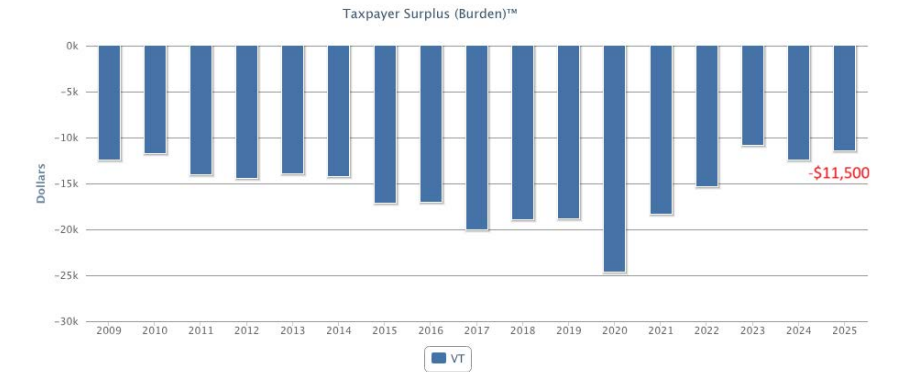


VERMONT'S FINANCIAL BREAKDOWN

Money Needed to Pay Bills	\$2.8 billion	Ranking (Out of 50)	43
Taxpayer Burden™	\$11,500	Financial Grade	D

In 2025, Vermont's financial situation improved, but it still didn't have enough money to pay all of its bills and needed \$2.8 billion to fill the gap. That means each taxpayer would have to contribute \$11,500 to help pay off the state's debt. As a result, Vermont earned a "D" grade from Truth in Accounting.

Vermont's financial condition improved as reported revenues exceeded expenses. Primary government operating grants continued to increase and are now \$1.3 billion (64 percent) higher than 2020 levels, demonstrating how government spending increases introduced during emergencies can become embedded in ongoing budgets long after the emergency has ended. Pension debt fell nearly 11 percent due to investment returns, but was offset by a rise in unfunded retiree healthcare promises, with only 13 cents in assets set aside per dollar of benefits.



Vermont received approximately \$4.3 billion in federal grants, which represented 38 percent of its revenue. The federal government mandates that entities receiving significant federal funds undergo a Single Audit. These audits are intended to be the taxpayers' first line of defense against potential fraud and abuse. Vermont's audit found weaknesses in financial reporting, determining eligibility for benefits, grant reporting, purchasing, and computer systems used to manage cases. These problems increased the risk of reporting errors, improper payments, failure to follow federal requirements, and weaker accountability for public funds. These issues made it harder to catch errors and improper payments, follow federal requirements, and show that public funds were properly managed.

The data in this report is derived from Vermont's audited 2025 Annual Comprehensive Financial Report and its retirement systems' reports. To explore prior years or compare financial, demographic, and economic data across other states and cities, visit Data-Z.org.

VERMONT'S FINANCIAL FACTS

- **FACT #1:**
Vermont had \$6 billion available to pay \$8.8 billion worth of bills.
- **FACT #2:**
The outcome was a \$2.8 billion shortfall, which breaks down to a burden of \$11,500 per taxpayer.
- **FACT #3:**
Vermont received 38 percent of its revenue from federal grants and was required to undergo a Single Audit, which identified potential fraud and abuse.

THE STATE'S BILLS EXCEEDED ITS ASSETS

→ Total Assets

- \$4,857,468,000

→ Minus: Capital Assets

- \$3,128,081,000

→ Minus: Restricted Assets

= \$5,984,582,000

→ Assets Available to Pay Bills

- \$8,812,912,000

→ Minus: Total Bills*

= \$2,828,330,000

→ Money Needed to Pay Bills

/ Divide by the estimated number of taxpayers

→ Each Taxpayer's Share of This Burden

= \$11,500

*BREAKDOWN OF TOTAL BILLS

→ Bonds

\$2,716,111,000

→ Other Liabilities

+ \$2,016,725,000

→ Minus: Debt Related to Capital Assets

- \$1,244,407,000

→ Unfunded Pension Benefits

+ \$2,611,422,000

→ Unfunded Retiree Health Care Benefits

+ \$2,713,061,000

→ Total Bills

= \$8,812,912,000

Grade:

D

Bottom line:
Vermont would need \$11,500 from each of its taxpayers to pay all of its outstanding bills and received a "D" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 is given a "D" grade.