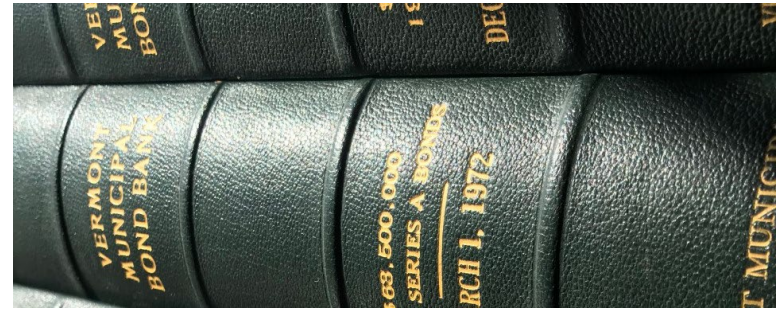




Vermont  
Bond Bank



# 2025 VERMONT BOND BANK FINANCIAL MEDIANS

Released September 22, 2025

# 2025 Financial Median Observations\*

- Governmental activities medians experienced minimal changes in the financial stability observed over the last two years with fund balance to revenue holding steady and no stress on fixed costs to budgets
- Governmental activities medians did show that liquidity has decreased year over year as federal funds are spent down
- Overall debt leverage has increased but the impact on budgets and the community was muted as it occurred alongside increasing overall costs that pushed budgets upward and higher property assessments
  - The overall increase in debt levels were more pronounced in communities with populations above 6 thousand, which is offset by continued increases in fund balance to revenue that is above smaller municipalities in the portfolio
  - Consistent with increases in debt, asset depreciation ratios in larger communities are decreasing
- Financial ratios within the water and sewer portfolio bucked prior year trends and improved with reserves, liquidity, and debt service coverage all improving
- Following prior years, school districts continued to deleverage despite increasing costs for capital improvements. Operating metrics, including fund balance to revenues and cash to revenues remained steady year over year

# Median Methodology & Related Limitations

- Financial statement results are regularly entered into the database while reviewing loan applications and conducting annual portfolio review
- Entries over the last 18 months selected to be included in medians
  - As a result, medians changed and will change over time as more recent entries are included
  - Primary reflects financial results of the year prior to publication (i.e. FY 2024 for 2025 medians)
- Only one entry per entity for governmental activities but multiple entries for enterprises (i.e. water and sewer are separate entries for each fund) may be used to calculate the median
- Not all borrowers within the portfolio regularly have third-party financial audits and comparable data is sometimes incomplete
- Assigned and unassigned fund balances were combined in 2023
- Moody's medians for Governmental Activities methodologies increasingly diverge and limit comparability
- Database is evolving and new categories of data are added over time
- Portfolio medians are biased towards smaller communities given the higher number of small communities within the state. Bond Bank created population cohort medians beginning in 2023 but these have fewer data samples by definition

# Shortcomings of Financial Ratio Benchmarking

**Medians may or may not represent an appropriate peer group**

**Medians may reflect unique circumstances or characteristics of Bond Bank borrowers**

**Medians provide starting point for affordability analysis but are silent on community values**

**Medians do not help prioritize or inform the type of projects that are financed with debt**

# Governmental Activities Ratios & Definitions

		Median	Moody's Median*	
Category	Definition (Adopted from Moody's Investor Services Definitions)	Bond Bank	All Cities	"A" Rated Pop < 10k
Unassigned GF Balance as % of Revenue	Unassigned general fund balance divided by total general fund revenues	18.1%	53.9%	50.4%
Cash as % of Revenue	Cash and investments for the general fund, divided by total general fund revenues	38.3%	76.0%	66.2%
Total Long-Term Debt	Bonded debt and similar obligations reported for Governmental Activities only (i.e. no enterprise or business type activities); debt associated with pending loan applications included	\$1.28 million	\$34.17 million	\$9.52 million
Debt Service as % of Operating Expenses	Debt service expenditures (principal and interest) for all operating funds combined divided by operating expenditures (including expenditure of debt service funds); debt service associated with pending loan applications included	6.2%	---	---
Debt Service as % of Revenue	Debt service expenditures (principal and interest) for all operating funds combined divided by operating revenues including expenditure of debt service funds; debt service associated with pending loan applications included (Moody's included all fixed costs including pension and OPEB)	6.5%	10.1%	10.1%
Long Term Debt to Revenue	Long-term debt (including current portion and capital leases) divided operating revenues (expressed as a percent)	46.5%	---	---
10 Year Debt Payoff	Amount of principal that will be amortized in next ten years divided by total long-term debt (debt associated with pending loan applications not included)	---	---	---
Long Term Debt to Full Value (Grand List)**	Long term debt outstanding (including capital leases) divided by full value (actual value of Grand List) for the most recent year available (expressed as a percent)	0.29%	1.10%	1.50%
Government Activity LTD per Capita	Total long-term debt (including capital leases) divided by population for the most recent year available	\$644	---	---
Capital Asset Depreciation	Ratio of Accumulated Depreciation to Gross Depreciable Assets (excluding land and construction in progress). A ratio above 65% indicates reinvestment in capital assets is lagging behind depreciation, signaling the likelihood (necessity) of future debt issuance.	44.4%	---	---

