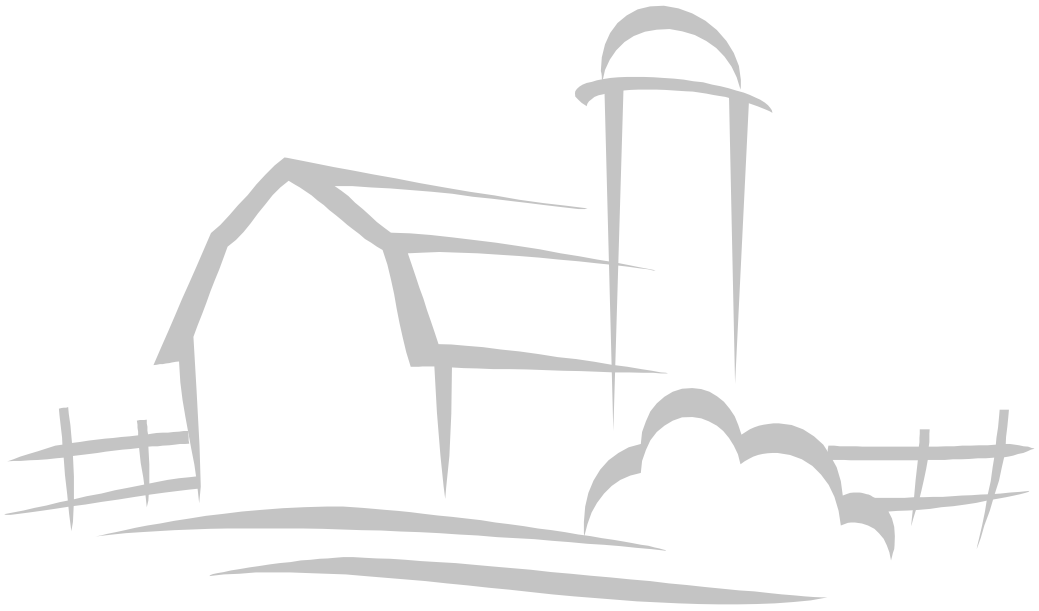
STATE OF VERMONT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Permanent Funds		
	Lumberjack Fund	**Couching Lion Farm Cemetery Fund**	**Carrie P. Underwood Fund**
REVENUES			
Taxes			
Motor fuels tax	$ -	$ -	$ -
Earnings of departments			
Fees	-	-	-
Rents and leases	-	-	-
Sales of services	-	-	-
Federal grants	-	-	-
Fines, forfeits and penalties	-	-	-
Investment income/(loss)	1,256	1,460	2,480
Licenses			
Business	-	-	-
Non-business	-	-	-
Other revenues	-	-	-
Total revenues	1,256	1,460	2,480
EXPENDITURES			
General government	-	-	-
Protection to persons and property	-	-	-
Human services	-	-	-
Labor	-	-	-
General education	-	-	-
Natural resources	-	-	-
Commerce and community development	-	-	-
Transportation	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	1,256	1,460	2,480
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	1,256	1,460	2,480
Fund balances, July 1	10,795	28,450	33,996
Fund balance, June 30	$ 12,051	$ 29,910	$ 36,476

See Independent Auditors' Report.

Permanent Funds				
Laura H. Morgan Fund	Bennington Battle Monument Fund	Zenus H. Ellis Fund	Reclassification of Capital Outlays	Total Non-major Governmental Funds
$ -	$ -	$ -	$ -	$ 822,321
-	-	-	-	195,533
-	-	-	-	64,202
-	-	-	-	2,038
-	-	-	-	10,253,481
-	-	-	-	7,576
530	523	490	-	6,257,046
-	-	-	-	650
-	-	-	-	7,840,970
-	-	-	-	1,879,603
530	523	490	-	27,323,420
-	-	-	(28,880,700)	-
-	-	-	(2,231,827)	-
-	-	-	(1,150,036)	-
-	-	-	(1,393,396)	-
-	-	-	(3,000,000)	1,702,704
-	-	-	(13,721,726)	21,437,323
-	-	-	(6,139,848)	-
-	-	-	(415,656)	-
-	-	-	56,933,189	56,933,189
-	-	-	-	78,551,833
-	-	-	-	158,625,049
530	523	490	-	(131,301,629)
-	-	-	-	105,336,291
-	-	-	-	(3,353,633)
-	-	-	-	101,982,658
530	523	490	-	(29,318,971)
7,040	4,509	4,219	-	80,306,615
$ 7,570	$ 5,032	$ 4,709	$ -	$ 50,987,644

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Vermont

Federal Surplus Property Fund - This fund is used to account for a program that acquires and distributes surplus property from various military and federal sources. Public entities (towns, schools, districts, volunteer fire departments, etc.) and non-profit organizations conducting educational and health care programs may apply for eligibility.

Sports Wagering Fund - This fund is used to account for the activities of sports wagering as authorized under Vermont Statute Title 31, Chapter 25.

Municipal Equipment Loan Fund - This fund is used to account for a program that was created for the purpose of providing loans on favorable terms to municipalities for the purchase of construction, fire, emergency or heavy equipment or vehicles.

Municipal Energy Revolving Fund – This fund was established to provide financing for the Municipal Energy Loan Program

Unemployment Compensation Contingency Fund - This fund is used to account for the interest, fines and penalties collected under the unemployment compensation law as well as the administrative costs not chargeable to federal grants.

Electric Power Sales Fund - This fund is used to account for the revenues and expenses for the purchase of wholesale electric power for resale to Vermont's utilities.

Energy Efficiency Utility Fund - This fund is used to account for the revenues and expenses for the operation of the Energy Efficiency Utility program.

STATE OF VERMONT
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2025

	Federal Surplus Property Fund	Sports Wagering Fund	Municipal Equipment Loan Fund
ASSETS			
Current Assets:			
Cash and cash equivalents	$ -	$ 677,724	$ 1,982,234
Receivables			
Taxes receivable (net of allowance for uncollectibles)	-	-	-
Accounts receivable (net of allowance for uncollectibles)	4,000	454,194	-
Loans receivable	-	-	650,711
Accrued interest receivable	-	-	15,673
Due from other funds	-	-	-
Total current assets	4,000	1,131,918	2,648,618
Noncurrent Assets:			
Loans receivable	-	-	1,359,411
Total noncurrent assets	-	-	1,359,411
Total assets	4,000	1,131,918	4,008,029
LIABILITIES			
Current Liabilities:			
Accounts payable	-	104	-
Accrued salaries and benefits	-	26,776	-
Due to other funds	-	112,902	-
Interfund payable	4,000	-	-
Other liabilities	-	-	-
Total current liabilities	4,000	139,782	-
Long-term Liabilities:			
Interfund payable	160,833	-	-
Other noncurrent liabilities	-	820	-
Total long-term liabilities	160,833	820	-
Total liabilities	164,833	140,602	-
NET POSITION			
Restricted for protection to persons and property	-	-	-
Unrestricted (deficit)	(160,833)	991,316	4,008,029
Total net position	$ (160,833)	$ 991,316	$ 4,008,029

See Independent Auditors' Report.

Municipal Energy Revolving Fund	Unemployment Compensation Contingency Fund	Electric Power Sales Fund	Energy Efficiency Utility Fund	Total Non-major Enterprise Funds
$ 690,050	$ 514,651	$ -	$ 35,104,519	$ 38,969,178
-	310,098	-	-	310,098
-	-	295,737	8,896,580	9,650,511
-	-	-	-	650,711
-	-	-	-	15,673
-	79,966	-	-	79,966
690,050	904,715	295,737	44,001,099	49,676,137
-	-	-	-	1,359,411
-	-	-	-	1,359,411
690,050	904,715	295,737	44,001,099	51,035,548
-	-	-	6,836,342	6,836,446
-	-	255	-	27,031
-	-	-	-	112,902
-	-	109,506	-	113,506
-	-	-	2,245,991	2,245,991
-	-	109,761	9,082,333	9,335,876
-	-	-	-	160,833
-	-	-	7,914,366	7,915,186
-	-	-	7,914,366	8,076,019
-	-	109,761	16,996,699	17,411,895
-	-	-	17,479,270	17,479,270
690,050	904,715	185,976	9,525,130	16,144,383
$ 690,050	$ 904,715	$ 185,976	$ 27,004,400	$ 33,623,653

STATE OF VERMONT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Federal Surplus Property Fund	Sports Wagering Fund	Municipal Equipment Loan Fund
OPERATING REVENUES			
Charges for sales and services	$ 5,100	$ 6,223,231	$ -
Federal donated property	964,191	-	-
Other operating revenues	-	80,000	-
Total operating revenues	969,291	6,303,231	-
OPERATING EXPENSES			
Cost of sales and services	964,191	-	-
Salaries and benefits	-	339,327	-
Insurance premium expenses	-	2,137	-
Contractual services	-	281,246	-
Rental expense	273	-	-
Utilities and property management	-	73,181	-
Non-capital equipment purchased	-	360	-
Administrative expenses	950	3,319	-
Supplies and parts	17	2,624	-
Travel	-	1,753	-
Other operating expenses	-	-	-
Total operating expenses	965,431	703,947	-
Operating income (loss)	3,860	5,599,284	-
NONOPERATING REVENUES (EXPENSES)			
Investment income	-	-	127,875
Total nonoperating revenues (expenses)	-	-	127,875
Income (loss) before other revenues, expenses, gains, losses, and transfers	3,860	5,599,284	127,875
OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS			
Transfers in	-	-	-
Transfers out	-	(6,139,162)	-
Total other revenues, expenses, gains, losses, and transfers	-	(6,139,162)	-
Change in net position	3,860	(539,878)	127,875
Total net position, July 1, as previously reported	(164,693)	1,531,709	3,880,154
Restatement	-	(515)	-
Total net position, July 1, as restated	(164,693)	1,531,194	3,880,154
Total net position, June 30	$ (160,833)	$ 991,316	$ 4,008,029

See Independent Auditors' Report.

Municipal Energy Revolving Fund	Unemployment Compensation Contingency Fund	Electric Power Sales Fund	Energy Efficiency Utility Fund	Total Non-major Enterprise Funds
$ -	$ 1,503,793	$ 3,552,311	$ 68,882,852	$ 80,167,287
-	-	-	-	964,191
-	-	-	-	80,000
-	1,503,793	3,552,311	68,882,852	81,211,478
-	-	3,445,186	54,143,940	58,553,317
-	-	7,234	-	346,561
-	-	-	-	2,137
-	-	3,426	2,155,450	2,440,122
-	-	-	-	273
-	-	-	-	73,181
-	-	-	-	360
-	-	-	6,738,180	6,742,449
-	-	-	-	2,641
-	-	-	-	1,753
-	-	-	573,285	573,285
-	-	3,455,846	63,610,855	68,736,079
-	1,503,793	96,465	5,271,997	12,475,399
-	20,018	-	1,046,978	1,194,871
-	20,018	-	1,046,978	1,194,871
-	1,523,811	96,465	6,318,975	13,670,270
690,050	-	-	-	690,050
-	(1,060,000)	-	-	(7,199,162)
690,050	(1,060,000)	-	-	(6,509,112)
690,050	463,811	96,465	6,318,975	7,161,158
-	440,904	89,511	20,685,425	26,463,010
-	-	-	-	(515)
-	440,904	89,511	20,685,425	26,462,495
$ 690,050	$ 904,715	$ 185,976	$ 27,004,400	$ 33,623,653

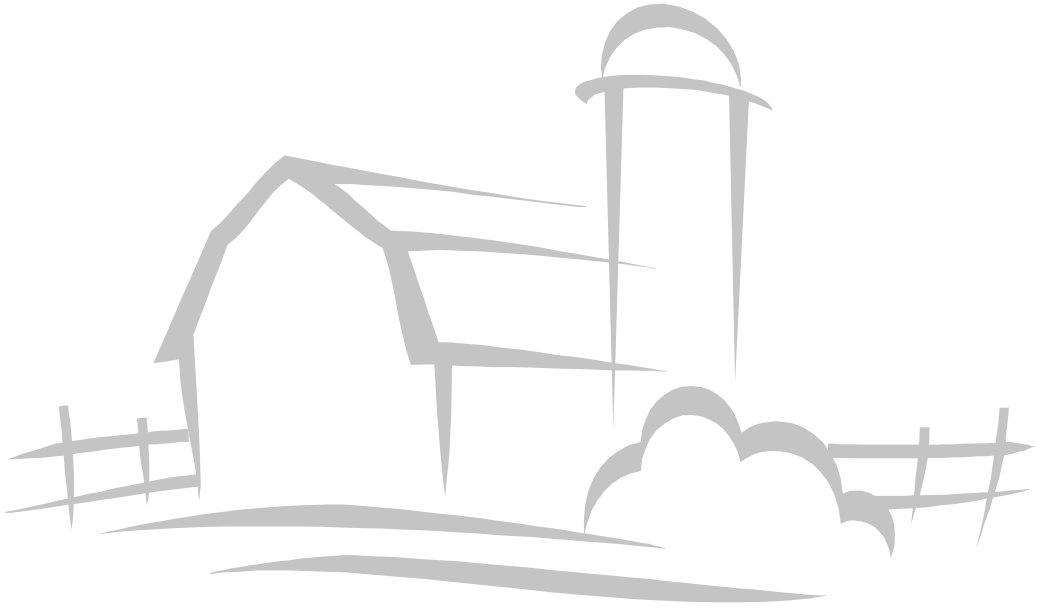
STATE OF VERMONT
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Federal Surplus Property Fund	Sports Wagering Fund	Municipal Equipment Loan Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 14,600	$ 6,063,884	$ -
Cash paid to suppliers for goods and services	(1,291)	(284,843)	-
Cash paid to employees for services	-	(331,240)	-
Other operating revenues	-	80,000	-
Other operating expenses	-	-	-
Net cash provided (used) by operating activities	13,309	5,527,801	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	-
Transfers out	-	(6,139,162)	-
Interfund loans and advances	(13,309)	-	-
Net cash provided by noncapital financing activities	(13,309)	(6,139,162)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned on investments	-	-	113,621
Proceeds from loan repayments	-	-	416,630
Lending payments	-	-	(1,576,310)
Net cash provided (used) by investing activities	-	-	(1,046,059)
Net increase (decrease) in cash and cash equivalents	-	(611,361)	(1,046,059)
Cash and cash equivalents, July 1	-	1,289,085	3,028,293
Cash and cash equivalents, June 30	$ -	$ 677,724	$ 1,982,234
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ 3,860	$ 5,599,284	$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Effect of changes in assets, deferred outflows, liabilities and deferred inflows:			
Accounts/taxes receivable, net	9,500	(159,347)	-
Due from other funds	-	57,176	-
Accounts payable	-	(81,502)	-
Accrued salaries and benefits	-	7,267	-
Due to other funds	(51)	104,103	-
Other liabilities	-	-	-
Other noncurrent liabilities	-	820	-
Total adjustments	9,449	(71,483)	-
Net cash provided (used) by operating activities	$ 13,309	$ 5,527,801	$ -
Noncash investing, capital, and financing activities:			
Fair market value of donated inventory sold	964,191	-	-

See Independent Auditors' Report.

Municipal Energy Revolving Fund	Unemployment Compensation Contingency Fund	Electric Power Sales Fund	Energy Efficiency Utility Fund	Total Non-major Enterprise Funds
$ -	$ 1,181,154	$ 3,691,174	$ 78,668,042	$ 89,618,854
-	-	(3,683,486)	(70,073,736)	(74,043,356)
-	-	(7,371)	-	(338,611)
-	-	-	-	80,000
-	(134,050)	-	-	(134,050)
-	1,047,104	317	8,594,306	15,182,837
690,050	-	-	-	690,050
-	(1,060,000)	-	-	(7,199,162)
-	-	(317)	-	(13,626)
690,050	(1,060,000)	(317)	-	(6,522,738)
-	20,018	-	1,046,978	1,180,617
-	-	-	-	416,630
-	-	-	-	(1,576,310)
-	20,018	-	1,046,978	20,937
690,050	7,122	-	9,641,284	8,681,036
-	507,529	-	25,463,235	30,288,142
$ 690,050	$ 514,651	$ -	$ 35,104,519	$ 38,969,178
$ -	$ 1,503,793	$ 96,465	$ 5,271,997	$ 12,475,399
-	(310,098)	138,863	277,080	(44,002)
-	(12,541)	-	-	44,635
-	-	(234,874)	760,886	444,510
-	-	(137)	-	7,130
-	-	-	-	104,052
-	(134,050)	-	5,200	(128,850)
-	-	-	2,279,143	2,279,963
-	(456,689)	(96,148)	3,322,309	2,707,438
$ -	$ 1,047,104	$ 317	$ 8,594,306	$ 15,182,837
-	-	-	-	964,191

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Vermont

Highway Garage Fund - for the maintenance and rental of equipment to the Agency of Transportation for use in construction, maintenance, and operation of the State's transportation infrastructure.

Offender Work Programs – for the activities of the print, sign and furniture shop run by the Department of Corrections.

Single Audit Revolving Fund – to account for the costs attributable to the Auditor of Accounts Office's performance of the annual Single Audit.

Financial & HR Information Fund - for the costs associated in support of the State's financial and human capital management ERP systems.

Communications & Information Technology Fund - for the activities of the Agency of Digital Services communications and information technology services.

Fleet Fund - Accounts for the Department of Buildings and General Services' vehicle management activities including the daily and long-term leasing of vehicles for employees use in travel on State business.

E-Procurement Fund - The purpose of the Purchasing Card Program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions and high-volume, repetitive purchases.

Copy Center Fund - This fund's activities include the Department of Buildings and General Services Print Shop and copier leasing services.

Postage Fund - for the mail services for the Montpelier and Waterbury state complexes including mail collection and delivery, sorting, and applying postage.

Facilities Operations Fund - to provide operating expenses, maintenance, renovations and acquisitions of buildings, grounds, and support facilities.

Property Management Fund - to provide State Agencies with safe, comfortable, and efficient space through leasing, purchasing; and planning, which enables them to carry out their mission.

Equipment Revolving Fund - used as an internal lease purchase mechanism of equipment for State agencies and departments.

State Resource Management Fund - for the costs of energy resource conservation measures implemented by departments anticipated to generate a life cycle cost benefit to the state.

