



**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

Auditors' Reports as Required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *Government Auditing Standards* and Related Information

Year ended June 30, 2023

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

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

Year ended June 30, 2023

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## Independent Auditors' Report

The Honorable Douglas Hoffer,  
 Auditor of Accounts, State of Vermont  
 and  
 The Board of Trustees of University of Vermont and State Agricultural College:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities and aggregate discretely presented component units of University of Vermont and State Agricultural College (collectively, the University), a component unit of the State of Vermont, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units, of the University, as of June 30, 2023 and June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of University Medical Education Associates, Inc. (UMEA), which represent 15% and 15%, respectively, of the total assets of the aggregate discretely presented component units as of June 30, 2023 and 2022, and 13% and 12%, respectively, of the total operating revenues for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for UMEA, are based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audits 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 University 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.

#### *Responsibilities of Management for the Financial Statements*

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

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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 University'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 University'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 University'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*

U.S. generally accepted accounting principles require that the management's discussion and analysis and schedule of changes in the University's total OPEB liability and related ratios 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 auditing standards generally accepted in the United States of America, 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.

*Other Information*

Management is responsible for the other information included in the annual financial report. The other information comprises the letter from the President and management's responsibility for the financial report 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 audits 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2023 on our consideration of the University'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 University'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 University's internal control over financial reporting and compliance.

**KPMG LLP**

Colchester, Vermont  
November 10, 2023

# The University of Vermont

## Management’s Discussion and Analysis (Unaudited)

### June 30, 2023 and 2022

#### Introduction

The Management’s Discussion and Analysis (MD&A) provides a broad overview of the University of Vermont’s financial condition as of June 30, 2023 and 2022, the results of its operations for the years then ended, significant changes from the previous years, and outlook for the future where appropriate and relevant. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related notes.

The University of Vermont (“the University”) is a public, non-profit, comprehensive research institution of higher education established in 1791 as the fifth college in New England. The University consists of seven undergraduate schools and colleges, including the Colleges of Agriculture and Life Sciences, Arts and Sciences, Education and Social Services, Engineering and Mathematical Sciences, Nursing and Health Sciences, the Grossman School of Business, and the Rubenstein School of Environment and Natural Resources. The University also includes the Patrick Leahy Honors College, the Robert Larner, M.D. College of Medicine, Professional and Continuing Education, Extension and the Graduate College. The University is the only comprehensive research university in Vermont. The University has 11,614 undergraduate students and 1,664 graduate and medical students. It is located in Burlington, Vermont with satellite instructional and research sites throughout Vermont. It is

a component unit of the State of Vermont as it receives an annual appropriation from the State. For financial reporting purposes, the University’s reporting entity consists of all sectors of the University and includes discretely presented financial information for University Medical Education Associates, Inc. (UMEA) and the University of Vermont and State Agricultural College Foundation, Inc. (UVMF). UMEA is a legally separate tax-exempt component unit of the University whose purpose is to support the operations, activities and objectives of the Robert Larner, M.D. College of Medicine of the University. UVMF is a legally separate tax-exempt component unit of the University whose purpose is to secure and manage private gifts for the sole benefit of the University. The University’s reporting entity will also include its equity interest in Catamount Run beginning in fiscal 2024 although a capital contribution was made in fiscal 2023. Catamount Run is a legally separate component unit of the University whose primary purpose is to construct housing in close proximity to the University campus and to manage the property, leasing units to University students, employees and the public. The MD&A discusses the University’s financial statements only and not those of its component units.

The focus of the MD&A is on the University’s financial information contained in the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows.

#### Strategic Direction and Economic Outlook

The President’s strategic vision, Amplifying Our Impact, utilizes a three-pronged approach which includes ensuring student success, investing in distinctive research strengths, and fulfilling the land grant mission.

