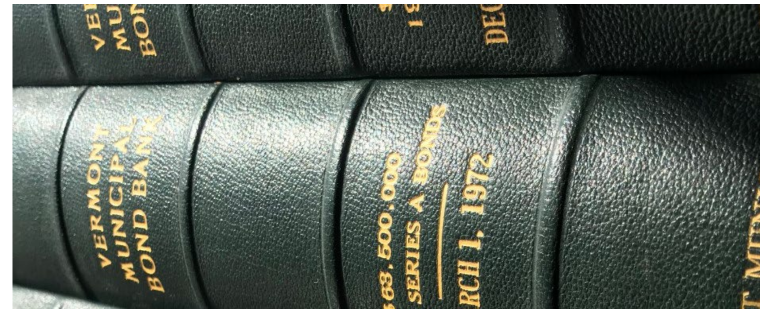

Vermont Bond Bank

2026 VERMONT BOND BANK FINANCIAL MEDIANS

Released September 21, 2026

2026 Financial Median Observations*

- The governmental activities available fund balance median decreased by 28% year-over-year as federal resources continued to be spent down and communities drew down reserves
- Overall governmental debt levels were largely unchanged from the prior year but notable increases did occur in larger towns and cities with towns between 2,000 and 6,000 seeing a 15% increase in debt medians. The impact on budgets continued to be muted as it occurred alongside larger budgets
    - Overall levels of debt (both governmental activities and business type activities) increased more than governmental activities alone indicating investment in enterprise projects
    - Increases in overall debt was most pronounced in the largest towns and cities where debt per capita increased by 43% despite decreasing debt to grand list ratios due to appreciation
- 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 declined by 13% and 7%, respectively
- Water and sewer long term debt medians declined by 10% with corresponding improvements in debt service coverage ratios. Steady progress is demonstrated in the remaining useful life median that continued a four-year trend of improvement to 23.23 years
- Water and sewer reserve level medians also improved as observed in a 15% increase in the reserve to O&M ratio

**See following methodology description and related limitations*

Median Methodology & Related Limitations

- Most recent entry per borrower and fund over the last 18 months is 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 2025 for 2026 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 as “available fund balance”
- **Long term debt includes long term debt (including current portion), capital leases, and any approved Bond Bank loans from July 1, 2025 through August 30, 2026, which would be outside of the reporting period of the financial statement. This approached was codified in 2026**
- 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**
Available Fund Balance as % of Revenue	Assigned and unassigned general fund balance divided by total general fund revenues	13.0%	54.8%	49.4%
Cash as % of Revenue	Cash and investments for the general fund, divided by total general fund revenues	40.8%	75.8%	63.9%
Total Long-Term Debt	Outstanding long term debt, capital leases, and similar obligations reported for Governmental Activities only including current portion of long term debt. Approved but unreported Bond Bank loans included	$1.28 million	$36.97 million	$11.57 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	5.3%	---	---
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)	5.6%	10.3% (fixed cost ratio)	10.2% (fixed cost ratio)
Long Term Debt to Revenue	Long-term debt (including current portion and capital leases) divided operating revenues (expressed as a percent)	38.8%	---	---
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)	0.25%	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	$578	---	---
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.	44.3%	---	---

* "Cities and Counties—US Medians," published April 30, 2026; ** no longer published by Moody's as of May 2022

Governmental Activities Ratios & Definitions

		Bond Bank Median		Moody's Median
Category	**Definition (Adopted from Moody's Investor Services Definitions)**	**Pop >=2k <6k**	**Pop >=6k**	**"A" Rated Pop < 10k**
Available Fund Balance as % of Revenue	Assigned and unassigned general fund balance divided by total general fund revenues	9.5%	19.8%	49.4%
Cash as % of Revenue	Cash and investments for the general fund, divided by total general fund revenues	41.7%	47.3%	63.9%
Total Long-Term Debt	Outstanding long term debt, capital leases, and similar obligations reported for Governmental Activities only including current portion of long term debt. Approved but unreported Bond Bank loans included	$2.17 million	$12.28 million	$11.57 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	6.3%	7.1%	---
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)	5.8%	7.3%	10.1% (fixed cost ratio)
Long Term Debt to Revenue	Long-term debt (including current portion and capital leases) divided operating revenues (expressed as a percent)	49.3%	67.7%	---
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)	0.25%	0.68%	1.50%
Government Activity LTD per Capita	Total long-term debt (including capital leases) divided by population for the most recent year available	$645	$1,019	---
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.	42.4%	49.3%	---

* "Cities and Counties—US Medians," published April 30, 2026; ** no longer published by Moody's as of May 2022

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
Available Fund Balance as % of Revenue	Combined unassigned and assigned general fund balance divided by total general fund revenues	6.1%	28.4%	25.9%
Cash as % of Revenue	Cash and investments for the general fund, divided by total general fund revenues	12.4%	35.6%	32.5%
Total Long-Term Debt	Outstanding long term debt, capital leases, and similar obligations reported for Governmental Activities only including current portion of long term debt. Approved but unreported Bond Bank loans included	$1.55 million	$39.66 million	$28.84 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	1.2%	---	---
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	1.2%	4.9%	4.9%
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)	6.1%	---	---
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.	56.0%	---	---