State Energy Revolving Fund - used as an internal lease purchase mechanism for energy efficiency improvements using renewable resources.

State Surplus Property Fund - for the sale of all items that are no longer needed by the State's agencies and departments.

State Liability Insurance Fund - This fund provides liability insurance coverage for actions performed by the State's employees while performing their assigned duties.

Risk Management-All Other Fund - used to purchase insurance protection for state property and other miscellaneous risks that are specific to certain departments or types of employees, such as judicial liability, liability related to maintenance of railroad tracks and required bonds for certain state officials.

Workers' Compensation Fund - provides workers' compensation coverage for all state employees.

Medical Insurance Fund - provides health coverage for current state employees, retirees, legislators, and other groups eligible to participate.

Dental Insurance Fund - provides dental coverage for current state employees, legislators, and other eligible groups.

Life Insurance Fund - provides a life insurance policy for current state employees, retirees, and other eligible groups.

Long-term Disability Fund - provides an income replacement benefit for state employees that are not eligible to be represented by the employees' union should they have a long term or permanent disability.

Employees' Assistance Fund - provides a program that assists state employees and members of their immediate household assistance in addressing problems that impact their lives.

VT Family & Medical Leave Fund – to provide eligible employees the ability to take job-protected leave for specified family and medical reasons.

Human Resource Services Fund - This fund provides centralized human resources management services for agencies and departments of the State.

STATE OF VERMONT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025

	Highway Garage Fund	Offender Work Programs	Single Audit Revolving Fund	Financial & HR Information Fund
ASSETS				
Current Assets				
Cash and cash equivalents	$ 5,839,648	$ 151,599	$ 282,282	$ 1,770,244
Accounts receivable	433,186	3,387	-	-
Loans receivable	-	-	-	-
Lease receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	1,669,490	38,987	1,267	-
Inventories	2,781,305	349,651	-	-
Prepaid expenses	-	-	-	91,875
Total current assets	10,723,629	543,624	283,549	1,862,119
Noncurrent Assets				
Loans receivable	-	-	-	-
Lease receivable	-	-	-	-
Imprest cash and change fund - advances	-	-	-	-
Total noncurrent assets	-	-	-	-
Capital Assets				
Land	2,026,156	-	-	-
Construction in progress	3,741,392	-	-	-
Works of art	-	-	-	-
Capital assets being depreciated:				
Intangible right-to-use assets	-	-	-	63,441
Machinery, equipment and buildings	87,941,821	1,045,608	-	101,406
Less accumulated depreciation	(57,353,265)	(861,355)	-	(147,283)
Total capital assets, net of depreciation	36,356,104	184,253	-	17,564
Total assets	47,079,733	727,877	283,549	1,879,683
LIABILITIES				
Current Liabilities				
Accounts payable	1,048,094	24,575	10,482	445,617
Accrued salaries and wages	585,517	27,502	230,405	845,994
Claims payable	-	-	-	-
Due to other funds	22,144	1,567	-	140,511
Interfund payable	-	-	-	-
Unearned revenue	-	-	-	-
Lease liabilities	-	-	-	-
SBITA liabilities	-	-	-	-
Other current liabilities	-	7,345	-	-
Total current liabilities	1,655,755	60,989	240,887	1,432,122
Long-term Liabilities				
Claims payable	-	-	-	-
Interfund payable	-	-	-	-
Lease liabilities	-	-	-	-
SBITA liabilities	-	-	-	-
Other noncurrent liabilities	35,996	-	3,600	14,922
Total long-term liabilities	35,996	-	3,600	14,922
Total liabilities	1,691,751	60,989	244,487	1,447,044
DEFERRED INFLOWS OF RESOURCES				
Leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	36,356,104	184,253	-	17,564
Unrestricted net position (deficit)	9,031,878	482,635	39,062	415,075
Total net position	$ 45,387,982	$ 666,888	$ 39,062	$ 432,639

See Independent Auditors' Report.

Communication & Information Technology Fund	Fleet Fund	E-Procurement Fund	Copy Center Fund	Postage Fund	Facilities Operations Fund	Property Management Fund
$ -	$ -	$ -	$ -	$ -	$ -	$ -
10,635,684	235,937	666,583	61,252	125,206	932,506	263,613
-	-	-	-	-	-	-
-	-	-	-	-	-	394,704
-	-	-	-	-	-	1,798
10,124,406	686,260	994,832	355,831	196,349	25,349	426,003
637,927	-	-	-	943,398	-	-
1,839,439	-	-	40,936	48,079	-	1,546,925
23,237,456	922,197	1,661,415	458,019	1,313,032	957,855	2,633,043
-	-	-	-	-	-	-
-	-	-	-	-	-	590,133
-	-	-	-	-	-	-
-	-	-	-	-	-	590,133
-	-	-	-	-	-	-
-	-	-	-	-	360,825	-
-	-	-	-	-	8,200	-
46,393,023	-	-	-	-	291,572	116,710,794
6,985,669	23,450,050	-	3,544,605	537,461	6,119,828	1,292,443
(19,776,094)	(12,440,799)	-	(2,273,552)	(526,907)	(3,492,669)	(39,783,386)
33,602,598	11,009,251	-	1,271,053	10,554	3,287,756	78,219,851
56,840,054	11,931,448	1,661,415	1,729,072	1,323,586	4,245,611	81,443,027
9,337,657	337,220	545,339	57,699	4,530	1,988,720	351,095
4,796,479	77,260	-	68,569	113,205	2,116,549	56,716
-	-	-	-	-	-	-
4,188	2,750	-	309	55	225,169	6,090
11,418,245	582,227	1,116,076	359,075	316,970	-	332,431
-	-	-	-	-	-	-
375,720	-	-	-	-	-	10,143,663
12,089,265	-	-	-	-	-	-
157,660	-	-	-	-	328,217	248,502
38,179,214	999,457	1,661,415	485,652	434,760	4,658,655	11,138,497
-	-	-	-	-	-	-
29,732,506	10,930,406	-	2,581,134	3,711,611	786,068	10,673,373
786,426	-	-	-	-	-	72,032,405
13,431,094	-	-	-	-	-	-
80,637	879	-	808	2,044	2,212,177	99,866
44,030,663	10,931,285	-	2,581,942	3,713,655	2,998,245	82,805,644
82,209,877	11,930,742	1,661,415	3,067,594	4,148,415	7,656,900	93,944,141
-	-	-	-	-	-	940,015
-	-	-	-	-	-	940,015
6,920,093	11,009,251	-	1,271,053	10,554	3,287,756	(3,956,217)
(32,289,916)	(11,008,545)	-	(2,609,575)	(2,835,383)	(6,699,045)	(9,484,912)
$ (25,369,823)	$ 706	$ -	$ (1,338,522)	$ (2,824,829)	$ (3,411,289)	$ (13,441,129)

Continued on next page

STATE OF VERMONT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025

	Equipment Revolving Fund	State Resource Management Fund	State Energy Revolving Fund	State Surplus Property Fund
ASSETS				
Current Assets				
Cash and cash equivalents	$ 581,928	$ -	$ -	$ -
Accounts receivable	-	-	-	2,702
Loans receivable	-	100,883	419,445	-
Lease receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other funds	-	-	-	522
Inventories	-	-	-	14,898
Prepaid expenses	-	-	-	-
Total current assets	581,928	100,883	419,445	18,122
Noncurrent Assets				
Loans receivable	-	626,666	1,931,508	-
Lease receivable	-	-	-	-
Imprest cash and change fund - advances	-	-	-	-
Total noncurrent assets	-	626,666	1,931,508	-
Capital Assets				
Land	-	-	-	-
Construction in progress	-	-	-	-
Works of art	-	-	-	-
Capital assets being depreciated:				
Intangible right-to-use assets	-	-	-	16,715
Machinery, equipment and buildings	-	-	-	41,285
Less accumulated depreciation	-	-	-	(20,577)
Total capital assets, net of depreciation	-	-	-	37,423
Total assets	581,928	727,549	2,350,953	55,545
LIABILITIES				
Current Liabilities				
Accounts payable	-	7,761	-	1,290
Accrued salaries and wages	-	-	-	42,673
Claims payable	-	-	-	-
Due to other funds	-	-	-	3,503
Interfund payable	-	93,122	419,445	-
Unearned revenue	-	-	-	14,898
Lease liabilities	-	-	-	-
SBITA liabilities	-	-	-	-
Other current liabilities	-	-	-	-
Total current liabilities	-	100,883	419,445	62,364
Long-term Liabilities				
Claims payable	-	-	-	-
Interfund payable	-	626,666	1,931,508	521,179
Lease liabilities	-	-	-	-
SBITA liabilities	-	-	-	-
Other noncurrent liabilities	-	-	-	794
Total long-term liabilities	-	626,666	1,931,508	521,973
Total liabilities	-	727,549	2,350,953	584,337
DEFERRED INFLOWS OF RESOURCES				
Leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	-	-	-	37,423
Unrestricted net position (deficit)	581,928	-	-	(566,215)
Total net position	$ 581,928	$ -	$ -	$ (528,792)

See Independent Auditors' Report.

State Liability Insurance Fund	Risk Management - All Other Fund	Workers' Compensation Fund	Medical Insurance Fund	Dental Insurance Fund	Life Insurance Fund
$ 21,104,838	$ 289,729	$ 29,137,757	$ -	$ 1,642,266	$ 2,337,676
-	1,141,154	-	15,679,362	274,326	156,813
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	61,120	-	299	-	-
-	-	-	-	-	-
-	716,413	-	-	-	-
21,104,838	2,208,416	29,137,757	15,679,661	1,916,592	2,494,489
-	-	-	-	-	-
-	-	-	-	-	-
507,500	-	2,992,500	-	-	-
507,500	-	2,992,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	70,000	-	-	-
-	-	-	-	-	-
-	-	(35,000)	-	-	-
-	-	35,000	-	-	-
21,612,338	2,208,416	32,165,257	15,679,661	1,916,592	2,494,489
25,942	1,000	78,717	6,282,734	258,595	519,711
6,687	2,938	57,514	110,233	1,285	430
51,108	-	737,001	28,024,892	196,856	-
-	829,858	50	172	-	-
-	-	-	8,498,268	-	-
-	430,710	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
83,737	1,264,506	873,282	42,916,299	456,736	520,141
12,587,422	-	33,824,250	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,506	1,684	-	-
12,587,422	-	33,825,756	1,684	-	-
12,671,159	1,264,506	34,699,038	42,917,983	456,736	520,141
-	-	-	-	-	-
-	-	-	-	-	-
-	-	35,000	-	-	-
8,941,179	943,910	(2,568,781)	(27,238,322)	1,459,856	1,974,348
$ 8,941,179	$ 943,910	$ (2,533,781)	$ (27,238,322)	$ 1,459,856	$ 1,974,348

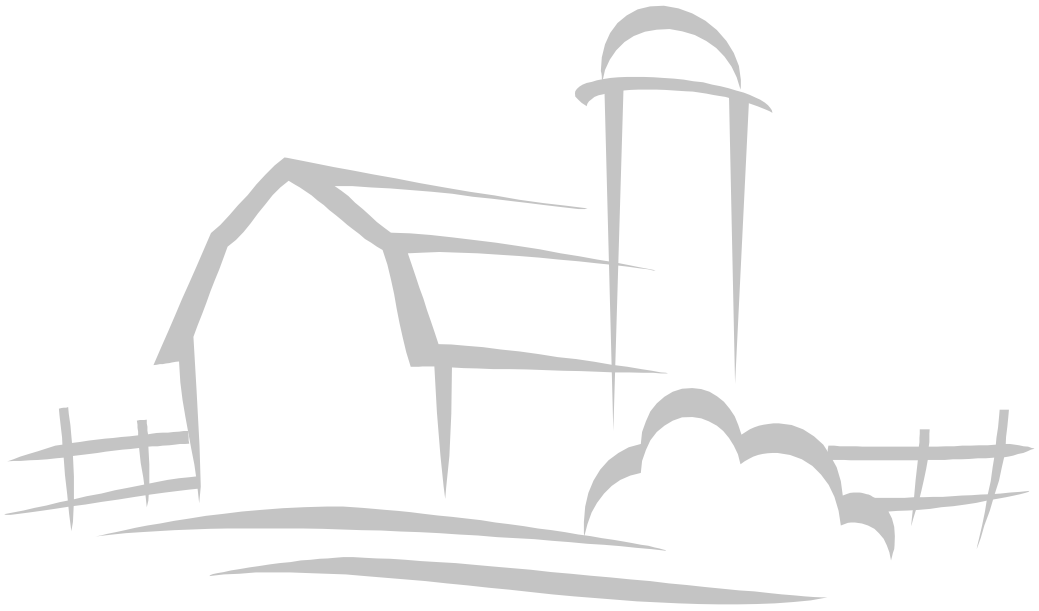
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STATE OF VERMONT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025

	Long-Term Disability Fund	Employees' Assistance Fund	VT Family & Medical Leave Fund	Human Resources Fund	Eliminations	Total Internal Service Fund
ASSETS						
Current Assets						
Cash and cash equivalents	$ 162,488	$ 86,822	$ 181,086	$ -	$ -	$ 63,568,363
Accounts receivable	9,363	12,666	92,522	279,047	-	31,005,309
Loans receivable	-	-	-	-	-	520,328
Lease receivable	-	-	-	-	-	394,704
Accrued interest receivable	-	-	-	-	-	1,798
Due from other funds	-	-	-	18,133	(399,077)	14,199,771
Inventories	-	-	-	-	-	4,727,179
Prepaid expenses	-	-	-	-	-	4,283,667
Total current assets	171,851	99,488	273,608	297,180	(399,077)	118,701,119
Noncurrent Assets						
Loans receivable	-	-	-	-	-	2,558,174
Lease receivable	-	-	-	-	-	590,133
Imprest cash and change fund - advances	-	-	-	-	-	3,500,000
Total noncurrent assets	-	-	-	-	-	6,648,307
Capital Assets						
Land	-	-	-	-	-	2,026,156
Construction in progress	-	-	-	-	-	4,102,217
Works of art	-	-	-	-	-	8,200
Capital assets being depreciated:						
Intangible right-to-use assets	-	-	-	118,235	-	163,663,780
Machinery, equipment and buildings	-	-	-	289,769	-	131,349,945
Less accumulated depreciation	-	-	-	(314,073)	-	(137,024,960)
Total capital assets, net of depreciation	-	-	-	93,931	-	164,125,338
Total assets	171,851	99,488	273,608	391,111	(399,077)	289,474,764
LIABILITIES						
Current Liabilities						
Accounts payable	133,038	-	179,620	6,299	-	21,645,735
Accrued salaries and wages	-	-	424	640,807	-	9,781,187
Claims payable	-	-	-	-	-	29,009,857
Due to other funds	-	26,220	-	6,324	(399,077)	869,833
Interfund payable	-	-	-	284,557	-	23,420,416
Unearned revenue	-	-	-	-	-	445,608
Lease liabilities	-	-	-	-	-	10,519,383
SBITA liabilities	-	-	-	-	-	12,089,265
Other current liabilities	-	-	-	-	-	741,724
Total current liabilities	133,038	26,220	180,044	937,987	(399,077)	108,523,008
Long-term Liabilities						
Claims payable	-	-	-	-	-	46,411,672
Interfund payable	-	-	-	316,700	-	61,811,151
Lease liabilities	-	-	-	-	-	72,818,831
SBITA liabilities	-	-	-	-	-	13,431,094
Other noncurrent liabilities	-	-	-	5,440	-	2,460,353
Total long-term liabilities	-	-	-	322,140	-	196,933,101
Total liabilities	133,038	26,220	180,044	1,260,127	(399,077)	305,456,109
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	-	-	-	940,015
Total deferred inflows of resources	-	-	-	-	-	940,015
NET POSITION						
Net investment in capital assets	-	-	-	93,931	-	55,266,765
Unrestricted net position (deficit)	38,813	73,268	93,564	(962,947)	-	(72,188,125)
Total net position	$ 38,813	$ 73,268	$ 93,564	$ (869,016)	$ -	$ (16,921,360)

See Independent Auditors' Report.

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Vermont

STATE OF VERMONT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Highway Garage Fund	Offender Work Programs	Single Audit Revolving Fund	Financial & HR Information Fund
OPERATING REVENUES				
Charges for sales and services	$ 21,219,520	$ 803,396	$ 3,918,851	$ 11,612,313
Rental income	-	-	-	-
Other operating revenues	103,066	-	-	-
Total operating revenues	21,322,586	803,396	3,918,851	11,612,313
OPERATING EXPENSES				
Cost of sales and services	2,886,698	-	-	-
Claims expenses	-	-	-	-
Salaries and benefits	5,772,593	275,824	2,280,086	7,376,601
Insurance premium expenses	187,386	-	11,540	36,847
Contractual services	24,263	8,712	1,464,057	635,394
Repairs and maintenance	946,089	7,276	-	1,604,676
Depreciation	6,375,286	37,234	-	25,177
Rental expenses	98,967	11,908	17,534	652,106
Utilities and property management	641,399	2,523	48,382	1,496,385
Non-capital equipment purchased	119,784	-	4,390	11,790
Promotions and advertising	-	-	835	17
Administrative expenses	57,423	1,795	17,613	112,361
Supplies and parts	90,026	337,362	2,451	6,901
Distribution and postage	5,575	2,344	35	11,042
Travel expenses	8,863	323	-	3,438
Other operating expenses	44,681	25,090	-	36,338
Total operating expenses	17,259,033	710,391	3,846,923	12,009,073
Operating income (loss)	4,063,553	93,005	71,928	(396,760)
NONOPERATING REVENUES				
Gain/(loss) on disposal of capital assets	189,712	(9,720)	-	-
Investment income	-	-	-	-
Interest expense	-	-	-	-
Total nonoperating revenues (expenses)	189,712	(9,720)	-	-
Income (loss) before other revenues, expenses, gains, losses, and transfers	4,253,265	83,285	71,928	(396,760)
OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS				
Transfers in	-	3,135,443	-	-
Transfers out	(1,100,000)	-	-	-
Total other revenues, expenses, gains, losses, and transfers	(1,100,000)	3,135,443	-	-
Change in net position	3,153,265	3,218,728	71,928	(396,760)
Total net position, July 1, as previously reported	42,293,598	(2,551,589)	(24,763)	868,264
Restatement	(58,881)	(251)	(8,103)	(38,865)
Total net position, July 1, as restated	42,234,717	(2,551,840)	(32,866)	829,399
Total net position, June 30	$ 45,387,982	$ 666,888	$ 39,062	$ 432,639

See Independent Auditor's Report.