\* \* "Cities and Counties—US Medians," published November 7, 2024; \*\* no longer published by Moody's as of May 2022

# Governmental Activities Ratios & Definitions

6		Bond Bank Median		Moody's Median
Category	Definition (Adopted from Moody's Investor Services Definitions)	Pop >=2k <6k	Pop >=6k	"A" Rated Pop < 10k
Unassigned GF Balance as % of Revenue	Unassigned general fund balance divided by total general fund revenues	15.5%	25.9%	50.4%
Cash as % of Revenue	Cash and investments for the general fund, divided by total general fund revenues	35.4%	38.8%	66.2%
Total Long-Term Debt	Bonded debt and similar obligations reported for Governmental Activities only (i.e. no enterprise or business type activities); debt associated with pending loan applications included	\$1.88 million	\$11.93 million	\$9.52 million
Debt Service as % of Operating Expenses	Debt service expenditures (principal and interest) for all operating funds combined divided by operating expenditures (including expenditure of debt service funds); debt service associated with pending loan applications included	7.0%	9.1%	10.5%
Debt Service as % of Revenue	Debt service expenditures (principal and interest) for all operating funds combined divided by operating revenues including expenditure of debt service funds; debt service associated with pending loan applications included (Moody's included all fixed costs including pension and OPEB)	7.3%	9.2%	10.1%
Long Term Debt to Revenue	Long-term debt (including current portion and capital leases) divided operating revenues (expressed as a percent)	48.4%	66.6%	---
10 Year Debt Payoff	Amount of principal that will be amortized in next ten years divided by total long-term debt (debt associated with pending loan applications not included)	---	---	---
Long Term Debt to Full Value (Grand List)	Long term debt outstanding (including capital leases) divided by full value (actual value of Grand List) for the most recent year available (expressed as a percent)	0.27%	0.69%	1.50%
Government Activity LTD per Capita	Total long-term debt (including capital leases) divided by population for the most recent year available	\$643	\$995	---
Capital Asset Depreciation	Ratio of Accumulated Depreciation to Gross Depreciable Assets (excluding land and construction in progress). A ratio above 65% indicates reinvestment in capital assets is lagging behind depreciation, signaling the likelihood (necessity) of future debt issuance.	42.9%	46.4%	---

\* "Cities and Counties—US Medians," published November 7, 2024

# School District Ratios & Definitions

		Median	Moody's Median*	
Category	Definition (Adopted from Moody's Investor Services Definitions)	Bond Bank	All	"A" Rated w/Enrollment >1k and <=5k
Unassigned / assigned GF Balance as % of Revenue	Combined unassigned and assigned general fund balance divided by total general fund revenues	6.1%	28.0%	10.4%
Cash as % of Revenue	Cash and investments for the general fund, divided by total general fund revenues	13.3%	31.2%	31.0%
Total Long-Term Debt	Bonded debt and similar obligations reported for Governmental Activities only (i.e. no enterprise or business type activities); debt associated with pending loan applications included	\$1.9 million	\$35.3 million	\$28.7 Million
Debt Service as % of Operating Expenses	Debt service expenditures (principal and interest) for all operating funds combined divided by operating expenditures (including expenditure of debt service funds); debt service associated with pending loan applications included	1.6%	---	---
Debt Service as % of Revenue	Debt service expenditures (principal and interest) for all operating funds (including debt service funds) combined divided by operating revenues including expenditure of debt service funds; debt service associated with pending loan applications included	1.5%	5.4%	5.5%
10 Year Debt Payoff	Amount of principal that will be amortized in next ten years divided by total long-term debt (debt associated with pending loan applications not included)	---	---	---
Long Term Debt to Revenue	Long-term debt (including current portion and capital leases) divided operating revenues (expressed as a percent)	7.7%	---	---
Capital Asset Depreciation	Ratio of Accumulated Depreciation to Gross Depreciable Assets (excluding land and construction in progress). A ratio above 65% indicates reinvestment in capital assets is lagging behind depreciation, signaling the likelihood (necessity) of future debt issuance.	57.8%	---	---