*Ensuring Student Success* - The University has a culture of strong faculty mentorship and staff dedicated to student growth. The connection between health and well-being and academic achievement is promoted holistically. The University will continue to build on that legacy by making the success of its students and alumni a core measure in everything it does. The University will focus on ensuring that it offers a vibrant educational experience, that it remains affordable and accessible to a broad and diverse population, and that it provides support and meaningful opportunity well beyond graduation.

*Investing in Distinctive Research Strengths* - UVM has built distinctive research strengths that align with the urgent—and interdependent—need to support the health of our environment and our societies. Strategic investment of available resources will accelerate and enhance these distinctive strengths, positioning the University as the preeminent institution for innovative and sustainability-focused solutions. Articulation of distinctive strengths will also grow corporate, philanthropic, foundation, and federal partnerships to enhance UVM’s research portfolio, impact and recognition, and make enriching new opportunities available to faculty and students.

*Fulfilling the Land Grant Mission* - As one of the nation’s first land grant institutions, the University’s alignment with the state is fitting. The University is nationally acclaimed for helping Vermonters tackle everything from farm viability to complex environmental issues to business growth. The University supports commercialization and job creation initiatives in the state, and

partnerships with large corporations enable the possibility of attracting satellite operations, jobs, and a talented workforce to the state. The University intends to create a more streamlined gateway for Vermonters to learn about and access the many resources the University offers. Efforts to set up that front door, inviting the community to engage more fully with the University, are underway.

In fiscal 2023, UVM launched three new centers and institutes: the Osher Center for Integrative Health, the Institute for Rural Partnerships, and the Institute for Agroecology.

One extraordinary award illustrates the power of UVM's capabilities. Northeast Sustainable Agriculture, Research, and Education (SARE), hosted at UVM, won \$100 million from USDA over ten years to serve as the coordinating body for regional efforts in this extremely important and cross-disciplinary realm. A second noteworthy grant among many possible examples supports the Science of Online Corpora, Knowledge, and Stories (SOCKS), an enormous data analysis project that harnesses high performance computing to categorize and index qualitative online content all over the world. The NSF grant of \$20 million includes specific support to increase computing resources for the social sciences at UVM and other institutions in the state.

UVM was the recipient of a specific new appropriation of \$30 million to endow programs for academic excellence across the university and specifically in our honors college, including several grant, research, and fellowship support programs based there. This transformative federal appropriation will help us attract and support the best and brightest students and ensure that Vermonters have access to a world-class academic experience.

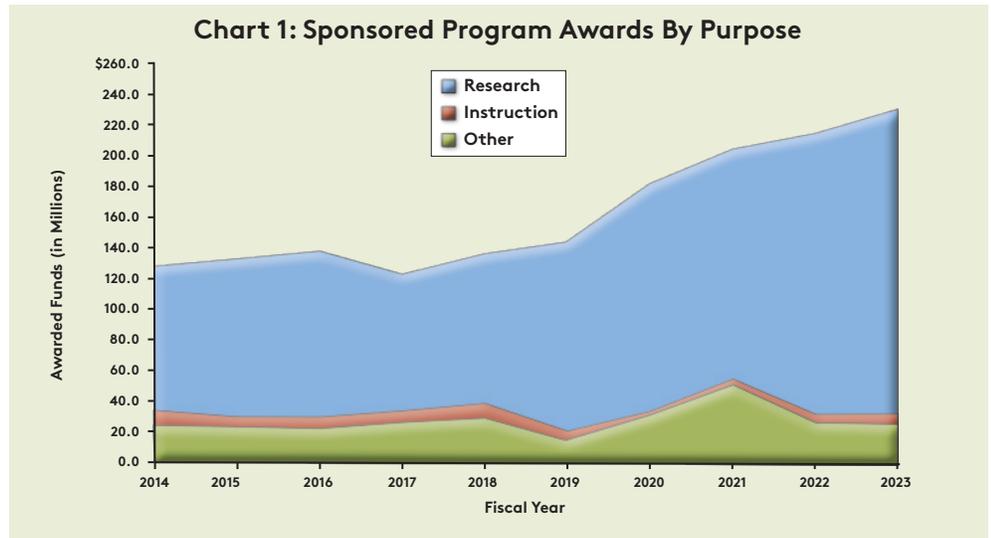


Chart 1 presents the activity of sponsored programs over the past decade.