Communication & Information Technology Fund	Fleet Fund	E-Procurement Fund	Copy Center Fund	Postage Fund	Facilities Operations Fund	Property Management Fund
$ 118,446,752	$ 5,469,100	$ 11,261,100	$ 2,809,193	$ 3,271,973	$ 38,085,966	$ -
-	-	-	-	-	-	20,280,184
331	164,156	-	-	-	1,717,838	1,957,624
118,447,083	5,633,256	11,261,100	2,809,193	3,271,973	39,803,804	22,237,808
21,925,113	846,185	11,261,100	891,532	1,990,500	612,641	6,255,875
-	-	-	-	-	-	-
49,507,250	935,598	-	817,526	791,459	21,978,124	1,056,252
99,360	82,542	-	13,286	9,610	2,867,896	279,851
36,899,661	-	-	-	-	164,041	2,889
921,788	1,353,003	-	262,259	74,365	1,180,366	93,643
14,026,484	3,133,940	-	333,560	9,244	584,966	12,718,609
1,137,070	64,861	-	96,644	19,750	622,370	26,657
3,787,651	47,571	-	44,939	41,080	11,553,383	852,409
404,504	-	-	21,379	13,114	182,738	6,890
6,317	-	-	-	-	10,778	399
1,180,808	130,374	-	126,049	36,259	1,017,690	200,289
38,124	108,759	-	21,127	5,468	1,674,993	68,408
554	484	-	394	3,477	8,961	15
88,109	-	-	-	-	20,921	2,581
17,976	6,684	-	434	403	145,127	390,881
130,040,769	6,710,001	11,261,100	2,629,129	2,994,729	42,624,995	21,955,648
(11,593,686)	(1,076,745)	-	180,064	277,244	(2,821,191)	282,160
(1,175)	1,142,684	-	6,261	-	-	859
-	-	-	-	-	-	25,536
(668,664)	-	-	-	-	(31,507)	(1,691,731)
(669,839)	1,142,684	-	6,261	-	(31,507)	(1,665,336)
(12,263,525)	65,939	-	186,325	277,244	(2,852,698)	(1,383,176)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(12,263,525)	65,939	-	186,325	277,244	(2,852,698)	(1,383,176)
(12,902,362)	(58,381)	-	(1,522,466)	(3,085,049)	(401,007)	(12,056,503)
(203,936)	(6,852)	-	(2,381)	(17,024)	(157,584)	(1,450)
(13,106,298)	(65,233)	-	(1,524,847)	(3,102,073)	(558,591)	(12,057,953)
$ (25,369,823)	$ 706	$ -	$ (1,338,522)	$ (2,824,829)	$ (3,411,289)	$ (13,441,129)

Continued on next page

STATE OF VERMONT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Equipment Revolving Fund	State Resource Management Fund	State Energy Revolving Fund	State Surplus Property Fund
OPERATING REVENUES				
Charges for sales and services	$ -	$ 115	$ -	$ 2,848,399
Rental income	-	-	-	-
Other operating revenues	-	-	-	2,864,939
Total operating revenues	-	115	-	5,713,338
OPERATING EXPENSES				
Cost of sales and services	-	-	-	5,277,595
Claims expenses	-	-	-	-
Salaries and benefits	-	-	-	386,583
Insurance premium expenses	-	-	-	3,400
Contractual services	-	-	-	54,681
Repairs and maintenance	-	-	-	269
Depreciation	-	-	-	16,104
Rental expenses	-	-	-	78,966
Utilities and property management	-	-	-	44,759
Non-capital equipment purchased	-	-	-	4,430
Promotions and advertising	-	-	-	-
Administrative expenses	-	115	-	56,394
Supplies and parts	-	-	-	2,348
Distribution and postage	-	-	-	992
Travel expenses	-	-	-	-
Other operating expenses	-	-	-	948
Total operating expenses	-	115	-	5,927,469
Operating income (loss)	-	-	-	(214,131)
NONOPERATING REVENUES				
Gain/(loss) on disposal of capital assets	-	-	-	-
Investment income	-	-	-	-
Interest expense	-	-	-	-
Total nonoperating revenues (expenses)	-	-	-	-
Income (loss) before other revenues, expenses, gains, losses, and transfers	-	-	-	(214,131)
OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other revenues, expenses, gains, losses, and transfers	-	-	-	-
Change in net position	-	-	-	(214,131)
Total net position, July 1, as previously reported	581,928	-	-	(314,393)
Restatement	-	-	-	(268)
Total net position, July 1, as restated	581,928	-	-	(314,661)
Total net position, June 30	$ 581,928	$ -	$ -	$ (528,792)

ndent Auditor's Report.

State Liability Insurance Fund	Risk Management - All Other Fund	Workers' Compensation Fund	Medical Insurance Fund	Dental Insurance Fund	Life Insurance Fund
$ 7,462,056	$ 9,520,782	$ 13,588,688	$ 306,088,397	$ 7,058,847	$ 4,126,533
-	-	-	-	-	-
-	-	-	28,107	-	-
7,462,056	9,520,782	13,588,688	306,116,504	7,058,847	4,126,533
-	7,426,028	-	-	-	-
1,102,278	-	12,892,418	293,365,694	7,309,862	-
153,612	62,210	222,221	1,116,220	23,787	7,915
1,655,348	-	1,830	181,089	188	3,432,809
1,619,233	191,070	483,209	734,898	10,445	3,482
-	-	11	-	-	-
-	-	67,810	-	-	-
5,968	-	18,517	33,727	955	318
2,611	-	11,979	22,352	605	202
-	-	-	4,803	-	-
-	-	-	-	-	-
45,646	47,942	50,891	12,554,313	259,084	5,741
676	-	17	1,632	-	-
-	-	72	6,175	113	38
-	-	450	1,470	-	-
-	-	109,851	2,457,811	69,430	-
4,585,372	7,727,250	13,859,276	310,480,184	7,674,469	3,450,505
2,876,684	1,793,532	(270,588)	(4,363,680)	(615,622)	676,028
-	-	-	-	-	-
779,637	-	1,271,525	-	78,163	93,261
-	-	-	(1,365,328)	-	-
779,637	-	1,271,525	(1,365,328)	78,163	93,261
3,656,321	1,793,532	1,000,937	(5,729,008)	(537,459)	769,289
3,000,000	-	-	18,500,000	-	-
-	-	-	-	-	-
3,000,000	-	-	18,500,000	-	-
6,656,321	1,793,532	1,000,937	12,770,992	(537,459)	769,289
2,284,858	(849,622)	(3,531,257)	(40,005,134)	1,997,315	1,205,059
-	-	(3,461)	(4,180)	-	-
2,284,858	(849,622)	(3,534,718)	(40,009,314)	1,997,315	1,205,059
$ 8,941,179	$ 943,910	$ (2,533,781)	$ (27,238,322)	$ 1,459,856	$ 1,974,348

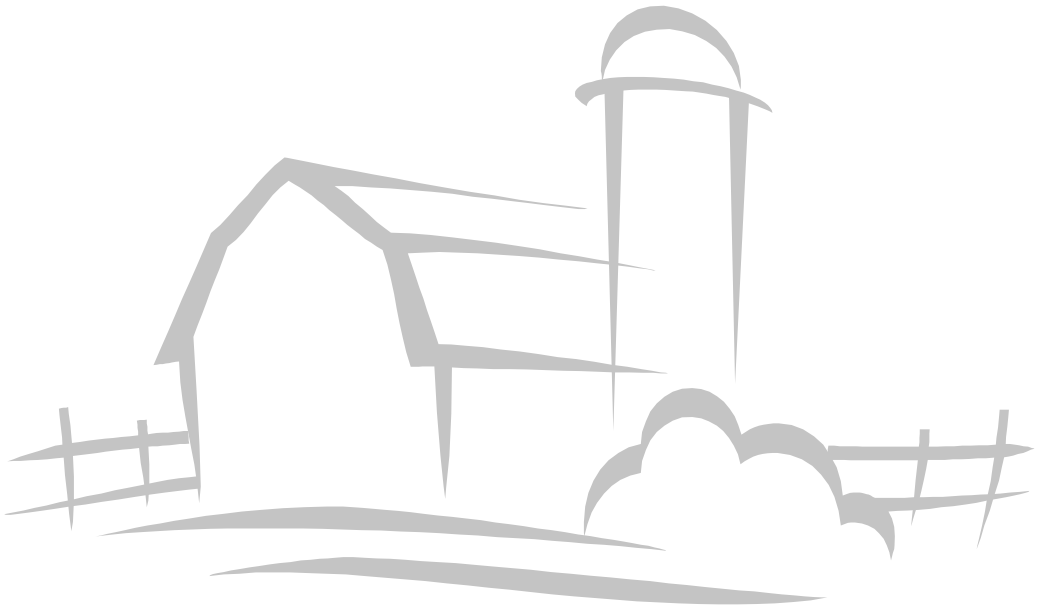
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STATE OF VERMONT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Long-Term Disability Fund	Employees' Assistance Fund	VT Family & Medical Leave Fund	Human Resources Fund	Total Internal Service Fund
OPERATING REVENUES					
Charges for sales and services	$ 238,905	$ 319,313	$ 2,441,934	$ 9,146,567	$ 579,738,700
Rental income	-	-	-	-	20,280,184
Other operating revenues	-	-	-	-	6,836,061
Total operating revenues	238,905	319,313	2,441,934	9,146,567	606,854,945
OPERATING EXPENSES					
Cost of sales and services	-	-	-	-	59,373,267
Claims expenses	-	-	-	-	314,670,252
Salaries and benefits	-	-	8,238	9,167,320	101,939,419
Insurance premium expenses	253,281	270,522	2,334,295	261	11,721,341
Contractual services	-	-	-	32,483	42,328,518
Repairs and maintenance	-	-	-	-	6,443,745
Depreciation	-	-	-	97,362	37,425,776
Rental expenses	-	-	318	-	2,886,636
Utilities and property management	-	-	199	55,064	18,653,493
Non-capital equipment purchased	-	-	-	15,548	789,370
Promotions and advertising	-	-	-	56,638	74,984
Administrative expenses	-	-	5,320	65,813	15,971,920
Supplies and parts	-	-	-	7,438	2,365,730
Distribution and postage	-	-	-	266	40,537
Travel expenses	-	-	-	12,279	138,434
Other operating expenses	-	-	-	375	3,306,029
Total operating expenses	253,281	270,522	2,348,370	9,510,847	618,129,451
Operating income (loss)	(14,376)	48,791	93,564	(364,280)	(11,274,506)
NONOPERATING REVENUES					
Gain/(loss) on disposal of capital assets	-	-	-	-	1,328,621
Investment income	-	-	-	-	2,248,122
Interest expense	-	-	-	-	(3,757,230)
Total nonoperating revenues (expenses)	-	-	-	-	(180,487)
Income (loss) before other revenues, expenses, gains, losses, and transfers	(14,376)	48,791	93,564	(364,280)	(11,454,993)
OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS					
Transfers in	-	-	-	-	24,635,443
Transfers out	-	-	-	-	(1,100,000)
Total other revenues, expenses, gains, losses, and transfers	-	-	-	-	23,535,443
Change in net position	(14,376)	48,791	93,564	(364,280)	12,080,450
Total net position, July 1, as previously reported	53,189	24,477	-	(491,355)	(28,485,193)
Restatement	-	-	-	(13,381)	(516,617)
Total net position, July 1, as restated	53,189	24,477	-	(504,736)	(29,001,810)
Total net position, June 30	$ 38,813	$ 73,268	$ 93,564	$ (869,016)	$ (16,921,360)

See Independent Auditor's Report.

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STATE OF VERMONT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Highway Garage Fund	Offender Work Programs	Single Audit Revolving Fund	Financial & HR Information Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 21,365,303	$ 875,939	$ 3,920,620	$ 11,622,237
Cash paid to suppliers for goods and services	(7,596,117)	(344,668)	(1,584,444)	(4,888,234)
Cash paid to employees for services	(5,720,094)	(262,124)	(2,264,425)	(7,367,588)
Cash paid to claimants	-	-	-	-
Other operating revenues	103,066	-	-	-
Other operating expenses	(44,681)	(25,090)	-	(36,338)
Net cash provided (used) by operating activities	8,107,477	244,057	71,751	(669,923)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers in	-	3,135,443	-	-
Operating transfers out	(1,100,000)	-	-	-
Interfund loans and advances	-	(3,227,901)	-	-
Net cash provided (used) by noncapital financing activities	(1,100,000)	(92,458)	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(9,334,403)	-	-	-
Principal payments on leases, SBITA's, and loans	-	-	-	-
Interest paid on leases, SBITA's, and loans	-	-	-	-
Proceeds from capital loans	-	-	-	-
Proceeds from sale of capital assets	526,327	-	-	-
Net cash (used) by capital and related financing activities	(8,808,076)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned on investments	-	-	-	-
Proceeds from loan repayments	-	-	-	-
Loans issued	-	-	-	-
Net cash provided by investing activities	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(1,800,599)	151,599	71,751	(669,923)
Cash and cash equivalents, July 1	7,640,247	-	210,531	2,440,167
Cash and cash equivalents, June 30	$ 5,839,648	$ 151,599	$ 282,282	$ 1,770,244
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ 4,063,553	$ 93,005	$ 71,928	$ (396,760)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	6,375,286	37,234	-	25,177
Effect of changes in assets, deferred outflows, liabilities and deferred inflows:				
Accounts receivable	(420,839)	17,548	-	-
Lease receivable	-	-	-	-
Due from other funds	566,622	54,995	1,769	9,924
Inventories	(639,275)	150,934	-	-
Prepaid expenses	50,000	-	-	(12,147)
Accounts payable	(1,623,537)	(125,480)	(17,607)	36,111
Accrued salaries and benefits	52,499	13,700	15,661	9,013
Claims payable	-	-	-	-
Due to other funds	(316,832)	552	-	(341,241)
Unearned revenue	-	-	-	-
Other current liabilities	-	1,569	-	-
Deferred inflows	-	-	-	-
Total adjustments	4,043,924	151,052	(177)	(273,163)
Net cash provided (used) by operating activities	$ 8,107,477	$ 244,057	$ 71,751	$ (669,923)
Noncash investing, capital, and financing activities:				
Retirement of assets not fully depreciated	336,615	9,720	-	-
Fair market value of donated inventory sold	-	-	-	-
Acquisition of capital assets via financing	-	-	-	-

See Independent Auditors' Report.

Communications & Information Technology Fund	Fleet Fund	E-Procurement Fund	Copy Center Fund	Postage Fund	Facilities Operations Fund	Property Management Fund
$ 117,547,146	$ 5,337,392	$ 11,207,972	$ 2,847,647	$ 3,273,904	$ 37,991,467	$ 21,383,513
(67,755,911)	(2,891,898)	(11,286,727)	(1,508,473)	(2,378,982)	(19,573,921)	(7,976,477)
(48,782,996)	(932,530)	-	(822,711)	(809,333)	(21,897,466)	(1,064,074)
-	-	-	-	-	-	-
331	164,156	-	-	-	1,717,838	1,957,624
(17,976)	(6,684)	-	(434)	(403)	(145,127)	(390,881)
990,594	1,670,436	(78,755)	516,029	85,186	(1,907,209)	13,909,705
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,911,067	552,738	78,755	360,825	(85,186)	786,068	(798,673)
12,911,067	552,738	78,755	360,825	(85,186)	786,068	(798,673)
(75,317)	(4,700,600)	-	(876,854)	-	(933,644)	(61,818)
(13,191,526)	-	-	-	-	(495,616)	(11,399,765)
(634,818)	-	-	-	-	(32,089)	(1,676,423)
-	-	-	-	-	1,310,604	-
-	2,477,426	-	-	-	-	-
(13,901,661)	(2,223,174)	-	(876,854)	-	(150,745)	(13,138,006)
-	-	-	-	-	-	26,974
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	26,974
-	-	-	-	-	(1,271,886)	-
-	-	-	-	-	1,271,886	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ (11,593,686)	$ (1,076,745)	$ -	$ 180,064	$ 277,244	$ (2,821,191)	$ 282,160
14,026,484	3,133,940	-	333,560	9,244	584,966	12,718,609
(2,357,857)	(77,371)	(422,648)	(14,166)	(48,897)	(284,183)	(190,582)
-	-	-	-	-	-	383,177
1,458,252	(54,336)	369,520	52,620	50,828	189,685	1,311,802
(48,298)	-	-	-	(191,662)	-	-
566,357	-	-	(12,132)	10,695	-	(123,147)
(1,368,607)	(249,788)	(25,627)	18,757	(2,058)	300,975	(64,104)
520,318	3,068	-	(5,185)	(17,875)	80,658	(7,822)
-	-	-	-	-	-	-
(140,292)	(8,332)	-	(37,489)	(2,333)	41,881	677
-	-	-	-	-	-	-
(72,077)	-	-	-	-	-	-
-	-	-	-	-	-	(401,065)
12,584,280	2,747,181	(78,755)	335,965	(192,058)	913,982	13,627,545
$ 990,594	$ 1,670,436	$ (78,755)	$ 516,029	$ 85,186	$ (1,907,209)	$ 13,909,705
-	180,675	-	6,261	-	-	-
-	-	-	-	-	-	-
22,840,336	-	-	-	-	-	18,941,180

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STATE OF VERMONT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Equipment Revolving Fund	State Resource Management Fund	State Energy Revolving Fund	State Surplus Property Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ -	$ 510	$ -	$ 2,843,265
Cash paid to suppliers for goods and services	-	(510)	-	(5,550,510)
Cash paid to employees for services	-	-	-	(361,403)
Cash paid to claimants	-	-	-	-
Other operating revenues	-	-	-	2,864,939
Other operating expenses	-	-	-	(948)
Net cash provided (used) by operating activities	-	-	-	(204,657)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Interfund loans and advances	-	(211,130)	951,857	221,372
Net cash provided (used) by noncapital financing activities	-	(211,130)	951,857	221,372
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	-	-	(16,715)
Principal payments on leases, SBITAs, and loans	-	-	-	-
Interest paid on leases, SBITAs, and loans	-	-	-	-
Proceeds from capital loans	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Net cash (used) by capital and related financing activities	-	-	-	(16,715)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned on investments	-	-	-	-
Proceeds from loan repayments	80,240	211,130	418,417	-
Loans issued	-	-	(1,370,274)	-
Net cash provided by investing activities	80,240	211,130	(951,857)	-
Net increase (decrease) in cash and cash equivalents	80,240	-	-	-
Cash and cash equivalents, July 1	501,688	-	-	-
Cash and cash equivalents, June 30	$ 581,928	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ -	$ -	$ -	$ (214,131)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	-	-	-	16,104
Effect of changes in assets, deferred outflows, liabilities and deferred inflows:				
Accounts receivable	-	-	-	(1,010)
Lease receivable	-	-	-	-
Due from other funds	-	-	-	(431)
Inventories	-	-	-	3,693
Prepaid expenses	-	-	-	-
Accounts payable	-	-	-	(1,210)
Accrued salaries and benefits	-	-	-	25,180
Claims payable	-	-	-	-
Due to other funds	-	-	-	(29,159)
Unearned revenue	-	-	-	(3,693)
Other current liabilities	-	-	-	-
Deferred inflows	-	-	-	-
Total adjustments	-	-	-	9,474
Net cash provided (used) by operating activities	$ -	$ -	$ -	$ (204,657)
Noncash investing, capital, and financing activities:				
Retirement of assets not fully depreciated	-	-	-	-
Fair market value of donated inventory sold	-	-	-	2,864,939
Acquisition of capital assets via financing	-	-	-	-

See Independent Auditor's Report.