# Water & Sewer Enterprise Ratios & Definitions

		Median	Moody's Median*	
Category	Definition (Adopted from Moody's Investor Services Definitions)	Bond Bank	All	"A" Rated
<b>Reserves to Operations &amp; Maintenance Expenses</b>	Unrestricted reserves divided by Total Operating & Maintenance Expenses; unrestricted net position used as proxy for available financial resources at Bond Bank discretion when amount of reserves is not otherwise available; capital reserves included if not limited for use in specific project	54.2%	---	---
<b>Days Cash on Hand</b>	Days of cash on hand is calculated by dividing unrestricted cash and cash equivalents by the system's average daily cost of operations, excluding depreciation (annual operating expenses, excluding depreciation, divided by 365)	244	486	412
<b>Total Long-Term Debt</b>	Bonded debt and similar obligations reported for individual funds; debt associated with pending loan applications included at Bond Bank discretion on pro forma basis	\$1.6 million	\$56.8 million	\$30.4 million
<b>Maximum Annual Debt Service Coverage(x)</b>	Gross Revenues minus Total Operating & Maintenance Expenses (O&M) divided by maximum annual debt service; debt service associated with pending loan applications included at Bond Bank discretion on pro forma basis	1.58x	2.40x	1.80x
<b>Debt Ratio</b>	Total debt divided by Net Working Capital and Net Fixed Assets	32.0%	---	---
<b>Debt Service as % of Operating Expenses</b>	Debt service expenditures (principal and interest) divided by operating expenditures	21.5%	---	---
<b>Debt Service as % of Revenue</b>	Debt service expenditures (principal and interest) divided by all operating revenues	20.9%	---	---
<b>Long Term Debt to Revenue</b>	Long-term debt (including current portion and capital leases) divided operating revenues (expressed as a percent); debt associated with pending loan applications included at Bond Bank discretion on pro forma basis	203.3%	210.0%	250.0%
<b>Operating Ratio</b>	Operating Ratio is the ratio of operating expenses to operating revenues	70.0%	---	---
<b>Remaining Useful Life</b>	Annual depreciation divided by depreciable assets net of accumulated depreciation	22 yrs	26 yrs	25 yrs



# Bond Bank Medians Over Time

GOV ACTIVITIES MEDIANS								
	2025 Medians		2024 Medians		2023 Medians		2022 Medians	
	Medians	Count	Medians	Count	Medians	Count	Medians	Count
Unassigned Balance as % of Rev*	18.09%	118	19.04%	101	16.46%	95	13.60%	98
Cash as % of Rev	38.30%	118	61.78%	39	61.20%	102	72.39%	100
Intergovernmental as % of Rev	10.22%	118	9.21%	97	10.45%	90	9.15%	84
Total Gov Act LTD	1,276,747	118	840,000	113	774,996	108	849,101	98
DS as % of OpEx	6.22%	118	5.69%	97	5.47%	84	6.21%	81
DS as % of Rev	6.48%	118	5.60%	98	5.41%	87	5.89%	86
LTD as % of Rev	46.52%	118	46.26%	95	40.83%	91	35.05%	97
LTD as % of Value	0.29%	107	0.23%	102	0.21%	95	0.26%	81
Gov Act Debt / Capita	644	118	433	109	369	54	382	82
Asset Depreciation Ratio	44.35%	107	46.11%	59	42.43%	49	0	59
All Debt	1,940,530	107	---	---	---	---	---	---
All Debt / Value	0.29%	107	---	---	---	---	---	---
All Debt / Capita	898	118	---	---	---	---	---	---
	As of August 30, 2025		As of August 30, 2024		As of August 30, 2023		As of August 30, 2022	
	Last Audit or other FS		Last Audit or other FS		Last Audit or other FS		Last Audit or other FS	
	N= 119		N= 113		N= 108		N= 104	

\* Methodologic change in 2023 to included both assigned and unassigned fund balances in calculation

# Bond Bank Medians Over Time(Continued)

## GOV ACTIVITIES MEDIANS FOR POPULATION BETWEEN 2K TO 6K

	2025 Medians		2024 Medians		2023 Medians	
	Medians	Count	Medians	Count	Medians	Count
Unassigned Balance as % of Rev*	15.51%	36	12.40%	35	11.38%	21
Cash as % of Rev	35.44%	40	84.55%	14	71.02%	25
Intergovernmental as % of Rev	9.58%	41	9.00%	35	10.10%	22
Total Gov Act LTD	\$1,877,828	41	1,342,257	33	1,050,000	21
DS as % of OpEx	7.01%	41	5.47%	32	4.44%	17
DS as % of Rev	7.31%	41	5.41%	33	4.11%	19
LTD as % of Rev	48.35%	41	54.51%	32	36.43%	21
LTD as % of Value	0.27%	39	0.26%	31	0.19%	21
Gov Act Debt / Capita	\$643	41	388	33	265	21
Asset Depreciation Ratio	42.93%	32	45.84%	19	30.17%	16
All Debt	\$2,670,298	41	---	---	---	---
All Debt / Value	0.40%	39	---	---	---	---
All Debt / Capita	\$916	41	---	---	---	---
	As of August 30, 2025		As of August 30, 2024		As of August 30, 2023	
	Last Audit or other FS		Last Audit or other FS		Last Audit or other FS	
	N= 41		N= 38		N= 25	