### Financial Highlights

#### A. Revenues

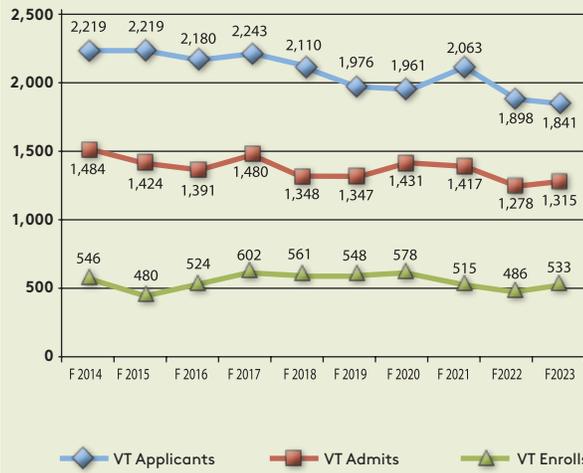
In the fall of 2023, the University enrolled 11,614 students in more than 100 undergraduate majors, 1,664 students in graduate and post-baccalaureate programs, and 488 students at the Larner College of Medicine. The University attracts undergraduates from over 45 states and many foreign countries. The University is primarily a regional institution, however, drawing 78% of the undergraduates enrolled in the fall of 2023 from New England and the Middle Atlantic States, including 18% of its undergraduate students from Vermont. Graduate and Certificate student enrollment from Vermont represented 37.2%.

Final numbers for the fall of 2023 show total applications are over 28,000. This represents an increase of 16.5% since 2014, with in-state applications

**Table 1: In-State and Out-of-State Tuition and Fees**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average Annual % Increase
<b>Student Tuition &amp; Fees</b>									
In-State Tuition & Fees	\$16,768	\$17,300	\$17,740	\$18,276	\$18,802	\$19,002	\$19,002	\$18,890	2.35%
Out-of-State Tuition & Fees	\$39,160	\$40,364	\$41,356	\$42,516	\$43,690	\$43,890	\$43,890	\$43,890	2.30%
Room (Double)	\$7,376	\$7,634	\$7,900	\$8,196	\$8,502	\$8,756	\$8,756	\$8,786	3.20%
Board (Average Meal Plan)	\$3,774	\$3,944	\$4,122	\$4,266	\$4,414	\$4,568	\$4,568	\$4,568	3.19%
<b>Total, In-State Cost</b>	<b>\$27,918</b>	<b>\$28,878</b>	<b>\$29,762</b>	<b>\$30,738</b>	<b>\$31,718</b>	<b>\$32,326</b>	<b>\$32,326</b>	<b>\$32,244</b>	
Increase Over Previous Year	3.38%	3.44%	3.06%	3.28%	3.19%	1.92%	0.00%	-0.25%	2.25%
<b>Total, Out-of-State Cost</b>	<b>\$50,310</b>	<b>\$51,942</b>	<b>\$53,378</b>	<b>\$54,978</b>	<b>\$56,606</b>	<b>\$57,214</b>	<b>\$57,214</b>	<b>\$57,244</b>	
Increase Over Previous Year	3.40%	3.24%	2.76%	3.00%	2.96%	1.07%	0.00%	0.05%	2.06%

**Chart 2A: Trends in Vermont Applications, Admits, and Enrollments, Fall 2014 to Fall 2023**



decreasing 17.0% and out-of-state applications increasing 19.9% for the same period. Total admissions decreased for that period by 4.8%, with in-state admissions decreasing 11.4% and out-of-state admissions decreasing 4.2%. From fall 2014 through fall 2023, total first-time, first year enrollments were close to 2,900 enroll, increasing by 25.4%, with in-state enrollments decreasing by 2.4% and out-of-state enrollments increasing by 34.0%. Trends in applications, admits, and enrollments can be seen in Charts 2A and 2B.