State Liability Insurance Fund	Risk Management - All Other Fund	Workers' Compensation Fund	Medical Insurance Fund	Dental Insurance Fund	Life Insurance Fund
$ 8,653,181	$ 8,922,786	$ 14,206,711	$ 299,793,879	$ 7,058,950	$ 4,138,137
(3,491,416)	(6,911,513)	(537,859)	(8,400,280)	(98,441)	(3,572,459)
(153,949)	(61,795)	(221,753)	(1,206,503)	(23,523)	(7,826)
(6,062,421)	-	(10,559,864)	(295,383,207)	(7,447,545)	-
-	-	-	28,107	-	-
-	-	(109,850)	(2,457,811)	(69,430)	-
(1,054,605)	1,949,478	2,777,385	(7,625,815)	(579,989)	557,852
3,000,000	-	-	18,500,000	-	-
-	-	-	-	-	-
-	(1,659,749)	-	(9,508,857)	-	-
3,000,000	(1,659,749)	-	8,991,143	-	-
-	-	-	-	-	-
-	-	(70,000)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(70,000)	-	-	-
779,637	-	1,271,525	(1,365,328)	78,163	93,261
-	-	-	-	-	-
-	-	-	-	-	-
779,637	-	1,271,525	(1,365,328)	78,163	93,261
2,725,032	289,729	3,978,910	-	(501,826)	651,113
18,887,306	-	28,151,347	-	2,144,092	1,686,563
$ 21,612,338	$ 289,729	$ 32,130,257	$ -	$ 1,642,266	$ 2,337,676
$ 2,876,684	$ 1,793,532	$ (270,588)	$ (4,363,680)	$ (615,622)	$ 676,028
-	-	67,810	-	-	-
911,328	(826,803)	108,386	(6,294,219)	103	11,604
-	-	-	-	-	-
279,797	174,041	509,637	(299)	-	-
-	-	-	-	-	-
-	(75,305)	-	-	-	-
(6,114)	(1,026)	32,371	5,144,814	172,949	(129,869)
(337)	415	468	(90,283)	264	89
(4,960,143)	-	2,332,554	(2,017,513)	(137,683)	-
(155,820)	829,858	(3,253)	(4,635)	-	-
-	54,766	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(3,931,289)	155,946	3,047,973	(3,262,135)	35,633	(118,176)
$ (1,054,605)	$ 1,949,478	$ 2,777,385	$ (7,625,815)	$ (579,989)	$ 557,852
-	-	-	-	-	-
-	-	-	-	-	-
-	-	70,000	-	-	-

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STATE OF VERMONT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Long-Term Disability Fund	Employees' Assistance Fund	VT Family & Medical Leave Fund	Human Resources Fund	Total Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 238,218	$ 318,582	$ 2,349,412	$ 8,857,366	$ 594,754,137
Cash paid to suppliers for goods and services	(175,833)	(332,346)	(2,160,512)	(281,871)	(159,299,402)
Cash paid to employees for services	-	-	(7,814)	(9,092,264)	(101,060,171)
Cash paid to claimants	-	-	-	-	(319,453,037)
Other operating revenues	-	-	-	-	6,836,061
Other operating expenses	-	-	-	(375)	(3,306,028)
Net cash provided (used) by operating activities	62,385	(13,764)	181,086	(517,144)	18,471,560
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating transfers in	-	-	-	-	24,635,443
Operating transfers out	-	-	-	-	(1,100,000)
Interfund loans and advances	-	-	-	601,257	972,443
Net cash provided (used) by noncapital financing activities	-	-	-	601,257	24,507,886
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	-	-	-	(15,999,351)
Principal payments on leases, SBITAs, and loans	-	-	-	(118,234)	(25,275,141)
Interest paid on leases, SBITAs, and loans	-	-	-	-	(2,343,330)
Proceeds from capital loans	-	-	-	-	1,310,604
Proceeds from sale of capital assets	-	-	-	-	3,003,753
Net cash (used) by capital and related financing activities	-	-	-	(118,234)	(39,303,465)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest earned on investments	-	-	-	-	884,232
Proceeds from loan repayments	-	-	-	-	709,787
Loans issued	-	-	-	-	(1,370,274)
Net cash provided by investing activities	-	-	-	-	223,745
Net increase (decrease) in cash and cash equivalents	62,385	(13,764)	181,086	(34,121)	3,899,726
Cash and cash equivalents, July 1	100,103	100,586	-	34,121	63,168,637
Cash and cash equivalents, June 30	$ 162,488	$ 86,822	$ 181,086	$ -	$ 67,068,363
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ (14,376)	$ 48,791	$ 93,564	$ (364,280)	$ (11,274,506)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	-	-	-	97,362	37,425,776
Effect of changes in assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable	(687)	(731)	(92,522)	(279,047)	(10,262,593)
Lease receivable	-	-	-	-	383,177
Due from other funds	-	-	-	(10,154)	4,964,272
Inventories	-	-	-	-	(724,608)
Prepaid expenses	-	-	-	-	404,321
Accounts payable	77,448	-	179,620	(5,616)	2,342,402
Accrued salaries and benefits	-	-	424	75,056	675,311
Claims payable	-	-	-	-	(4,782,785)
Due to other funds	-	(61,824)	-	(30,465)	(258,707)
Unearned revenue	-	-	-	-	51,073
Other current liabilities	-	-	-	-	(70,508)
Deferred inflows	-	-	-	-	(401,065)
Total adjustments	76,761	(62,555)	87,522	(152,864)	29,746,066
Net cash provided (used) by operating activities	$ 62,385	$ (13,764)	$ 181,086	$ (517,144)	$ 18,471,560
Noncash investing, capital, and financing activities:					
Retirement of assets not fully depreciated	-	-	-	-	533,271
Fair market value of donated inventory sold	-	-	-	-	2,864,939
Acquisition of capital assets via financing	-	-	-	118,235	41,969,751

See Independent Auditor's Report.

Vermont State Retirement Fund - This is the public defined benefit pension plan provided by the State of Vermont for State employees.

State Teachers' Retirement Fund - This is the public defined benefit pension plan provided by the State of Vermont for State teachers.

Vermont Municipal Employees' Retirement Fund - This is the public pension plan administered by the State of Vermont for participating municipalities' employees.

Vermont State Defined Contribution Fund - This is a retirement plan for those exempt State employees that elected to participate in the defined contribution plan for the Vermont State Retirement System.

Single Deposit Investment Account Fund - This is a tax-sheltered account funded through employee transfers from a non-contributing system years ago.

Vermont Municipal Employees' Defined Contribution Fund - This is a retirement plan for those participating municipalities' employees that elected to participate in the defined contribution plan for the Vermont Municipal Employees' Retirement Fund.

Vermont State Postemployment Benefits Trust Fund - This fund's purpose is to accumulate and provide reserves to support retiree postemployment benefits for members of the Vermont state employees' retirement system.

Vermont Retired Teachers' Health and Medical Benefits Fund - This fund's purpose is to accumulate and provide reserves to support retiree postemployment benefits for members of the State Teachers' Retirement System.

Vermont Municipal Employees' Health Benefit Fund - This is a fund established by the Vermont Municipal Employees' Retirement System's Board of Directors as a tax-advantaged savings plan that assists retirees in paying for healthcare costs after retirement.

STATE OF VERMONT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS
June 30, 2025

	Defined Benefit Plans		
	Vermont State Retirement Fund	State Teachers' Retirement Fund	Vermont Municipal Employees' Retirement Fund
ASSETS			
Cash and short-term investments	$ 83,203,891	$ 73,828,408	$ 34,313,447
Investments			
Fixed income	167,290,319	176,649,058	66,276,046
Equities	78,597,040	95,257,713	29,267,388
Mutual and commingled funds	1,715,992,889	1,858,828,540	649,929,512
Private partnerships	973,325,758	1,003,480,379	360,171,553
Total investments	2,935,206,006	3,134,215,690	1,105,644,499
Receivables			
Contributions - current	10,457,783	9,249,333	9,217,343
Contributions - non-current	-	-	4,411,675
Investments sold	36,718,631	38,727,787	14,539,182
Interest and dividends	1,091,615	1,152,601	704,792
Due from other funds	105,580	-	263,073
Other	728,237	7,079,267	781,494
Total receivables	49,101,846	56,208,988	29,917,559
Prepaid expenses	72,457	218,700	51,910
Capital assets			
Construction in progress			
Capital assets being depreciated			
Intangible right-to-use assets	336,965	336,965	128,368
Equipment	3,179,702	3,783,557	1,427,212
Less accumulated depreciation	(3,219,174)	(3,819,141)	(1,435,078)
Total capital assets, net of depreciation	297,493	301,381	120,502
Total assets	3,067,881,693	3,264,773,167	1,170,047,917
LIABILITIES			
Accounts payable	1,990,666	59,084	39,968
Investments purchased	121,143,413	127,858,594	47,988,751
Interest payable	7,871	7,871	2,998
Due to other funds	399,136	262,346	94,866
Subscription Liability	269,555	269,555	102,688
Total liabilities	123,810,641	128,457,450	48,229,271
NET POSITION RESTRICTED FOR EMPLOYEES' PENSION AND OTHER POSTEMPLOYMENT BENEFITS	$ 2,944,071,052	$ 3,136,315,717	$ 1,121,818,646

See Independent Auditors' Report.

Defined Contribution Plans			Other Postemployment Benefit Funds				
Vermont State Defined Contribution Fund	Single Deposit Investment Account Fund	Vermont Municipal Employees' Defined Contribution Fund	Vermont State Postemployment Benefits Trust Fund	Vermont Retired Teachers' Health and Medical Benefits Fund	Municipal Employees' Health Benefit Fund	Eliminations	Total
$ 123,182	$ -	$ 74,233	$ 15,109,909	$ 2,453,277	$ 2,096,408	$ -	$ 211,202,755
-	-	-	-	-	-	-	410,215,423
-	-	-	-	-	-	-	203,122,141
92,930,669	21,140,055	33,427,537	179,299,028	142,875,252	13,249,840	-	4,707,673,322
-	-	-	25,787,844	16,926,819	-	-	2,379,692,353
92,930,669	21,140,055	33,427,537	205,086,872	159,802,071	13,249,840	-	7,700,703,239
120,166	-	20,917	3,094,236	602,086	-	-	32,761,864
-	-	-	-	-	-	-	4,411,675
-	-	-	-	-	-	-	89,985,600
-	-	-	-	-	-	-	2,949,008
-	-	-	149,678	-	-	(518,331)	-
-	-	-	29,975	19,963	-	-	8,638,936
120,166	-	20,917	3,273,889	622,049	-	(518,331)	138,747,083
50,784	-	221	-	-	-	-	394,072
-	-	-	-	-	-	-	802,298
-	-	-	-	-	-	-	8,390,471
-	-	-	-	-	-	-	(8,473,393)
-	-	-	-	-	-	-	719,376
93,224,801	21,140,055	33,522,908	223,470,670	162,877,397	15,346,248	(518,331)	8,051,766,525
55,235	-	555	101,240	69,010	-	-	2,315,758
-	-	-	-	-	-	-	296,990,758
-	-	-	-	-	-	-	18,740
105,580	-	263,073	-	-	-	(518,331)	606,670
-	-	-	-	-	-	-	641,798
160,815	-	263,628	101,240	69,010	-	(518,331)	300,573,724
$ 93,063,986	$ 21,140,055	$ 33,259,280	$ 223,369,430	$ 162,808,387	$ 15,346,248	$ -	$ 7,751,192,801

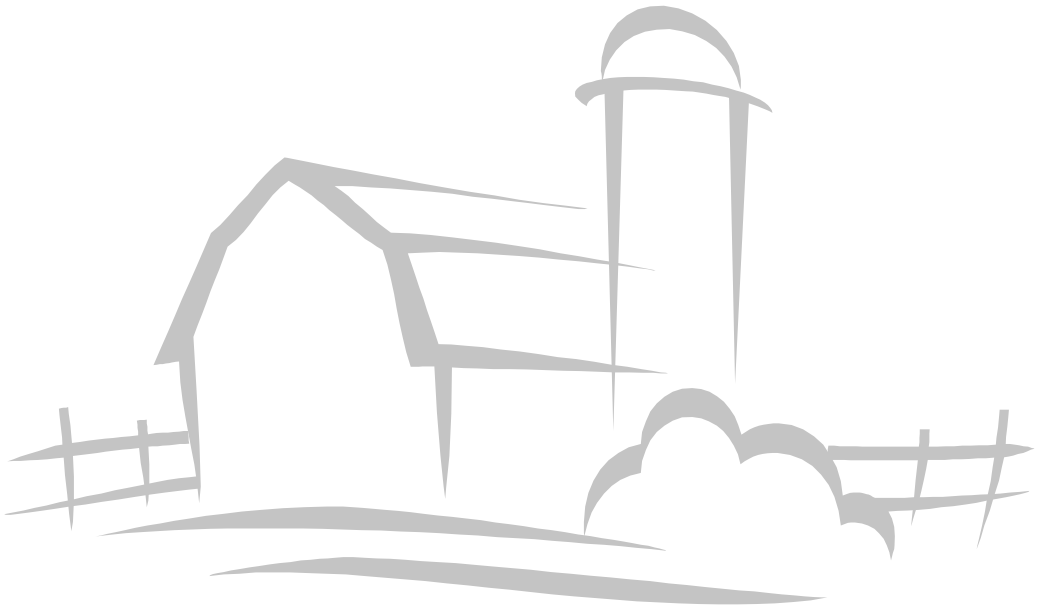
STATE OF VERMONT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Defined Benefit Plans		
	Vermont State Retirement Fund	State Teachers' Retirement Fund	Vermont Municipal Employees' Retirement Fund
ADDITIONS			
Contributions			
Employer - pension benefit	$ 143,985,346	$ -	$ 37,617,112
Employer - healthcare benefit	-	-	-
Non-employer - pension benefit	-	203,401,121	-
Non-employer - healthcare benefit	-	-	-
Plan member	64,058,809	60,756,113	37,038,357
Transfers from other pension trust funds	1,895,310	913,580	669,239
Transfers from non-state systems	-	8,125	-
Other revenues	-	10,707,699	-
Total contributions	209,939,465	275,786,638	75,324,708
Investment Income (loss)			
Net appreciation (depreciation) in fair value of investments	271,025,919	300,040,567	102,215,527
Dividends	6,232,007	6,736,675	2,324,889
Interest	6,859,328	7,727,715	3,281,296
Other income	-	22,304	-
Total investment income (loss)	284,117,254	314,527,261	107,821,712
Less Investment Expenses			
Investment managers and consultants	4,805,139	4,968,664	1,695,680
Total investment expenses	4,805,139	4,968,664	1,695,680
Net investment income (loss)	279,312,115	309,558,597	106,126,032
Total additions	489,251,580	585,345,235	181,450,740
DEDUCTIONS			
Retirement benefits	199,747,266	259,274,174	59,406,724
Other postemployment benefits	-	-	-
Refund of contributions	4,465,536	3,394,728	3,764,111
Death claims	1,025,418	280,647	893,607
Transfers to other pension trust funds	864,699	461,376	2,466,112
Transfers to non-state systems	-	-	-
Depreciation	102,420	108,635	41,880
Operating expenses	2,814,901	3,195,627	1,564,478
Total deductions	209,020,240	266,715,187	68,136,912
Change in net position	280,231,340	318,630,048	113,313,828
Net position restricted for employees' pension and postemployment benefits			
Restricted Net position, July 1	2,663,839,712	2,817,685,669	1,008,504,818
Restricted Net position, June 30	$ 2,944,071,052	$ 3,136,315,717	$ 1,121,818,646

See Independent Auditors' Report.