## GOV ACTIVITIES MEDIANS FOR POPULATION OVER 6K

	2025 Medians		2024 Medians		2023 Medians	
	Medians	Count	Medians	Count	Medians	Count
Unassigned Balance as % of Rev*	25.88%	19	23.85%	19	13.19%	8
Cash as % of Rev	38.78%	20	108.50%	7	68.29%	8
Intergovernmental as % of Rev	7.01%	20	6.19%	20	10.55%	8
Total Gov Act LTD	\$11,934,212	20	6,606,523	19	7,519,549	8
DS as % of OpEx	9.09%	20	6.69%	20	5.97%	7
DS as % of Rev	9.22%	20	5.73%	20	5.87%	7
LTD as % of Rev	66.61%	20	63.93%	18	56.38%	8
LTD as % of Value	0.69%	19	0.74%	19	0.68%	8
Gov Act Debt / Capita	\$995	20	\$667	21	\$690	8
Asset Depreciation Ratio	46.37%	19	53.97%	21	39.28%	8
All Debt	\$17,441,640	20	---	---	---	---
All Debt / Value	1.50%	19	---	---	---	---
All Debt / Capita	\$1,561	20	---	---	---	---
	As of August 30, 2025		As of August 30, 2024		As of August 30, 2023	
	Last Audit or other FS		Last Audit or other FS		Last Audit or other FS	
	N= 21		N= 23		N= 8	

# Bond Bank Medians Over Time(Continued)

SCHOOL DISTRICT MEDIANS								
	2025 Medians		2024 Medians		2023 Medians		2022 Medians	
	Medians	Count	Medians	Count	Medians	Count	Medians	Count
GF Balance as % of Rev	6.0523%	44	6.0165%	47	5.98%	57	3.74%	54
Cash as % of Rev	13.29%	44	13.92%	47	14.77%	61	15.58%	55
Total LTD	1,898,592	44	2,040,000	48	1,700,000	61	1,675,000	56
DS as % of OpEx	1.56%	44	1.51%	48	1.86%	58	2.00%	54
DS as % of Rev	1.52%	44	1.43%	48	1.72%	58	1.91%	54
LTD as % of Rev	7.65%	44	7.43%	48	11.00%	61	10.77%	56
10 Yr Debt Payoff	0.00%	44	93.00%	45	87.83%	54	93.19%	54
Asset Depreciation Ratio	57.78%	38	56.37%	37	57.38%	41	56.40%	47
	As of August 30, 2025		As of August 30, 2024		As of August 30, 2023		As of August 30, 2022	
	Last Audit or other FS		Last Audit or other FS		Last Audit or other FS		Last Audit or other FS	
	N= 44		N= 48		N= 61		N=57	

# Bond Bank Medians Over Time(Continued)

## ENTERPRISE / SPECIAL DISTRICT MEDIANS (WATER AND SEWER ONLY)

	2025 Medians			2024 Medians			2023 Medians			2022 Medians		
	Medians	Average	Count	Medians	Average	Count	Medians	Average	Count	Medians	Average	Count
Operating Ratio	70.0%		96	66.7%		117	64.8%		127	64.3%		115
Reserves / O&M	54.2%		102	50.9%		113	68.8%		117	67.7%		111
Days Cash on Hand	244		62	154		107	237		112	270	214	102
LTD	1,614,941		104	1,407,807		121	1,047,024		128	1,123,551	1,123,551	117
DSCR	1.58x		93	1.41x		100	1.48x		82	1.50x		69
Debt Ratio	32.0%		92	38.9%		100	34.1%		104	30.9%		100
DS / Expenses	21.5%		103	20.7%		101	22.9%		82	24.7%		70
DS / Revenues	20.9%		102	20.2%		101	20.5%		81	22.7%		70
Debt / Revenues	203.3%		103	190.7%		119	191.7%		127	191.8%		116
Remaining Useful Life	22.37 yrs		71	21.83 yrs		85	18.40 yrs		33	---		---
	As of August 30, 2025			As of August 30, 2024			As of August 30, 2023			As of August 30, 2022		
	Last Audit or other FS			Last Audit or other FS			Last Audit or other FS			Last Audit or other FS		
	N = 104			N = 121			N = 128			N = 118		

[Note] Entries include multiple funds for each borrower  
(ex. water and sewer fund)



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