*"Public K-12 School Districts – US: Medians," published September 1, 2026

Water & Sewer Enterprise Ratios & Definitions

		Median	Moody's Median*	
Category	**Definition (Adopted from Moody's Investor Services Definitions)**	**Bond Bank**	**All**	**"A" Rated**
Reserves to Operations & Maintenance Expenses	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	62.7%	---	---
Days Cash on Hand	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)	215	496	289
Total Long-Term Debt	Outstanding long term debt, capital leases, and similar obligations reported for water and wastewater funds including current portion of long term debt. Approved but unreported Bond Bank loans included	$1.45 million	$58.9 million	$34.0 million
Maximum Annual Debt Service Coverage(x)	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	1.80x	2.60x	1.80x
Debt Ratio	Total debt divided by Net Working Capital and Net Fixed Assets	36.5%	---	---
Debt Service as % of Operating Expenses	Debt service expenditures (principal and interest) divided by operating expenditures	21.6%	---	---
Debt Service as % of Revenue	Debt service expenditures (principal and interest) divided by all operating revenues	21.0%	---	---
Long Term Debt to Revenue	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	196.1%	190.0%	260.0%
Operating Ratio	Operating Ratio is the ratio of operating expenses to operating revenues	76.0%	---	---
Remaining Useful Life	Annual depreciation divided by depreciable assets net of accumulated depreciation	23 yrs	27 yrs	26 yrs

* Combined W&S Systems from "Water and Sewer Utilities – US: Medians," published July 25, 2025

Bond Bank Medians Over Time

GOV ACTIVITIES MEDIANS	2026 Medians		2025 Medians		2024 Medians		2023 Medians		2022 Medians	
	Medians	Count	Medians	Count	Medians	Count	Medians	Count	Medians	Count
Available Fund Balance as % of Rev	12.95%	123	18.09%	118	19.04%	101	16.46%	95	13.60%	98
Cash as % of Rev	40.75%	123	38.30%	118	61.78%	39	61.20%	102	72.39%	100
Intergovernmental as % of Rev	10.12%	123	10.22%	118	9.21%	97	10.45%	90	9.15%	84
Total Gov Act LTD	1,281,841	123	1,276,747	118	840,000	113	774,996	108	849,101	98
DS as % of OpEx	5.32%	123	6.22%	118	5.69%	97	5.47%	84	6.21%	81
DS as % of Rev	5.56%	123	6.48%	118	5.60%	98	5.41%	87	5.89%	86
LTD as % of Rev	38.77%	123	46.52%	118	46.26%	95	40.83%	91	35.05%	97
LTD as % of Value	0.25%	119	0.29%	107	0.23%	102	0.21%	95	0.26%	81
Gov Act Debt / Capita	578	123	644	118	433	109	369	54	382	82
Asset Depreciation Ratio	44.32%	105	44.35%	107	46.11%	59	42.43%	49	0	59
All Debt	2,254,904	105	1,940,530	107	---		---		---	
All Debt / Value	0.25%	119	0.29%	107	---		---		---	
All Debt / Capita	918	123	898	118	---		---		---	
	As of August 30, 2026 Last Audit or other FS N= 123		As of August 30, 2025 Last Audit or other FS N= 119		As of August 30, 2024 Last Audit or other FS N= 113		As of August 30, 2023 Last Audit or other FS N= 108		As of August 30, 2022 Last Audit or other FS N= 104	

Bond Bank Medians Over Time(Continued)

GOV ACTIVITIES MEDIANS FOR POPULATION BETWEEN 2K TO 6K

	2026 Medians		2025 Medians		2024 Medians		2023 Medians	
	Medians	Count	Medians	Count	Medians	Count	Medians	Count
Available Fund Balance as % of Rev	9.47%	37	15.51%	36	12.40%	35	11.38%	21
Cash as % of Rev	41.71%	42	35.44%	40	84.55%	14	71.02%	25
Intergovernmental as % of Rev	9.94%	40	9.58%	41	9.00%	35	10.10%	22
Total Gov Act LTD	$2,167,857	43	$1,877,828	41	1,342,257	33	1,050,000	21
DS as % of OpEx	6.25%	43	7.01%	41	5.47%	32	4.44%	17
DS as % of Rev	5.77%	43	7.31%	41	5.41%	33	4.11%	19
LTD as % of Rev	49.26%	43	48.35%	41	54.51%	32	36.43%	21
LTD as % of Value	0.25%	42	0.27%	39	0.26%	31	0.19%	21
Gov Act Debt / Capita	$645	43	$643	41	388	33	265	21
Asset Depreciation Ratio	42.39%	31	42.93%	32	45.84%	19	30.17%	16
All Debt	$3,379,798	43	$2,670,298	41	---	---	---	---
All Debt / Value	0.44%	42	0.40%	39	---	---	---	---
All Debt / Capita	$989	43	$916	41	---	---	---	---
	As of August 30, 2026 Last Audit or other FS N= 43		As of August 30, 2025 Last Audit or other FS N= 41		As of August 30, 2024 Last Audit or other FS N= 38		As of August 30, 2023 Last Audit or other FS N= 25	