Defined Contribution Plans			Other Postemployment Benefit Funds				
Vermont State Defined Contribution Fund	Single Deposit Investment Account Fund	Vermont Municipal Employees' Defined Contribution Fund	Vermont State Postemployment Benefits Trust Fund	Vermont Retired Teachers' Health and Medical Benefits Fund	Municipal Employees' Health Benefit Fund	Eliminations	Total
$ 2,035,350	$ -	$ 610,301	$ -	$ -	$ -	$ -	$ 184,248,109
-	-	-	78,303,178	-	-	-	78,303,178
-	-	-	-	-	-	-	203,401,121
-	-	-	-	70,577,175	-	-	70,577,175
784,787	-	523,970	-	-	-	-	163,162,036
270,752	-	43,306	-	-	-	(3,792,187)	-
59,916	-	-	-	-	-	-	68,041
-	-	-	-	-	-	-	10,707,699
3,150,805	-	1,177,577	78,303,178	70,577,175	-	(3,792,187)	710,467,359
6,257,949	-	2,140,061	20,480,867	15,448,347	1,283,427	-	718,892,664
4,227,441	701,753	1,656,017	-	-	368,824	-	22,247,606
3,963	-	6,343	508,031	1,117,062	63,006	-	19,566,744
60,076	-	14,589	-	-	-	-	96,969
10,549,429	701,753	3,817,010	20,988,898	16,565,409	1,715,257	-	760,803,983
-	31,483	-	38,423	31,459	-	-	11,570,848
-	31,483	-	38,423	31,459	-	-	11,570,848
10,549,429	670,270	3,817,010	20,950,475	16,533,950	1,715,257	-	749,233,135
13,700,234	670,270	4,994,587	99,253,653	87,111,125	1,715,257	(3,792,187)	1,459,700,494
1,230,344	2,055,310	332,622	-	-	-	-	522,046,440
-	-	-	52,525,210	37,506,661	607,682	-	90,639,553
-	-	-	-	-	-	-	11,624,375
63,296	-	-	-	-	-	-	2,262,968
-	-	-	-	-	-	(3,792,187)	-
5,017,404	629,031	1,746,871	-	-	-	-	7,393,306
-	-	-	-	-	-	-	252,935
159,329	-	134,606	14,428	2,779	349,424	-	8,235,572
6,470,373	2,684,341	2,214,099	52,539,638	37,509,440	957,106	(3,792,187)	642,455,149
7,229,861	(2,014,071)	2,780,488	46,714,015	49,601,685	758,151	-	817,245,345
85,834,125	23,154,126	30,478,792	176,655,415	113,206,702	14,588,097	-	6,933,947,456
$ 93,063,986	$ 21,140,055	$ 33,259,280	$ 223,369,430	$ 162,808,387	$ 15,346,248	$ -	$ 7,751,192,801

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Vermont

Child Support Collections Fund - This fund collects child support receipts that are held until they are paid to the correct recipient.

Local Option Taxes Fund - This fund holds local option taxes collected on behalf of other governments.

Human Services Fund - This fund holds assets for the benefit of individuals, such as patients under the supervision of the Vermont State Hospital and Department of Disabilities, Aging and Independent Living, and inmates under the supervision of the Vermont Department of Corrections.

Judiciary Fund - This fund collects fines and fees on behalf of other governments and holds escrowed amounts for tenant/landlord disputes until the resolution of the matter.

Other Deposits Fund - This fund collects various other deposits, such as the International Fuel Tax and the International Registration Plan fees that are collected on behalf of other jurisdictions, and unpaid wages recoveries collected on behalf of individuals.

STATE OF VERMONT
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	Child Support Collections Fund	Local Option Taxes Fund	Human Services Fund	Judiciary Fund	Other Deposits Fund	Total
ASSETS						
Cash and cash equivalents	$ -	$ 5,200,766	$ 1,549,713	$ 2,303,381	$ 11,883	$ 9,065,743
Receivables:						
Tax receivables, net	-	3,685,653	-	-	-	3,685,653
Other receivables, net	322,485	-	-	2,295,138	-	2,617,623
Total receivables	322,485	3,685,653	-	2,295,138	-	6,303,276
Total assets	322,485	8,886,419	1,549,713	4,598,519	11,883	15,369,019
LIABILITIES						
Intergovernmental payable - other governments	310,501	8,886,419	-	2,690,490	-	11,887,410
Payable to individuals	184,099	-	-	7,818	-	191,917
Total liabilities	494,600	8,886,419	-	2,698,308	-	12,079,327
NET POSITION RESTRICTED FOR INDIVIDUALS, ORGANIZATIONS AND OTHER GOVERNMENTS	$ (172,115)	$ -	$ 1,549,713	$ 1,900,211	$ 11,883	$ 3,289,692

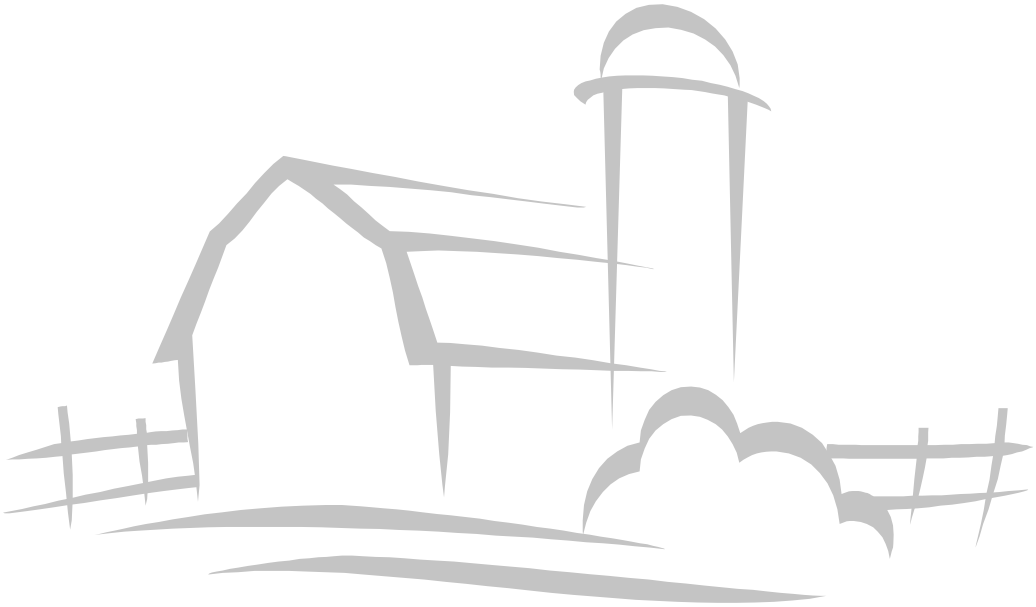
See Independent Auditors' Report.

STATE OF VERMONT
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Child Support Collections Fund	Local Option Taxes Fund	Human Services Fund	Judiciary Fund	Other Deposits Fund	Total
ADDITIONS						
Collection of local option taxes for other governments	$ -	$ 38,562,253	$ -	$ -	$ -	$ 38,562,253
Collection of fines and fees for other governments	-	-	-	6,766,849	-	6,766,849
Collection of child support for individuals	39,832,084	-	-	-	-	39,832,084
Collection for the benefit of individuals	-	-	9,747,510	-	-	9,747,510
Other custodial fund collections	29,949	-	-	-	859	30,808
Interest income	-	-	2,687	-	-	2,687
Total additions	39,862,033	38,562,253	9,750,197	6,766,849	859	94,942,191
DEDUCTIONS						
Payment of local option taxes to other governments	-	38,562,253	-	-	-	38,562,253
Payment of fines and fees to other governments	-	-	-	6,424,440	-	6,424,440
Payments of child support to individuals	39,693,661	-	-	-	-	39,693,661
Payments for the benefit of individuals	-	-	9,536,954	-	-	9,536,954
Other custodial fund payments	29,949	-	-	-	27	29,976
Total deductions	39,723,610	38,562,253	9,536,954	6,424,440	27	94,247,284
Change in net position	138,423	-	213,243	342,409	832	694,907
Net position restricted for individuals, organizations, and other governments						
Restricted Net position, July 1	(310,538)	-	1,336,470	1,557,802	11,051	2,594,785
Restricted Net position, June 30	(172,115)	-	1,549,713	1,900,211	11,883	3,289,692

See Independent Auditors' Report.

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Vermont

Vermont Economic Development Authority - This is a tax-exempt entity whose purpose is to promote economic prosperity within the State of Vermont by providing capital and direct financing to eligible borrowers.

Vermont Housing & Conservation Board - This is a not-for-profit entity whose mission is to create affordable housing for Vermonters and to conserve and protect agricultural, historic, natural, and recreational sites within Vermont.

Vermont Bond Bank - The Bond Bank's purpose is to create large bond issues on behalf of the States' municipalities and loan the proceeds back to the participating municipalities.

Vermont Educational and Health Buildings Financing Agency - This purpose of this agency is to provide tax-exempt financing to libraries, educational and healthcare providers to assist in the purchase and construction of real and personal property.

Vermont Veterans' Home - The Vet's home provides care to those that have given to their country and the State of Vermont.

STATE OF VERMONT
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED NON-MAJOR COMPONENT UNITS
June 30, 2025

	Vermont Economic Development Authority 6/30/2025	Vermont Housing & Conservation Board 6/30/2025	Vermont Bond Bank 12/31/2024	Vermont Educational and Health Buildings Financing Agency 12/31/2024	Vermont Veterans' Home 6/30/2025	Total Non-major Component Units
ASSETS						
Current Assets						
Cash and cash equivalents	$ 5,852,000	$ 66,001,837	$ 11,506,641	$ 142,838	$ 50	$ 83,503,366
Cash and cash equivalents - restricted	53,969,000	-	-	-	-	53,969,000
Investments	-	-	24,078,336	1,608,003	-	25,686,339
Accounts receivable, net	-	-	125,343	-	1,407,675	1,533,018
Accrued interest receivable - loans	1,242,000	-	3,030,039	-	-	4,272,039
Loans and notes receivable - current portion	28,006,000	1,715,355	66,666,288	-	-	96,387,643
Other receivables	-	61,341	-	-	9,484,970	9,546,311
Lease receivable	107,000	-	-	-	-	107,000
Due from federal government	-	4,073,430	-	-	-	4,073,430
Due from primary government	-	141,874,207	-	-	-	141,874,207
Inventories	-	-	-	-	349,951	349,951
Other current assets	956,000	48,536	75,315	-	42,247	1,122,098
Total current assets	90,132,000	213,774,706	105,481,962	1,750,841	11,284,893	422,424,402
Noncurrent Assets						
Cash and cash equivalents - restricted	-	-	3,046,806	-	580,637	3,627,443
Investments	9,027,000	-	-	-	-	9,027,000
Investments - restricted	18,952,000	-	65,579,568	-	1,902,754	86,434,322
Loans and notes receivable, net	248,398,000	352,765,419	621,589,509	-	-	1,222,752,928
Lease receivable	958,000	-	-	-	-	958,000
Other assets	-	25,000,500	-	-	-	25,000,500
Total noncurrent assets	277,335,000	377,765,919	690,215,883	-	2,483,391	1,347,800,193
Capital Assets						
Land	500,000	-	-	-	102,470	602,470
Construction in progress	-	-	-	-	844,130	844,130
Capital assets being depreciated						
Intangible right-to-use assets	709,000	-	75,442	-	-	784,442
Buildings and leasehold improvements	6,494,000	225,146	46,273	-	33,688,196	40,453,615
Equipment, furniture and fixtures	1,874,000	397,268	105,645	-	5,882,131	8,259,044
Less accumulated depreciation	(4,708,000)	(417,910)	(115,006)	-	(30,652,435)	(35,893,351)
Total capital assets, net of depreciation	4,869,000	204,504	112,354	-	9,864,492	15,050,350
Total assets	372,336,000	591,745,129	795,810,199	1,750,841	23,632,776	1,785,274,945
DEFERRED OUTFLOWS OF RESOURCES						
Loss on refunding of bonds payable	-	-	9,195,585	-	-	9,195,585
Pension related outflows	-	-	-	-	5,306,984	5,306,984
OPEB related outflows	-	-	-	-	15,515,026	15,515,026
Total deferred outflows of resources	-	-	9,195,585	-	20,822,010	30,017,595

See Independent Auditors' Report.

	Vermont Economic Development Authority 6/30/2025	Vermont Housing & Conservation Board 6/30/2025	Vermont Bond Bank 12/31/2024	Vermont Educational and Health Buildings Financing Agency 12/31/2024	Vermont Veterans' Home 6/30/2025	Total Non-major Component Units
LIABILITIES						
Current Liabilities						
Accounts payable and accrued liabilities	1,617,000	414,974	76,011	33,612	2,113,856	4,255,453
Accrued interest payable	621,000	-	-	-	-	621,000
Bond interest payable	-	-	3,231,416	-	-	3,231,416
Unearned revenue	27,332,000	5,086,461	-	-	115,000	32,533,461
Other current liabilities	87,250,000	-	65,315	-	-	87,315,315
Current portion of long-term liabilities	71,046,000	-	67,663,732	-	34,922	138,744,654
Due to primary government	-	1,570,027	-	-	6,835,150	8,405,177
Escrowed cash deposits	1,257,000	-	-	-	-	1,257,000
Total current liabilities	189,123,000	7,071,462	71,036,474	33,612	9,098,928	276,363,476
Noncurrent Liabilities						
Bonds and notes payable	75,673,000	230,210	694,842,478	-	-	770,745,688
Lease liabilities	689,000	-	-	-	16,756	705,756
Accrued arbitrage rebate	-	-	49,419	-	-	49,419
Advances from primary government	5,500,000	-	-	-	-	5,500,000
Net pension liabilities	-	-	-	-	12,225,917	12,225,917
Net other postemployment benefits liabilities	-	-	-	-	13,442,280	13,442,280
Other noncurrent liabilities	-	-	1,882,010	-	37,708	1,919,718
Total noncurrent liabilities	81,862,000	230,210	696,773,907	-	25,722,661	804,588,778
Total liabilities	270,985,000	7,301,672	767,810,381	33,612	34,821,589	1,080,952,254
DEFERRED INFLOWS OF RESOURCES						
Lease related inflows	919,000	-	8,183	-	-	927,183
Pension related inflows	-	-	-	-	3,989,246	3,989,246
OPEB related inflows	-	-	-	-	18,415,524	18,415,524
Total deferred inflows of resources	919,000	-	8,183	-	22,404,770	23,331,953
NET POSITION						
Net investment in capital assets	4,160,000	204,504	112,354	-	9,841,321	14,318,179
Restricted						
Investment in limited partnerships	4,088,000	-	-	-	-	4,088,000
Collateral for commercial paper program	17,801,000	-	-	-	-	17,801,000
Project and program commitments	6,088,000	204,987,889	17,649,017	-	2,445,683	231,170,589
Loans receivable	-	379,251,064	-	-	-	379,251,064
Unrestricted (deficit)	68,295,000	-	19,425,849	1,717,229	(25,058,577)	64,379,501
Total net position	$ 100,432,000	$ 584,443,457	$ 37,187,220	$ 1,717,229	$ (12,771,573)	$ 711,008,333

STATE OF VERMONT
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Vermont Economic Development Authority 06/30/2025	Vermont Housing & Conservation Board 06/30/2025	Vermont Bond Bank 12/31/2024	Vermont Educational and Health Buildings Financing Agency 12/31/2024	Vermont Veterans' Home 06/30/2025	Total Non-major Component Units
Expenses						
Salaries and benefits	$ 6,480,000	$ 6,128,007	$ 447,391	$ -	$ 16,638,250	$ 29,693,648
Other expenses	6,609,000	58,574,601	4,154,139	217,900	10,923,200	80,478,840
Depreciation	239,000	21,823	37,487	-	1,345,418	1,643,728
Interest on debt	10,888,000	-	22,754,345	-	-	33,642,345
Total expenses	24,216,000	64,724,431	27,393,362	217,900	28,906,868	145,458,561
Program Revenues						
Charges for services	18,115,000	178,111	24,979,805	96,698	22,612,729	65,982,343
Operating grants and contributions	9,961,000	63,987,336	4,708,253	-	10,918,861	89,575,450
Total program revenues	28,076,000	64,165,447	29,688,058	96,698	33,531,590	155,557,793
Net revenue (expense)	3,860,000	(558,984)	2,294,696	(121,202)	4,624,722	10,099,232
General revenues						
Property transfer tax	-	28,238,050	-	-	-	28,238,050
Investment income/(loss)	2,088,000	2,450,956	2,987,531	133,265	182,287	7,842,039
Miscellaneous	-	4,000	1,353,388	-	109,055	1,466,443
Total general revenues	2,088,000	30,693,006	4,340,919	133,265	291,342	37,546,532
Changes in net position	5,948,000	30,134,022	6,635,615	12,063	4,916,064	47,645,764
Net Position - beginning of the year, as previously reported	94,484,000	554,309,435	30,551,605	1,705,166	(17,658,215)	663,391,991
Restatement	-	-	-	-	(29,422)	(29,422)
Net Position - beginning of the year, as restated	94,484,000	554,309,435	30,551,605	1,705,166	(17,687,637)	663,362,569
Total net position, ending of the year	$ 100,432,000	$ 584,443,457	$ 37,187,220	$ 1,717,229	$ (12,771,573)	$ 711,008,333

See Independent Auditor's Report.

STATISTICAL SECTION CONTENTS
JUNE 30, 2025

The Statistical Section of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the State of Vermont's overall financial health. Below is a summary of the components and purpose of the tables provided in this section.

Financial Trends – Tables 1 through 4
These schedules contain trend information extracted from the State's financial statements, to help the reader understand how the State's financial performance and financial position have changed over time.

Revenue Capacity – Tables 5 through 7
These schedules contain information to help the reader assess the State's most significant revenue source – the personal income tax.

Debt Capacity – Tables 8 and 9
These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt, the State's ability to issue additional debt in the future, and related historical trend data.

Demographic and Economic Information – Tables 10 and 11
These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Operating Indicators – Tables 12 through 15
These schedules contain service levels and capital asset data to help the reader understand how the information in the State's financial report relates to the services the State provides to its citizens and visitors.

This information is unaudited.

Financial Trends
Net Position by Component, Last Ten Fiscal Years
(accrual basis of accounting)
(expressed in thousands)

	2025	2024	2023	2022	2021
Primary Government					
Governmental Activities					
Net investment in capital assets	$ 3,316,159	$ 3,187,174	$ 3,113,017	$ 2,945,703	$ 2,879,107
Restricted	845,223	721,070	681,512	619,996	562,524
Unrestricted	(2,764,425)	(3,185,735)	(3,057,179)	(3,259,546)	(3,764,434)
Total governmental activities net position	1,396,957	722,509	737,350	306,153	(322,802)
Business-type Activities					
Net investment in capital assets	3,345	3,378	3,619	3,309	3,767
Restricted	351,651	330,540	300,304	276,215	260,408
Unrestricted	13,093	(1,585)	(2,455)	2,898	3,357
Total business-type activities net position	368,089	332,333	301,468	282,422	267,532
Primary Government Totals					
Net investment in capital assets	3,319,504	3,190,552	3,116,636	2,949,012	2,882,874
Restricted	1,196,875	1,051,610	981,816	896,211	822,933
Unrestricted	(2,751,332)	(3,187,320)	(3,059,634)	(3,256,648)	(3,761,077)
Total primary government net position	$ 1,765,047	$ 1,054,842	$ 1,038,818	$ 588,575	$ (55,270)
Discretely Presented Component Units					
Net investment in capital assets	$ 293,558	$ 274,081	$ 274,710	$ 250,421	$ 219,898
Restricted	1,931,206	1,805,011	1,641,829	1,484,804	1,396,850
Unrestricted	350,184	302,143	115,484	5,725	(32,806)
Total discretely presented component units net position	$ 2,574,948	$ 2,381,235	$ 2,032,023	$ 1,740,950	$ 1,583,942

See Independent Auditors' Report

Totals may not add due to rounding.