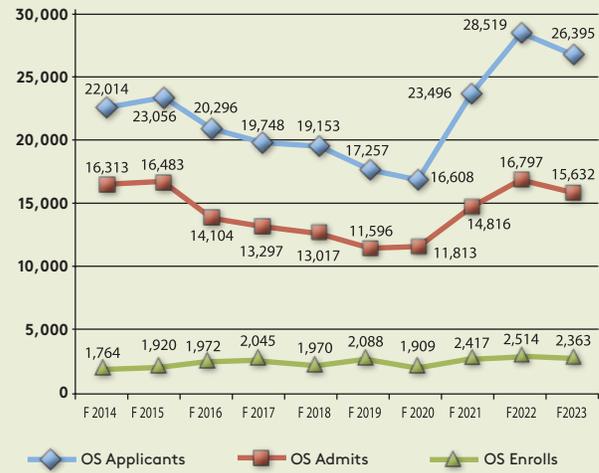
The University and its Board of Trustees continues to contain increases in tuition and fees with the average annual increases for in-state and out-of-state held to 2.4% and 2.3%, respectively, from 2015 through 2023. Table 1 presents tuition and fees, as well as room and board for that period.

During fiscal 2023, President Garimella announced that tuition for fiscal 2024 would not increase over fiscal 2023 levels. This represents the fifth consecutive fiscal year with no tuition increase. Net tuition and fees revenues improved with additional undergraduate out-of-state enrollment and higher residential life occupancy.

The University has focused on enhancing other revenues including private philanthropy, improved retention of current students, increased graduate and summer enrollments, expansion of flexible and online course offerings geared to adults and non-traditional learners, enhancing graduate, post-doc and undergraduate research support through grants from the federal government and other sources and through partnerships with private industry; and supporting more students transferring to UVM from other colleges.

The University increased grant and contract revenues by \$10.4 million or 4.5% from \$231.0 million in fiscal 2022 to \$241.4 million in fiscal 2023. This growth is primarily due to additional funds from the University of Vermont Medical Center, Inc. to offset facilities and operation costs. Included in the \$241.4 million is facility and administrative cost recoveries of

**Chart 2B: Trends in Out-of-State Applications, Admits, and Enrollments, Fall 2014 to Fall 2023**



\$37.6 million and additional commitment funds from University of Vermont Medical Center, Inc. of \$26.2 million.

During fiscal 2023, the University was awarded over \$230.2 million in sponsored funds, 86.0% of which were for research activities. Approximately 70.8% of sponsored funds awarded during fiscal 2023 were from direct federal sources. The University's leading areas of externally sponsored programs are the biomedical sciences, agriculture, the environment, and education.

State appropriations in fiscal 2023 increased \$7.4 million, or 15.3%, compared to fiscal 2022 and decreased \$24.3 million, or 33.4%, in fiscal 2022 compared to fiscal 2021. The increase in fiscal 2023 was due in part to special appropriations received for the Upskill Vermont scholarship program and the forgivable loan program through the Office of Engagement. The decrease in fiscal 2022 from 2021 was a return to pre-COVID-19 appropriation levels when temporary funding made available to the University to cover COVID-19 related costs had expired.

**B. Operating and Capital Expenditures**

The University's operating expenses decreased by \$13.2 million or 1.9% in 2023 from the 2022 level; and 2022 expenses increased \$23.4 million or 3.5% over 2021. The fiscal 2023 decrease is comprised of a reduction in compensation and benefit expense of \$28.4 million and scholarships and fellowships of \$12.5 million. Supplies and services increased in fiscal 2023 by \$27.9 million. Depreciation remained level with a slight increase of \$0.2 million.