GOV ACTIVITIES MEDIANS FOR POPULATION OVER 6K

	2026 Medians		2025 Medians		2024 Medians		2023 Medians	
	Medians	Count	Medians	Count	Medians	Count	Medians	Count
Available Fund Balance as % of Rev	19.78%	19	25.88%	19	23.85%	19	13.19%	8
Cash as % of Rev	47.27%	20	38.78%	20	108.50%	7	68.29%	8
Intergovernmental as % of Rev	4.22%	20	7.01%	20	6.19%	20	10.55%	8
Total Gov Act LTD	$12,275,759	20	$11,934,212	20	6,606,523	19	7,519,549	8
DS as % of OpEx	7.13%	20	9.09%	20	6.69%	20	5.97%	7
DS as % of Rev	7.31%	20	9.22%	20	5.73%	20	5.87%	7
LTD as % of Rev	67.73%	20	66.61%	20	63.93%	18	56.38%	8
LTD as % of Value	0.68%	20	0.69%	19	0.74%	19	0.68%	8
Gov Act Debt / Capita	$1,019	20	$995	20	$667	21	$690	8
Asset Depreciation Ratio	49.27%	17	46.37%	19	53.97%	21	39.28%	8
All Debt	$23,819,116	20	$17,441,640	20	---	---	---	---
All Debt / Value	1.36%	20	1.50%	19	---	---	---	---
All Debt / Capita	$2,240	20	$1,561	20	---	---	---	---
	As of August 30, 2026 Last Audit or other FS N= 20		As of August 30, 2025 Last Audit or other FS N= 20		As of August 30, 2024 Last Audit or other FS N= 20		As of August 30, 2023 Last Audit or other FS N= 8	

Bond Bank Medians Over Time(Continued)

SCHOOL DISTRICT MEDIANS	2026 Medians		2025 Medians		2024 Medians		2023 Medians		2022 Medians	
	Medians	Count	Medians	Count	Medians	Count	Medians	Count	Medians	Count
Available Fund Balance as % of Rev	5.28%	62	6.05%	44	6.02%	47	5.98%	57	3.74%	54
Cash as % of Rev	12.36%	62	13.29%	44	13.92%	47	14.77%	61	15.58%	55
Total LTD	1,554,637	62	1,898,592	44	2,040,000	48	1,700,000	61	1,675,000	56
DS as % of OpEx	1.19%	62	1.56%	44	1.51%	48	1.86%	58	2.00%	54
DS as % of Rev	1.17%	62	1.52%	44	1.43%	48	1.72%	58	1.91%	54
LTD as % of Rev	6.07%	62	7.65%	44	7.43%	48	11.00%	61	10.77%	56
10 Yr Debt Payoff	90.00%	53	---	---	93.00%	45	87.83%	54	93.19%	54
Asset Depreciation Ratio	55.96%	61	57.23%	43	56.37%	37	57.38%	41	56.40%	47
	As of August 30, 2026 Last Audit or other FS N= 62		As of August 30, 2025 Last Audit or other FS N= 44		As of August 30, 2024 Last Audit or other FS N= 48		As of August 30, 2023 Last Audit or other FS N= 61		As of August 30, 2022 Last Audit or other FS N=57	

Bond Bank Medians Over Time(Continued)

ENTERPRISE / SPECIAL DISTRICT MEDIANS (WATER AND SEWER ONLY)	2026 Medians		2025 Medians		2024 Medians		2023 Medians		2022 Medians	
	Medians	**Count**	**Medians**	**Count**	**Medians**	**Count**	**Medians**	**Count**	**Medians**	**Count**
Operating Ratio	76.0%	122	70.0%	96	66.7%	117	64.8%	127	64.3%	115
Reserves / O&M	62.7%	122	54.2%	102	50.9%	113	68.8%	117	67.7%	111
Days Cash on Hand	215	83	244	62	154	107	237	112	270	102
LTD	1,451,919	134	1,614,941	104	1,407,807	121	1,047,024	128	1,123,551	117
DSCR	1.80x	99	1.58x	93	1.41x	100	1.48x	82	1.50x	69
Debt Ratio	36.5%	124	32.0%	92	38.9%	100	34.1%	104	30.9%	100
DS / Expenses	21.6%	130	21.5%	103	20.7%	101	22.9%	82	24.7%	70
DS / Revenues	21.0%	130	20.9%	102	20.2%	101	20.5%	81	22.7%	70
LTD / Revenues	196.1%	134	203.3%	103	190.7%	119	191.7%	127	191.8%	116
Remaining Useful Life	23.23 yrs	97	22.37 yrs	71	21.83 yrs	85	18.40 yrs	33	---	---
	As of August 30, 2026 Last Audit or other FS N = 134		As of August 30, 2025 Last Audit or other FS N = 104		As of August 30, 2024 Last Audit or other FS N = 121		As of August 30, 2023 Last Audit or other FS N = 128		As of August 30, 2022 Last Audit or other FS N = 118	

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

Vermont
Bond Bank