2020	2019	2018	2017	2016
$ 2,750,188	$ 2,656,898	$ 2,591,000	$ 2,543,114	$ 2,428,107
528,815	540,574	582,021	601,214	639,446
(3,990,147)	(3,796,022)	(3,831,618)	(2,263,168)	(2,137,808)
(711,144)	(598,550)	(658,597)	881,160	929,744
4,071	4,373	2,414	897	859
390,672	525,180	459,553	384,431	302,400
(2,772)	8,308	(1,476)	6,704	5,473
391,971	537,861	460,491	392,032	308,733
2,754,259	2,661,271	2,593,414	2,544,011	2,428,966
919,487	1,065,754	1,041,574	985,646	941,846
(3,992,919)	(3,787,714)	(3,833,094)	(2,256,464)	(2,132,335)
$ (319,173)	$ (60,689)	$ (198,106)	$ 1,273,193	$ 1,238,477
$ 213,682	$ 217,067	$ 199,287	$ 181,407	$ 165,955
1,216,191	1,177,718	1,144,636	904,126	850,224
(208,360)	(232,988)	(249,843)	97,022	119,606
$ 1,221,513	$ 1,161,797	$ 1,094,080	$ 1,182,555	$ 1,135,784

STATE OF VERMONT
Statistical Section - Table 2
Financial Trends
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
(expressed in thousands)

	2025	2024	2023	2022	2021
Governmental activities					
Expenses					
General government	$ 244,836	$ 237,454	$ 297,709	$ 393,180	$ 454,773
Protection to persons and property	697,732	659,877	597,042	632,820	512,381
Human services	3,699,562	3,467,056	3,416,226	3,117,729	3,053,817
Labor	43,616	38,317	39,349	42,286	132,791
General education	2,916,560	2,948,320	2,704,521	2,500,261	2,608,373
Natural resources	240,046	199,022	174,518	149,483	150,275
Commerce and community development	153,871	190,581	179,498	213,349	269,888
Transportation	669,798	726,563	550,835	490,367	478,846
Interest on long-term debt	18,086	16,637	13,473	14,450	17,563
Total expenses	8,684,107	8,483,827	7,973,171	7,553,925	7,678,707
Program revenues					
Charges for services					
General government	92,110	74,166	75,806	74,144	62,015
Protection to persons and property	195,670	187,891	184,643	171,411	169,160
Human services	57,577	81,491	59,817	87,607	36,298
Natural resources	46,839	46,479	48,098	48,723	49,322
Transportation	148,869	141,805	135,590	128,424	125,125
Other	7,593	6,662	7,320	5,217	6,580
Operating grants and contributions	3,468,276	3,088,446	3,272,144	3,166,074	3,435,925
Capital grants and contributions	202,819	204,882	251,568	193,309	200,230
Total program revenues	4,219,753	3,831,822	4,034,986	3,874,909	4,084,655
Total governmental activities net program expense	(4,464,354)	(4,652,005)	(3,938,185)	(3,679,016)	(3,594,052)
General revenues and other changes in net position					
Taxes					
Personal and corporate income	1,699,129	1,518,547	1,455,887	1,500,228	1,335,228
Sales and use	620,061	599,040	582,101	550,261	509,693
Meals and rooms	264,482	247,820	238,452	218,662	146,144
Purchase and use	145,134	144,990	141,916	137,302	133,902
Motor fuel	73,541	73,722	75,989	74,080	69,309
Statewide property	1,494,505	1,301,158	1,203,614	1,228,803	1,197,455
Other taxes	708,522	565,852	532,342	511,914	507,812
Unrestricted investment earnings	69,166	100,024	55,228	2,274	1,094
Tobacco litigation settlement	23,098	24,885	27,917	26,178	25,510
Miscellaneous	1,329	561	494	1,484	834
Transfers	46,091	60,565	55,442	54,832	55,414
Total general revenues and other changes in net position	5,145,058	4,637,164	4,369,382	4,306,018	3,982,394
Total governmental activities change in net position	$ 680,704	$ (14,841)	$ 431,197	$ 627,002	$ 388,342

See Independent Auditors' Report

Totals may not add due to rounding.

2020	2019	2018	2017	2016
$ 301,977	$ 159,738	$ 158,631	$ 137,924	$ 86,493
376,983	326,012	407,264	385,012	340,173
2,690,565	2,538,921	2,471,653	2,509,094	2,411,445
46,573	31,132	29,758	31,835	30,562
2,267,430	2,157,187	2,092,459	1,995,530	1,941,060
149,166	143,796	135,030	112,199	109,593
36,434	41,801	43,388	48,320	53,533
467,781	460,589	461,988	432,898	430,221
18,346	17,824	18,998	17,138	18,389
6,355,255	5,877,001	5,819,169	5,669,950	5,421,469
188,169	54,050	42,049	32,170	34,407
150,341	162,506	212,561	215,255	168,908
24,991	19,806	23,797	29,092	27,871
49,328	58,557	53,058	39,052	37,792
122,269	130,464	127,163	127,361	119,230
11,259	9,191	20,813	30,829	27,544
2,116,202	1,860,725	1,823,611	1,838,474	1,861,803
184,337	175,159	202,544	178,778	183,726
2,846,896	2,470,458	2,505,596	2,491,011	2,461,281
(3,508,359)	(3,406,543)	(3,313,573)	(3,178,939)	(2,960,188)
954,940	1,045,392	947,631	830,797	871,212
439,103	416,817	397,119	376,362	370,374
158,422	184,570	175,746	169,127	158,298
105,055	111,812	109,434	103,235	100,166
66,364	79,791	80,889	38,204	38,161
1,144,068	1,105,532	1,059,024	1,049,359	1,050,701
446,409	462,141	469,207	498,162	482,201
5,231	6,272	4,775	2,116	990
23,994	23,651	58,946	34,633	34,993
528	423	1,007	863	951
51,652	31,735	25,468	27,497	28,510
3,395,766	3,468,136	3,329,246	3,130,355	3,136,557
$ (112,593)	$ 61,593	$ 15,673	$ (48,584)	$ 176,369

STATE OF VERMONT
Statistical Section - Table 2
Financial Trends
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
(expressed in thousands)

	2025	2024	2023	2022[1]	2021
Business-type activities					
Expenses					
State Lottery and sports wagering	$ 124,271	$ 134,517	$ 125,918	$ 120,392	$ 129,685
Liquor Control	82,557	82,999	82,368	80,771	76,306
Unemployment Compensation	67,920	62,192	53,191	151,968	852,808
Electric power sales and efficiency	67,067	68,935	72,135	64,961	-
Federal surplus property	965	1,087	758	288	-
Other	-	-	-	-	62,051
Total expenses	342,780	349,730	334,370	418,380	1,120,849
Program revenues					
Charges for services					
State Lottery and sports wagering	161,714	173,769	159,021	151,471	161,540
Liquor Control	101,078	102,822	104,960	102,789	96,667
Unemployment Compensation	76,914	70,190	68,217	62,421	63,408
Electric power sales and efficiency	72,435	68,103	67,254	72,035	-
Federal surplus property	969	1,095	766	284	-
Other	-	-	-	-	69,463
Operating grants and contributions	9,934	22,503	7,074	95,218	655,021
Total program revenues	423,044	438,482	407,292	484,218	1,046,100
Total business-type activities net program expense	80,264	88,752	72,922	65,838	(74,750)
General revenues and other changes in net position					
Unrestricted investment earnings	1,641	2,679	1,522	3,865	5,722
Miscellaneous	37	(1)	44	19	3
Transfers	(46,092)	(60,565)	(55,442)	(54,832)	(55,414)
Total general revenues and other changes in net position	(44,414)	(57,887)	(53,876)	(50,948)	(49,689)
Total business-type activities change in net position	$ 35,850	$ 30,865	$ 19,046	$ 14,890	$ (124,439)
Total primary government change in net position	$ 716,554	$ 16,024	$ 450,243	$ 641,892	$ 263,903
Component units					
Expenses					
Vermont Student Assistance Corporation	$ 76,064	$ 70,702	$ 72,939	$ 61,859	$ 63,884
University of Vermont and State Agricultural College	924,593	806,544	744,427	745,702	721,874
Vermont State Colleges	187,130	192,690	197,421	209,999	193,332
Vermont Housing Finance Agency	33,775	35,797	48,425	33,487	26,735
Other	145,458	129,129	111,178	104,764	119,307
Total expenses	1,367,020	1,234,862	1,174,390	1,155,811	1,125,132
Program revenues					
Charges for services					
Vermont Student Assistance Corporation	27,331	30,897	32,882	28,802	34,988
University of Vermont and State Agricultural College	487,524	470,232	475,922	468,353	432,041
Vermont State Colleges	92,362	91,630	102,983	99,381	94,290
Vermont Housing Finance Agency	34,888	20,690	14,348	3,332	21,788
Other	65,982	63,748	61,118	57,502	53,115
Operating grants and contributions	657,778	662,622	666,260	587,065	621,091
Capital grants and contributions	9,851	73,900	21,825	109,065	9,870
Total program revenues	1,375,716	1,413,719	1,375,338	1,353,500	1,267,183
Total component units net program expense	8,696	178,857	200,948	197,689	142,051
General revenues and other changes in net position					
Taxes	28,238	21,463	21,129	10,805	10,581
Unrestricted investment earnings/(loss)	153,975	144,028	72,682	(58,953)	206,287
Other	2,834	4,863	5,676	7,933	3,510
Total general revenues and other changes in net position	185,047	170,354	99,487	(40,215)	220,378
Total component units changes in net position	$ 193,743	$ 349,211	$ 300,435	$ 157,474	$ 362,430

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[1] In fiscal year 2022 changed the reporting of business-type activities

Totals may not add due to rounding.

2020	2019	2018	2017	2016
$ 109,967	$ 110,221	$ 105,505	$ 96,897	$ 97,688
71,572	66,678	64,229	60,715	59,527
801,125	65,658	64,096	68,817	69,417
-	-	-	-	-
-	-	-	-	-
82,830	60,111	4,465	4,779	7,447
1,065,494	302,668	238,295	231,208	234,079
137,388	139,274	132,425	122,375	124,264
91,118	67,591	65,843	63,210	60,732
120,164	108,978	129,954	143,119	143,599
-	-	-	-	-
-	-	-	-	-
75,383	80,612	5,557	5,534	8,670
535,115	2,549	499	787	1,071
959,168	399,004	334,278	335,025	338,336
(106,326)	96,336	95,983	103,817	104,257
12,076	11,188	8,810	6,917	5,282
11	36	26	62	8
(51,652)	(31,735)	(25,468)	(27,496)	(28,510)
(39,565)	(20,511)	(16,632)	(20,517)	(23,220)
$ (145,891)	$ 75,825	$ 79,351	$ 83,300	$ 81,037
$ (258,484)	$ 137,418	$ 95,024	$ 34,716	$ 257,406
$ 69,516	$ 74,670	$ 72,073	$ 68,649	$ 78,835
743,797	732,124	720,596	655,120	680,844
187,587	191,090	190,651	189,633	191,999
25,519	25,482	23,176	19,486	22,136
87,430	92,361	85,278	81,319	72,785
1,113,849	1,115,727	1,091,774	1,014,207	1,046,599
41,478	45,473	45,704	44,989	49,297
459,857	466,580	445,643	440,391	415,663
105,770	114,124	115,036	119,893	119,453
26,016	24,874	17,289	1,178	987
59,446	57,817	57,395	49,362	47,890
426,897	399,130	441,473	350,774	352,401
9,023	10,484	10,145	9,483	10,404
1,128,487	1,118,482	1,132,685	1,016,070	996,095
14,638	2,755	40,911	1,863	(50,504)
10,805	9,805	9,805	11,305	9,555
31,546	53,254	52,015	23,218	32,429
3,312	1,980	670	8,854	12,488
45,663	65,039	62,490	43,377	54,472
$ 60,301	$ 67,794	$ 103,401	$ 45,240	$ 3,968

STATE OF VERMONT
Statistical Section - Table 3
Financial Trends
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(expressed in thousands)

	2025	2024	2023	2022	2021
General Fund (GASB 54)					
Nonspendable	$ 121,837	$ 101,706	$ 50,873	$ 39,838	$ 50,005
Assigned	146,597	82,308	52,491	36,998	15,577
Unassigned	851,985	714,625	960,950	770,136	587,002
Total General Fund	$ 1,120,419	$ 898,639	$ 1,064,314	$ 846,972	$ 652,584
All Other Governmental Funds (GASB 54)					
Nonspendable	$ 7,416	$ 7,417	$ 7,417	$ 7,417	$ 7,416
Restricted	770,491	649,874	623,855	564,984	609,272
Committed	680,671	652,196	662,864	612,641	408,597
Assigned	3,209	-	-	-	656
Unassigned	(43,966)	(4,193)	(103,843)	(80,125)	-
Total All Other Governmental Funds	$ 1,417,821	$ 1,305,294	$ 1,190,293	$ 1,104,917	$ 1,025,941

See Independent Auditors' Report

Totals may not add due to rounding.

2020	2019	2018	2017	2016
$ 56,608	$ 60,718	$ 73,163	$ 121,751	$ 114,561
12,403	9,303	6,830	687	5,863
195,458	142,762	90,394	-	18,868
$ 264,469	$ 212,783	$ 170,387	$ 122,438	$ 139,292
$ 7,416	$ 7,417	$ 7,416	$ 7,416	$ 7,416
532,767	530,776	574,843	592,310	626,236
287,949	330,262	317,628	213,649	227,137
2,613	3,046	1,510	-	5,739
-	(27,782)	-	(8,852)	-
$ 830,745	$ 843,719	$ 901,397	$ 804,523	$ 866,528

STATE OF VERMONT
Statistical Section - Table 4
Financial Trends
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(expressed in thousands)

	2025	2024	2023	2022	2021
Revenues					
Taxes	$ 4,983,162	$ 4,406,223	$ 4,280,228	$ 4,221,308	$ 3,842,366
Fees	207,756	190,681	190,812	180,601	173,625
Sales of services, rents and leases	25,341	23,253	26,044	22,483	21,260
Federal grants	3,613,719	3,188,065	3,470,446	3,343,133	3,604,985
Fines, forfeits and penalties	12,323	10,281	15,145	11,217	10,477
Investment income/(loss)	99,201	135,812	82,005	(1,956)	8,767
Licenses	166,861	150,821	144,028	141,135	141,567
Special assessments	52,394	52,382	51,134	37,474	31,501
Other revenues	120,514	127,963	120,121	110,076	108,172
Total revenues	9,281,271	8,285,481	8,379,963	8,065,471	7,942,720
Expenditures					
General government	213,663	209,405	262,757	417,868	426,554
Protection to persons and property	690,846	648,287	584,801	604,256	495,725
Human services	3,709,846	3,441,187	3,372,314	3,060,424	3,003,129
Labor	48,213	36,770	40,085	41,130	123,029
General education	3,002,548	2,896,589	2,644,891	2,581,146	2,350,924
Natural resources	232,418	199,907	166,906	145,209	144,304
Commerce and community development	147,962	183,789	174,280	206,951	261,066
Transportation	767,893	819,189	729,165	619,430	584,587
Capital outlay	76,082	66,404	104,210	53,022	44,440
Debt service					
Interest	23,348	22,269	22,518	23,473	24,821
Principal	70,273	63,887	63,394	72,649	55,825
Total expenditures	8,983,092	8,587,683	8,165,321	7,825,558	7,514,404
Excess of revenues over (under) expenditures	298,179	(302,202)	214,642	239,913	428,316
Other financing sources (uses)					
Issuance of bonds	-	133,555	-	-	82,185
Issuance of refunding bonds	-	64,145	-	-	71,140
Premium from the issuance of bonds	-	18,307	-	-	29,776
Payment to bond escrow agent	-	(70,103)	-	-	(82,515)
Leases issued	399	452	2,533	646	-
SBITA's issued	13,174	10,836	32,659	-	-
Proceeds from Insurance Recoveries	-	43,271	-	-	-
Transfers in	1,335,480	1,091,339	870,397	818,441	814,557
Transfers out	(1,312,924)	(1,040,274)	(817,513)	(785,637)	(760,148)
Total other financing sources (uses)	36,129	251,528	88,076	33,450	154,995
Net change in fund balances	$ 334,308	$ (50,674)	$ 302,718	$ 273,363	$ 583,311
Debt service as a percentage of noncapital expenditures	1.09%	1.05%	1.12%	1.31%	1.16%

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Totals may not add due to rounding.