Compensation and benefit expenses decreased due to a drop in the other postemployment benefit obligations offset by scheduled wage increases.

The scholarship and fellowship decrease in fiscal 2023 was the result of temporary Higher Education Emergency Relief Funds being exhausted in fiscal 2022.

Supplies and services increased over fiscal 2022 levels partly due to higher costs to manage the food service program and additional business-related travel costs as restrictions from COVID-19 had been lifted mid-fiscal 2022.

**Overview of the Financial Statements**

The financial statements of the University of Vermont and State Agricultural College (the "University") have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial statement presentation consists of comparable Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows and accompanying notes for the June 30, 2023 and 2022 fiscal years. These statements provide information on the financial position of the University and the financial activity and results of its operations during the years presented. The financial statements focus on the University as a whole, rather than upon individual funds or activities.

University Medical Associates, Inc. (UMEA) and University of Vermont Foundation, Inc. (UVMF) are legally separate tax-exempt, discretely presented component units of the University of Vermont and issue separate audited financial statements. UMEA and UVMF are presented as separate columns on the University's Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position.

**A. Statements of Net Position**

The Statements of Net Position, Table 2, depicts all the University's assets, liabilities, and deferred inflows/outflows of resources on June 30th each year, along with the resulting net financial position. An increase in net position over time is a primary indicator of an institution's financial health. Factors contributing to future financial health as reported on the Statements of Net Position include the value and liquidity of financial and capital investments, and balances of related obligations.

As shown in Table 2, cash and short-term investments have increased over the last three fiscal years including 2.1% in both fiscal 2023 and fiscal 2022. Included in cash and short-term investments are operating investments totaling \$248.8 million, \$169.9 million, and \$180.9 million in fiscal 2023, 2022, and 2021, respectively. These operating investments are primarily invested in bonds but also include equity and shares of the University's long-term endowment pool.

Endowment, capital, and similar investments have increased in fiscal 2023, by \$57.5 million or 10.8%, having decreased in 2022, by \$49.1 million or 8.4%. Included in this balance are endowment cash, cash

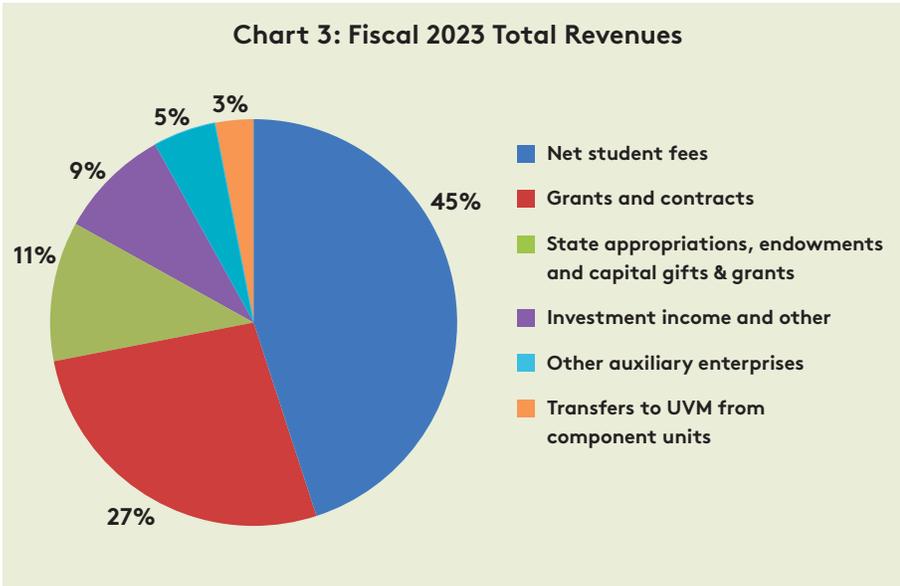


Chart 3 shows the University's fiscal 2023 revenue streams. Given the University's mission of instruction, research, and public service, the vast majority of the University's revenues are generated by net student fees (45%) and grants and contracts (27%).