2020	2019	2018	2017	2016
$ 3,353,706	$ 3,382,074	$ 3,232,052	$ 3,074,928	$ 3,066,310
150,451	162,247	142,462	156,007	107,629
18,260	20,243	22,631	17,367	17,972
2,273,261	2,006,409	1,996,808	1,991,665	2,021,636
22,222	21,523	15,003	13,627	18,299
12,564	15,034	9,151	6,097	2,705
132,805	132,480	131,693	130,704	119,918
28,887	27,801	89,511	89,333	81,789
99,610	100,701	151,135	109,931	117,929
6,091,766	5,868,514	5,790,446	5,589,659	5,554,187
116,546	135,736	105,995	107,375	112,244
360,311	314,506	385,757	373,552	334,029
2,645,660	2,495,910	2,419,697	2,467,049	2,424,808
46,285	32,913	29,922	32,856	29,559
2,152,797	2,071,627	1,986,177	1,915,800	1,865,637
140,545	131,653	116,252	103,885	102,494
31,927	33,934	35,740	40,441	47,362
565,414	534,342	568,456	538,693	539,590
58,938	83,947	66,771	38,817	85,121
24,361	24,702	24,226	25,463	23,278
56,135	53,395	48,934	51,529	50,005
6,198,919	5,912,667	5,787,927	5,695,460	5,614,127
(107,153)	(44,153)	2,519	(105,801)	(59,940)
88,255	-	106,095	-	89,860
39,525	-	-	-	25,720
16,914	-	10,937	-	12,126
(44,375)	-	-	-	(28,292)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
857,547	993,924	1,122,291	1,170,319	1,097,972
(811,999)	(963,507)	(1,097,019)	(1,143,377)	(1,068,990)
145,867	30,416	142,304	26,942	128,396
$ 38,714	$ (13,736)	$ 144,823	$ (78,859)	$ 68,456
1.42%	1.39%	1.34%	1.42%	1.40%

STATE OF VERMONT
Statistical Section - Table 5
Revenue Capacity
Personal Income and Earnings by Major Industry
Last Ten Calendar Years
(expressed in thousands)

	2025 [1]	2024	2023	2022	2021
Total personal income	$ 48,069,040	$ 45,467,068	$ 43,335,888	$ 41,171,645	$ 39,354,585
Earnings	30,660,918	29,258,364	27,850,268	26,671,845	24,821,288
Farm earnings	222,496	214,797	179,172	397,246	208,424
Non-farm earnings	30,438,422	29,043,567	27,671,096	26,274,599	24,612,864
Private earnings	24,323,823	23,988,081	22,829,551	21,715,505	20,112,311
Forestry, fishing and related activities	(D)	96,131	101,008	85,471	82,017
Mining	65,431	71,231	69,985	63,949	55,961
Utilities	385,873	317,275	291,154	293,786	231,487
Construction	2,178,946	2,143,230	1,941,487	1,810,989	1,678,430
Manufacturing	2,548,463	2,552,573	2,510,612	2,510,612	2,376,373
Durable goods	1,593,063	1,634,896	1,617,128	1,637,374	1,519,617
Nondurable goods	955,400	917,677	893,484	862,325	856,756
Wholesale trade	988,580	979,675	928,583	886,265	808,695
Retail trade	2,091,124	1,975,635	1,904,033	1,812,549	1,784,843
Transportation and warehousing	571,780	526,125	521,375	511,550	488,122
Information	(D)	470,326	454,809	428,847	422,670
Finance and insurance	1,319,027	1,258,795	1,186,121	1,165,507	1,115,757
Real estate, rental and leasing	841,589	767,869	755,536	737,910	620,258
Professional and technical services	3,108,967	2,993,457	2,837,614	2,600,409	2,334,595
Management of companies and enterprises	329,274	316,368	328,438	314,260	287,978
Administrative and waste services	1,250,210	1,247,398	1,175,848	1,119,080	929,102
Education services	870,819	849,608	822,705	789,567	752,060
Healthcare and social assistance	4,585,796	4,270,853	4,025,934	3,845,140	3,647,887
Arts, entertainment and recreation	486,955	499,073	445,452	389,829	318,569
Accommodations and food services	1,569,178	1,573,367	1,507,794	1,394,433	1,292,072
Other services, except public administration	1,131,811	1,079,092	1,021,063	966,265	885,435
Government and government enterprises	5,337,317	5,055,486	4,841,545	4,559,094	4,500,553
Federal, civilian	1,090,320	972,334	945,023	887,210	844,391
Military	173,129	156,594	159,361	148,321	152,652
State and local	4,073,868	3,926,558	3,737,161	3,523,563	3,503,510
State	n/a	1,463,657	1,463,657	1,452,316	1,430,714
Local	n/a	2,104,813	2,104,813	2,071,247	2,072,796
Other personal income [2]	17,408,122	16,208,704	15,485,620	14,499,800	14,533,297
Average effective tax rate [3]	n/a	2.80%	2.68%	2.84%	2.96%

(1) Data for 2025 are projected annual estimates based on information through 2025 second quarter.
The estimates for 2016 are based on the 2012 NAICS. The estimates for 2017 forward are based on the 2017 NAICS.
(2) Includes non-earned income, such as interest and dividends, rental income, and government transfers to individuals.
(3) Total direct tax rate is not available. Average effective tax rate equals personal income tax collections (see Statistical Section Table 6) divided by total personal income. Source of collections data: Vermont Department of Taxes
(D) Not shown to avoid disclosure of confidential information; estimates are included in higher-level totals.

Some data previously reported for prior years has been modified to reflect updated estimates

Source: U.S. Department of Commerce, Bureau of Economic Analysis

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2020	2019	2018	2017	2016
$ 37,376,690	$ 34,837,966	$ 33,117,074	$ 31,960,192	$ 31,073,264
23,013,977	22,716,307	21,843,878	21,136,196	20,489,536
216,618	239,557	136,333	201,804	168,324
22,797,359	22,476,750	21,707,545	20,934,392	20,321,212
18,479,596	18,345,453	17,673,928	17,026,442	17,673,928
87,077	83,671	81,820	80,647	81,820
53,014	54,411	55,463	52,472	55,463
247,836	237,531	238,976	192,005	238,976
1,553,992	1,606,447	1,548,528	1,549,771	1,548,528
2,293,448	2,325,403	2,283,346	2,210,534	2,283,346
1,471,553	1,553,091	1,512,627	1,447,651	1,512,627
821,895	772,312	770,719	762,883	770,719
791,217	752,656	740,449	715,919	740,449
1,658,644	1,614,054	1,582,887	1,538,379	1,582,887
448,780	461,902	441,421	421,155	441,421
373,698	380,961	356,148	372,439	356,148
1,088,130	1,003,707	958,431	946,760	958,431
472,162	357,208	306,008	283,991	306,008
2,033,525	1,919,249	1,807,017	1,736,837	1,807,017
280,313	277,024	229,919	222,439	229,919
794,265	784,665	738,802	701,991	738,802
767,651	798,016	801,635	793,206	801,635
3,544,380	3,393,444	3,299,700	3,157,055	3,299,700
232,276	248,695	241,830	223,617	241,830
942,711	1,197,152	1,131,927	1,064,001	1,131,927
816,477	849,257	829,621	763,224	829,621
4,317,763	4,131,297	4,033,617	3,907,950	4,033,617
827,483	808,442	793,893	749,566	793,893
151,235	146,511	138,273	131,659	138,273
3,339,045	3,176,344	3,101,451	3,026,725	3,101,451
1,431,055	1,344,740	1,329,963	1,308,676	1,329,963
1,907,990	1,831,604	1,771,488	1,718,049	1,771,488
14,362,713	12,121,659	11,273,196	10,823,996	10,583,728
2.62%	2.66%	2.56%	2.48%	2.34%

STATE OF VERMONT
Statistical Section - Table 6
Revenue Capacity
Personal Income Tax Rates and Tax Calculations
Last Ten Calendar Years

Calendar Year	Tax Rates for Taxable Income Within Range Single Filing Status [1][2] 3.35%	6.60%	7.60%	8.75%	8.95%[3]	Tax Collections (000's)	Personal Income [4] (000's)	Average Effective Tax Rate
2024	$0 - $47,900	$47,900 - $116,000	$116,200 - $242,000	> $242,000		$ 1,292,814	$ 46,229,260	2.80%
2023	$0 - $45,400	$45,400 - $110,050	$110,050 - $229,550	> $229,550		$ 1,137,336	$ 43,335,888	2.62%
2022	$0 - $42,150	$42,150 - $102,200	$102,200 - $213,150	> $213,150		$ 1,172,483	$ 41,171,645	2.85%
2021	$0 - $40,950	$40,950 - $99,200	$99,200 - $206,950	> $206,950		$ 1,172,243	$ 39,354,585	2.98%
2020	$0 - $40,350	$40,350 - $97,800	$97,800 - $204,000	> $204,000		$ 914,085	$ 37,376,690	2.45%
2019	$0 - $39,600	$39,600 - $96,000	$96,000 - $200,200	> $200,200		$ 925,353	$ 34,837,966	2.66%
2018	$0 - $38,700	$38,700 - $93,700	$93,700 - $195,450	> $195,450		$ 847,047	$ 33,117,074	2.56%
2017	$0 - $37,900	$37,900 - $91,850	$91,850 - $191,650	$191,650 - $416,650	> $416,650	$ 792,402	$ 31,960,192	2.48%
2016	$0 - $37,650	$37,650 - $91,150	$91,150 - $190,150	$190,150 - $413,350	> $413,350	$ 727,920	$ 31,073,264	2.34%
2015	$0 - $37,450	$37,450 - $90,750	$90,750 - $189,300	$189,300 - $411,500	> $411,500	$ 720,103	$ 30,597,984	2.35%

[1] Different taxable income ranges apply to these rates for other filing statuses, including Married Filing Jointly, Married Filing Separately, Head of Household, etc.

[2] The *Tax Cuts and Jobs Act of 2017* reform changes to brackets and rates commenced for 2018 taxpayers.

[3] For 2013 - 2017, the tax rates applied to the five income ranges for single status filers were 3.55%, 6.80%, 7.80%, 8.80%, and 8.95%, respectively.

[4] See Statistical Section Table 5 for additional detail regarding personal income.

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STATE OF VERMONT
Statistical Section - Table 7
Revenue Capacity
Personal Income Tax Filers and Liability by Income Level
Calendar Years 2024[1] and 2015

	Calendar Year 2024				
Income Level	Number of Filers	Percentage of Total Filers	State Taxable Income [2]	State Personal Income Tax (net) [3]	Percentage of Total State
$300,000 and higher	9,788	2.57%	$ 7,375,870,785	$ 496,285,901	38.39%
$150,000 - $299,999	23,603	6.20%	4,749,828,669	247,075,759	19.11%
$100,000 - $149,999	30,524	8.02%	3,708,965,348	165,013,792	12.76%
$75,000 - $99,999	28,055	7.37%	2,432,199,473	94,472,882	7.31%
$50,000 - $74,999	43,847	11.52%	2,691,531,704	96,644,211	7.48%
$25,000 - $49,999	62,278	16.36%	2,310,548,224	74,541,735	5.77%
$10,000 - $24,999	41,188	10.82%	713,072,221	22,651,090	1.75%
$9,999 and lower	90,011	23.64%	165,417,544	5,318,134	0.41%
Out of State	51,466	13.52%	24,884,875,788	90,810,795	7.02%
Totals	380,760	100.00%	$ 49,032,309,756	$ 1,292,814,299	100.00%

	Calendar Year 2015				
Income Level	Number of Filers	Percentage of Total Filers	State Taxable Income [2]	State Personal Income Tax (net) [3]	Percentage of Total State
$300,000 and higher	3,519	0.94%	$ 2,572,783,468	$ 178,364,333	24.77%
$150,000 - $299,999	9,405	2.52%	$ 1,879,307,827	$ 106,700,480	14.82%
$100,000 - $149,999	15,716	4.21%	$ 1,886,039,131	$ 93,114,160	12.93%
$75,000 - $99,999	19,436	5.21%	$ 1,673,893,867	$ 73,907,071	10.26%
$50,000 - $74,999	35,156	9.42%	$ 2,160,404,043	$ 83,686,562	11.62%
$25,000 - $49,999	63,897	17.12%	$ 2,315,227,615	$ 81,780,155	11.36%
$10,000 - $24,999	57,628	15.44%	$ 994,684,327	$ 34,005,008	4.72%
$9,999 and lower	117,454	31.47%	$ 226,945,909	$ 7,855,590	1.09%
Out of State	51,027	13.67%	$ 11,658,274,594	$ 60,689,878	8.43%
Totals	373,238	100.00%	$ 25,367,560,782	$ 720,103,237	100.00%

Source: Vermont Department of Taxes

[1] Information for Tax Year 2024 is preliminary data for returns processed through November 17, 2025

[2] State Taxable Income is the total taxable income reported on line 15 less returns for taxpayers with an income adjustment of zero.

[3] State Personal Income Tax is net of taxable income adjustments, Vermont credits and other tax credits.

STATE OF VERMONT
Statistical Section - Table 8
Debt Capacity
Ratios of Outstanding Debt by Type, Last Ten Years
(Expressed in Thousands, Except per Capita)

	Governmental Activities[1]				Business-type Activities				
Fiscal Year	General Obligation Current Interest Bonds	Special Obligation Current Interest Bonds	Leases	SBITA's[2]	SBITA's[2]	Total Outstanding Debt Primary Government	Ratio of Debt to Personal Income[3]	Debt Per Capita[4]
2025	$ 587,273	$ -	$ 84,999	$ 43,430	$ 4,489	$ 720,191	1.50%	$ 1,114
2024	651,945	-	76,839	35,363	4,596	768,743	1.69%	1,186
2023	567,487	-	77,205	24,274	4,977	673,943	1.57%	1,040
2022	628,866	-	84,100	n/a	n/a	712,966	1.75%	1,102
2021	689,788	21,704	8,862	n/a	n/a	720,354	1.82%	1,113
2020	651,698	23,448	9,157	n/a	n/a	684,303	1.84%	1,064
2019	613,380	25,151	9,418	n/a	n/a	647,949	1.86%	1,010
2018	672,382	26,829	9,751	n/a	n/a	708,962	2.14%	1,107
2017	609,893	28,479	10,359	n/a	n/a	648,731	2.03%	1,015
2016	667,832	30,103	10,920	n/a	n/a	708,855	2.28%	1,114

[1] Net of premiums and discounts

[2] In FY2023 GASB 96 was implemented for SBITA reporting

[3] See Statistical Section Table 5 for additional detail regarding personal income.

[4] See Statistical Section Table 10 for population statistics.

Note: The State has no constitutional or other limit on its power to issue obligations or incur indebtedness except for the requirement that borrowing only be for public purposes.

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STATE OF VERMONT
Statistical Section - Table 9
Debt Capacity
Ratios of General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years*
(Expressed in Thousands, Except Per Capita)

Fiscal Year	General Obligation Bonded Debt	State Taxable Personal Income [1]	Ratio of General Bonded Debt to Taxable Personal Income	General Bonded Debt Per Capita [2]
2025	$ 587,273	$ 25,367,561	2.32%	908
2024	651,945	34,352,213	1.90%	1,006
2023	567,487	56,157,729	1.01%	876
2022	628,866	71,764,103	0.88%	972
2021	689,788	53,457,179	1.29%	1,066
2020	651,698	41,525,219	1.57%	1,014
2019	613,380	35,172,784	1.74%	956
2018	672,382	28,064,363	2.40%	1,050
2017	609,893	26,251,655	2.32%	954
2016	667,832	25,367,561	2.63%	1,049

* State Taxable Personal Income is for the calendar year that ended during the fiscal year.

Personal Income data previously reported for prior years may been modified to reflect updated estimates

[1] Source: Vermont Department of Taxes.

[2] Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Dept. of Commerce updated September 26, 2025 for 2025:Q2.

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STATE OF VERMONT
Statistical Section - Table 10
Demographic and Economic Statistics
Population, Per Capita Personal Income, Civilian Labor Force,
Public School Enrollment, and Motor Vehicle Registration Data
Last Ten Years*

	Population[1]				Per Capita Personal Income[1]		
Year	U.S.	Change From Prior Period	State of Vermont	Change From Prior Period	U.S.	State of Vermont	Vermont as a Percentage of U.S.
2024	340,110,988	1.55%	648,493	0.16%	73,204	71,287	97.38%
2023	334,914,895	0.49%	647,464	0.05%	69,810	66,932	95.88%
2022	333,271,411	0.38%	647,110	0.00%	66,244	63,624	96.04%
2021	332,048,977	0.16%	647,093	0.65%	64,460	60,818	94.35%
2020	331,526,933	0.39%	642,936	0.17%	59,123	58,134	98.33%
2019	330,233,102	0.51%	641,838	0.18%	55,566	54,278	97.68%
2018	328,542,157	0.59%	640,667	0.25%	53,309	51,692	96.97%
2017	326,623,063	0.70%	639,061	0.43%	51,004	50,011	98.05%
2016	324,367,742	0.79%	636,342	0.07%	48,971	48,831	99.71%
2015	321,829,327	0.80%	635,874	0.32%	48,060	48,120	100.12%

*The information for this table is not available for the 2025 year, the data reported here is for the ten years 2015 - 2024. Some data previously reported for prior years has been modified to reflect updated estimates.

[1]Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce. Last updated: September 26, 2025.

[2]Source: Local Area Unemployment Statistics (LUAS), Vermont Department of Labor, Economic & Labor Market Information; Not Seasonally Adjusted. Released November 24, 2025: 1976 - 2024 Annual Benchmark revisions and 2024 Annual Averages. Last updated March 17, 2025.

[3]Source: Vermont Department of Education, "Number of Equalized Pupils in School Districts."

[4]Source: Vermont Department of Motor Vehicles, All Registered Vehicle Types; excludes agriculture vehicles, motorcycles and trailers; data is on a calendar year basis.

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Civilian Labor Force[2]					
State Employed	State Unemployed	State Total	State Unemployment Rate	Public School Enrollment[3]	Motor Vehicles Registered[4]
347,673	8,237	355,910	2.3%	84,415	579,886
343,840	7,046	350,886	2.0%	85,814	589,143
333,081	9,034	342,115	2.6%	86,799	632,798
323,354	12,469	335,823	3.7%	87,304	625,531
320,542	19,268	339,810	5.7%	87,839	607,546
346,016	7,490	353,506	2.1%	88,359	607,220
346,553	8,790	355,343	2.5%	87,745	605,076
344,698	10,687	355,385	3.0%	89,025	592,150
335,043	10,808	345,851	3.1%	89,163	590,545
334,262	12,250	346,512	3.5%	89,257	585,347

STATE OF VERMONT
Statistical Section - Table 11
Demographic and Economic Information
Annual Average Non-Farm Employment by Industry
For the Years 2024 and 2015

	2024			2015		
	Employees	Rank	Percent of Total	Employees	Rank	Percent of Total
Total non-farm employment	**343**		**100.0%**	**338**		**100.0%**
Private total	**287**		**83.6%**	**282**		**83.4%**
Natural resources and mining	1		0.2%	1		0.2%
Construction	16	8	4.7%	15	7	4.5%
Manufacturing:						
Durable goods	16	7	4.7%	20	6	5.8%
Nondurable goods	11		3.3%	11	10	3.3%
Wholesale trade	9		2.6%	9		2.8%
Retail trade	36	2	10.4%	38	2	11.2%
Transportation, warehousing, and utilities	8		2.3%	8		2.5%
Information	5		1.3%	5		1.4%
Financial activities:						
Finance and insurance	9		2.5%	9		2.7%
Real estate and rental and leasing	3		0.9%	3		0.9%
Professional and business services:						
Professional and technical services	18	6	5.2%	14	8	4.2%
Management of companies and enterprises	33	3	9.7%	28	4	8.1%
Administrative and waste services	13	9	3.9%	11		3.3%
Educational and health services:						
Education services	13	10	3.7%	13	9	4.0%
Healthcare and social assistance	52	1	15.0%	50	1	14.9%
Leisure and hospitality:						
Arts, entertainment, and recreation	5		1.4%	4		1.2%
Accommodation and food services	30	4	8.8%	32	3	9.5%
Other services, except public administration	10		3.0%	10		3.1%
Government total	**56**		**16.4%**	**56**		**16.6%**
Federal	7		2.0%	7		2.0%
State government education	9		2.6%	9		2.8%
Local government education	22	5	6.5%	23	5	6.7%
Other state government	10		2.8%	10		2.8%
Other local government	8		2.4%	8		2.2%

Source: Vermont Department of Labor, Labor Market Information, data release date November 24, 2025.

Note - Data for specific businesses that comprise the top employers in the state is not available, due to confidentiality regulations; thus, information by industry is presented.

Totals may not add due to rounding.

See Independent Auditors' Report

STATE OF VERMONT
Statistical Section - Table 12
Operating Information
Full-Time Equivalent State Government Employees by Function/Program
Last Ten Years

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Agency of Administration	40	32	29	23	19	18	16	19	20	48
Auditor of Accounts	14	15	15	16	14	13	14	14	15	12
Buildings and General Services	322	317	313	311	308	328	316	328	326	325
Finance and Management	29	31	29	24	28	27	27	29	26	26
Executive (Governor's) Office	10	11	12	11	11	11	12	10	11	13
Agency of Digital Services	363	355	351	335	332	341	346	100	104	103
Libraries	18	18	18	17	16	17	16	18	13	13
Lieutenant Governor	2	2	2	2	2	2	2	2	2	2
Human Resources	104	100	97	96	90	95	100	94	92	77
State Treasurer	41	40	39	33	34	36	36	33	35	32
State Ethics Commission	1	1	1	1	1	1	1	1	n/a	n/a
Taxes	146	143	137	136	138	144	138	157	156	149
Vermont Labor Relations Board	1	2	2	2	3	2	2	2	2	2
VOSHA Review Board	1	1	1	1	1	1	1	1	1	1
Vermont Pension Investment Commission	4	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Protection to Persons and Property										
Agency of Agriculture, Food and Markets	148	150	142	134	132	130	121	120	121	109
Attorney General	84	83	84	80	85	80	83	78	77	76
Cannabis Control Board	25	22	21	10	3	n/a	n/a	n/a	n/a	n/a
Financial Regulation	100	99	92	91	101	99	95	99	97	104
Criminal Justice Training Council	14	11	13	10	11	11	11	11	9	8
Defender General	78	75	75	76	73	69	70	70	69	64
Enhanced 911 Board	11	10	10	9	9	9	10	10	10	10
Liquor and Lottery	69	70	67	61	67	65	67	73	73	72
Military	142	143	143	143	141	144	140	137	129	122
Public Safety	545	532	514	530	541	576	562	571	566	563
Public Service Department	71	65	57	52	42	46	44	47	50	49
Public Utility Commission	27	26	24	25	24	25	26	25	22	25
Secretary of State	84	81	79	77	74	78	74	72	71	69
State's Attorneys and Sheriffs	170	172	162	156	159	165	167	160	161	157
Vermont Human Rights Commission	6	7	6	5	5	6	5	4	5	5
Human Services										
Children and Families	958	942	915	922	897	950	970	1004	1,016	1,114
Office of the Child, Youth	2	2	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Vermont Department of Health Access	357	353	352	318	332	336	348	330	320	177
Aging, Disabilities, and Independent Living	303	310	301	285	262	268	269	271	266	268
Corrections	924	944	895	838	897	998	977	1002	1,065	1,036
Health	588	587	588	562	494	486	482	511	501	486
Mental Health Services	217	196	182	196	220	223	242	242	237	232
Secretary of Human Services	78	72	62	58	55	58	56	129	142	137
Governor's Commission on Women	3	3	3	3	3	3	3	3	3	3
Green Mountain Care Board	30	27	31	28	30	29	28	27	26	24
Veteran's Home (discrete component unit)	133	126	130	133	155	173	178	183	175	178
Labor										
Department of Labor	234	221	221	220	214	204	212	238	244	254
General Education										
Agency of Education	160	162	148	150	151	148	138	161	150	139
Natural Resources										
Land Use Review Board	32	28	26	22	24	24	24	22	23	24
Environmental Conservation	331	329	319	283	276	288	284	300	291	283
Fish and Wildlife	141	142	139	137	133	137	138	141	141	131
Forests, Parks and Recreation	130	128	115	116	115	116	117	119	113	99
Secretary of Natural Resources	41	37	37	30	20	18	20	35	35	32
Commerce and Community Development										
Agency of Commerce and Community Development	95	93	91	91	73	75	74	92	91	96
Transportation										
Agency of Transportation	1,191	1,191	1,185	1,159	1,150	1,199	1,188	1,255	1,275	1,233
Total	8,618	8,511	8,276	8,018	7,965	8,272	8,250	8,350	8,377	8,182

Source: Vermont Department of Human Resources - State of Vermont Workforce Report

See Independent Auditors' Report

STATE OF VERMONT
Statistical Section - Table 13
Operating Information
Operating Indicators by Function
Last Ten Years

Function	2025	2024	2023	2022	2021
General Government					
Square feet of State owned facilities [1]	3,055,021	3,066,708	2,964,161	2,920,109	2,932,868
State Pension Plan membership [2]	67,269	65,636	63,477	60,919	58,440
Number of State employees (full-time and part-time) [3]	8,661	8,556	8,276	8,059	8,004
Protections to Persons and Property [4]					
Number of State Agency law enforcement officers	n/a	359	354	372	371
Number of Sheriff's Department law enforcement officers	n/a	147	171	149	137
Human Services [5]					
Total Corrections population	6,427	6,200	5,723	5,672	6,402
Immunization coverage, children[5.1]	n/a	n/a	75%	77%	75%
Bed nights in homeless shelters	227,640	187,597	204,299	162,569	123,823
Labor [6]					
Number of Unemployment Compensation payments	n/a	105,984	106,933	104,351	281,465
General Education [7]					
Statewide expenditure per equalized student	22,558	20,254	18,376	17,207	16,975
Total local education agencies	122	122	120	118	121
Natural Resources					
Gallons of maple syrup produced [8]	3,064,000	3,108,000	2,045,000	2,554,000	1,750,000
Number of regular season moose permit applications [9]	n/a	155	157	83	84
Number of archery season moose permit applications [9]	n/a	20	20	17	16
Commerce and Community Development					
Net change in employer businesses [10]	n/a	(120)	(299)	216	454
Median purchase price of a new home [11]	n/a	624,578	616,500	555,264	457,714
Number of skier visits [12]	n/a	4.1 Million	4.1 Million	3.8 Million	3.5 Million
Transportation [13]					
Total snowplowing hours	n/a	433,912	346,534	344,313	379,210
Structurally deficient bridges	n/a	37	31	34	35
Paving projects (miles)	n/a	108	181	261	325

n/a - Information not available at time of printing.

Sources:

[1] Vermont Department of Buildings & General Services, Space Book
[2] Vermont Office of the State Treasurer
[3] Vermont Department of Human Resources
[4] Vermont Department of Public Safety
[5] Vermont Agency of Human Services
[5.1] Combined 7-vaccine series, 2021 estimate by age 24 months among children born in 2019, National Immunization Survey-Child
[6] Vermont Department of Labor
[7] Agency of Education
[8] US Department of Agriculture
[9] Vermont Agency of Natural Resources
[10] bls.gov, prior year numbers may change as updated data is available from bls.gov
[11] Vermont Housing Finance Agency
[12] skivermont.com
[13] Vermont Agency of Transportation

See Independent Auditors' Report

2020	2019	2018	2017	2016
2,965,032	2,975,834	3,013,214	2,953,602	2,960,415
57,197	55,607	54,040	52,639	51,210
8,317	8,300	8,396	8,432	8,237
404	402	380	394	374
158	147	131	137	131
7,749	8,758	9,809	9,692	9,809
80%	78%	74%	74%	77%
154,674	193,864	194,505	175,997	173,840
1,099,066	169,007	178,394	196,281	214,023
16,237	18,934	18,778	18,877	18,427
126	213	283	327	341
1,950,000	2,070,000	1,940,000	1,980,000	1,990,000
44	2,994	100	4,436	7,773
10	-	-	1,265	2,228
(50)	(34)	98	(30)	49
388,000	227,500	215,000	210,000	205,000
3.7 Million	4.2 Million	4.0 Million	3.9 Million	3.2 Million
278,747	124,898	214,828	191,208	180,069
36	38	40	45	44
250	180	204	203	220

STATE OF VERMONT
Statistical Section - Table 14
Operating Information
Capital Asset Statistics by Function
Last Ten Years

Function	2025	2024	2023	2022	2021
General Government[1]					
Department of Buildings & General Services					
Land holdings (acres)	1,731	1,731	1,731	1,731	1,732
State-owned space (square feet)	3,055,021	3,066,708	2,964,161	2,920,109	2,932,868
Protection to Persons and Property					
Number of state police vehicles[2]	580	563	564	541	578
Number of armory locations[3]	17	17	17	17	17
Number of agriculture lab instruments[2]	79	79	71	68	68
Human Services[2]					
Department of Health - Number of lab instruments (analyzer, module, counters, meters, etc.)	190	206	187	191	177
Department of Children and Families - number of vans	-	-	-	-	-
Department of Corrections - number of vehicles	-	-	-	3	3
Labor[2]					
Department of Labor - number of capitalized computer assets	40	29	29	29	29
General Education[2]					
Agency of Education - number of capitalized computer assets	5	5	5	5	24
Natural Resources[2]					
Number of dams	100	100	100	100	100
Agency of Natural Resources					
Number of vehicles	237	249	256	241	270
Number of building and improvement assets	580	545	544	543	529
Commerce and Community Development[4]					
Number of historic sites	18	18	18	18	19
Number of covered and iron truss bridges	7	7	7	7	7
Number of underwater preserves	100+	100+	100+	100+	100+
Transportation[5]					
Number of bridges over 20 feet	1,133	1,129	1,129	1,125	1,124
State highway miles	2,708	2,708	2,708	2,709	2,709
Agency of Transportation buildings (square feet)	1,426,625	1,399,709	1,399,709	1,399,709	1,367,329

See Independent Auditors' Report

Sources:

[1] VT Department of Buildings and General Services, Space Book
[2] VT Department of Finance and Management
[3] VT Department of Military
[4] VT Agency of Commerce and Community Development, Historic Preservation
[5] VT Agency of Transportation

2020	2019	2018	2017	2016
1,732	1,732	1,732	1,697	1,741
2,965,032	2,975,834	3,013,214	2,953,602	2,960,415
525	545	516	496	528
19	19	19	20	20
67	70	61	58	54
153	150	164	166	165
-	-	-	-	17
3	3	-	-	-
27	28	28	28	24
24	20	17	17	18
94	94	93	93	94
247	253	236	227	238
519	510	502	498	490
19	19	19	19	19
7	7	7	7	7
100+	100+	100+	100+	100+
1,124	1,124	1,090	1,089	1,089
2,709	2,709	2,709	2,709	2,709
1,367,329	1,367,329	1,366,929	1,355,569	1,341,139

STATE OF VERMONT
Statistical Section - Table 15
Operating Information
Tax Increment Financing Districts*
Last Ten Years*

	Incremental Revenues Generated			Incremental Revenues Paid To		Incremental Revenues used for TIF District Debt		
Year	Municipal Property Tax	State Education Property Tax	Total	Municipal General Fund	State Education Fund	Municipal Property Tax	State Education Property Tax	Total
2024	$ 4,951,667	$ 9,214,223	$14,165,890	$ 362,508	$ 1,848,686	$ 4,589,160	$ 7,365,536	$11,954,696
2023	3,887,910	8,265,615	12,153,525	165,827	1,383,745	3,722,083	6,881,870	10,603,953
2022	4,050,043	7,752,228	11,802,271	234,806	1,270,587	3,815,237	6,481,641	10,296,878
2021	3,510,918	6,840,288	10,351,206	194,497	933,949	3,316,421	5,906,339	9,222,760
2020[2]	3,280,022	6,285,804	9,565,826	170,983	841,218	3,109,039	5,444,586	8,553,625
2019	3,352,790	6,658,087	10,010,877	294,065	935,821	3,058,725	5,722,266	8,780,991
2018	2,978,746	5,908,057	8,886,803	223,176	816,246	2,755,570	5,091,811	7,847,381
2017	2,794,643	5,368,800	8,163,443	285,446	696,024	2,509,197	4,672,776	7,181,973
2016	2,339,947	4,480,310	6,820,257	197,738	528,591	2,142,209	3,951,719	6,093,928
2015	2,391,208	3,632,516	6,023,724	203,541	393,116	2,187,667	3,239,400	5,427,067

* Incremental revenues are not available for the 2025 year, so the actual data reported here is for the ten years 2015-2024.
* In Annual Reports prior to 2018, the projected revenues were represented assuming growing tax rates. This table is now updated annually using current tax rates applied to projected taxable values which are based on anticipated real property developments.

(1) 2014 represents a 6-month period to move into alignment with municipalities fiscal year; Barre reported a 12-month cycle .

(2) 2020 includes an additional payment made to the Education Fund by the City of St. Albans in the amount of $9,325.58. An error discovered by the City in their Grand List excluded a property value from the Original Taxable Value and caused an underpayment of tax increment to the Education Fund in prior years.

Source: Agency of Commerce and Community Development - TIF Program Annual Report - 2025

See Independent Auditor's Report

A Tax Increment Financing (TIF) district is a method to provide revenues, beyond normal municipal revenue sources, for public infrastructure improvements which will encourage private development within the district, provide employment opportunities, improve and broaden the tax base, or enhance general economic vitality in a manner and location preferred by a municipality and the State. TIF Districts are established and managed under 24 V.S.A. chapter 53 subchapter 5, and 32 V.S.A. 5404a(f) subject to approved by the Vermont Economic Progress Council. There is no individual or entity tax abatement due to the approval of a TIF. An approved TIF allows the municipality to use incremental Education Fund statewide education property tax revenues for the specified public infrastructure costs.

STATE OF VERMONT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

LEGEND OF ACRONYMS

Acronym	Description
ACFR	Annual Comprehensive Financial Report
ADC	Actuarially Determined Contribution
ADS	Agency of Digital Services
AD&D	Accidental Death and Dismemberment
AFC	Average Final Compensation
AHS	Agency of Human Services
AOA	Agency of Administration
ARPA	American Rescue Plan
BFS	Basic Financial Statements
CARES	Coronavirus Aid, Relief, and Economic Security Act
CMO	Collateralized Mortgage Obligations
COLA	Cost of Living Adjustment
CP	Covered Payroll
CPI	Consumer Price Index
DEC	Department of Environmental Conservation
DVHA	Department of Vermont Health Access
EAN	Entry Age Normal
EAP	Employee Assistance Program
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FEMA	Federal Emergency Management Assistance
FICA	Federal Insurance Contributions Act
FMLI	Family and Medical Leave Insurance
FSA	Flexible Spending Account
FX	Foreign Exchange
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product
GSP	Gross State Product
GFOA	Government Finance Officers Association of the United States and Canada
GME	Graduate Medical Education program (University of Vermont Medical Center)
HMO	Health Maintenance Organization
HR	Human Resources
HRS	Human Resources Services (Fund)
IBNR	Incurred But Not Reported
ICMA-RC	International City/County Management Association - Retirement Corporation
ISDA	International Swaps and Derivatives Association
IT	Information Technology
JFO	Joint Fiscal Office
LLP	Limited Liability Partnership
MD&A	Management's Discussion and Analysis
MERS	Municipal Employees' Retirement System
NAICS	North American Industry Classification System
NAV	Net Asset Value
NOL	Net OPEB Liability
NPL	Net Pension Liability

See Independent Auditors' Report

STATE OF VERMONT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

LEGEND OF ACRONYMS

Acronym	Description
OPEB	Other Post Employment Benefits
OTC	Over The Counter
PAC	Planned Amortization Classes
PCB	Polychlorinated Biphenyls
PFAS	Polyfluoroalkyl Substances
PRO	Pollution Remediation Obligation
PRP	Potentially Responsible Parties
RHS	Retirement Health Savings
RSI	Required Supplementary Information
RTHMB	Retired Teachers' Health and Medical Benefits Fund
S&P	Standard & Poor's
SDIA	Single Deposit Investment Account
SIB	State Infrastructure Bank
SIR	Self-insured Retention
STRS	State Teachers Retirement System
TIF	Tax Increment Financing
TIPS	Treasury Inflation-Protected Securities
UMEA	University Medical Education Associates, Inc.
USD	United States Dollar
USEPA	United States Environmental Protection Agency
UTF	Unemployment Trust Fund
UVM	University of Vermont and State Agricultural College
UVMF	University of Vermont and State Agricultural College Foundation, Inc.
VBB	Vermont Bond Bank
VCI	Vermont Correctional Industries
V.S.A.	Vermont Statutes Annotated
VEDA	Vermont Economic Development Authority
VEGI	Vermont Economic Growth Incentive
VEHBFA	Vermont Educational and Health Buildings Financing Agency
VEHI	Vermont Education Health Initiative
VEPC	Vermont Economic Progress Council
VHC	Vermont Health Connect
VHCB	Vermont Housing and Conservation Board
VHFA	Vermont Housing Finance Agency
VITL	Vermont Information Technology Leaders
VOSHA	Vermont Occupational Safety and Health
VPIC	Vermont Pension Investment Commission
VSAC	Vermont Student Assistance Corporation
VSC	Vermont State College System
VSPB	Vermont State Postemployment Benefits Trust Fund
VSRS	Vermont State Retirement System
VTA	Vermont Transportation Authority

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