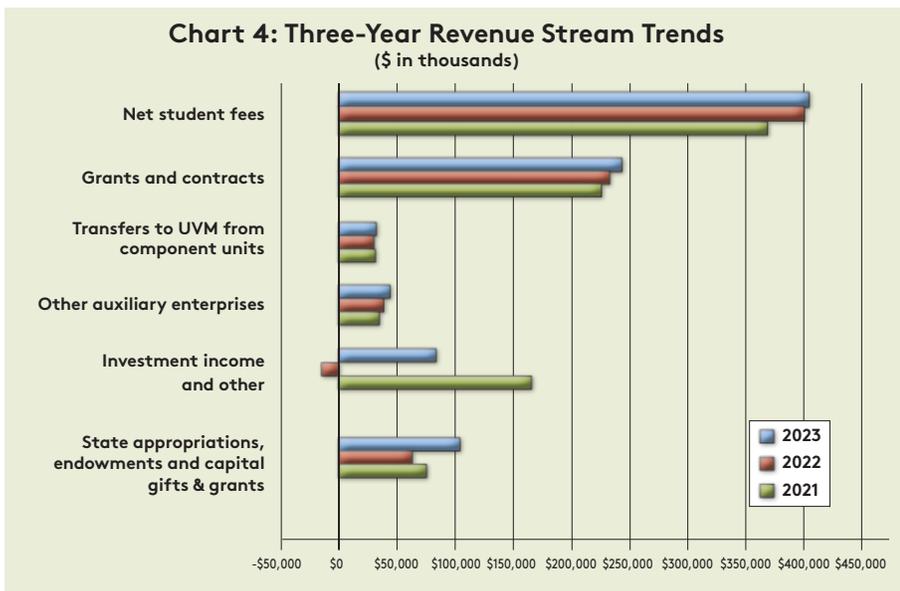


Chart 4 shows the three-year trend for revenue streams. Net student fees are comprised of tuition and fees, residential life fees, and student financial aid. State appropriations increased in fiscal 2023 primarily due to special one-time appropriations. Investment income increased \$98.9 million in fiscal 2023 due to market fluctuations.

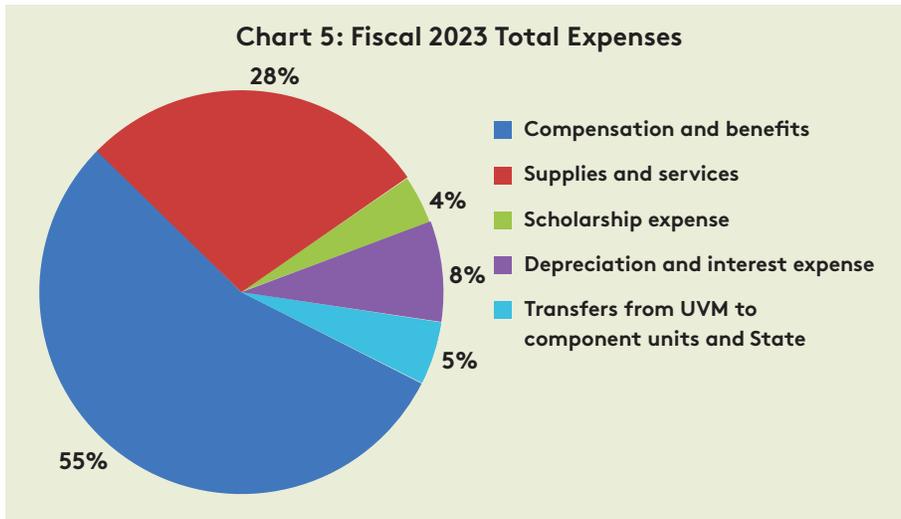


Chart 5 displays the University's fiscal 2023 expenses. The University's largest expense is compensation and benefits followed by supplies and services.

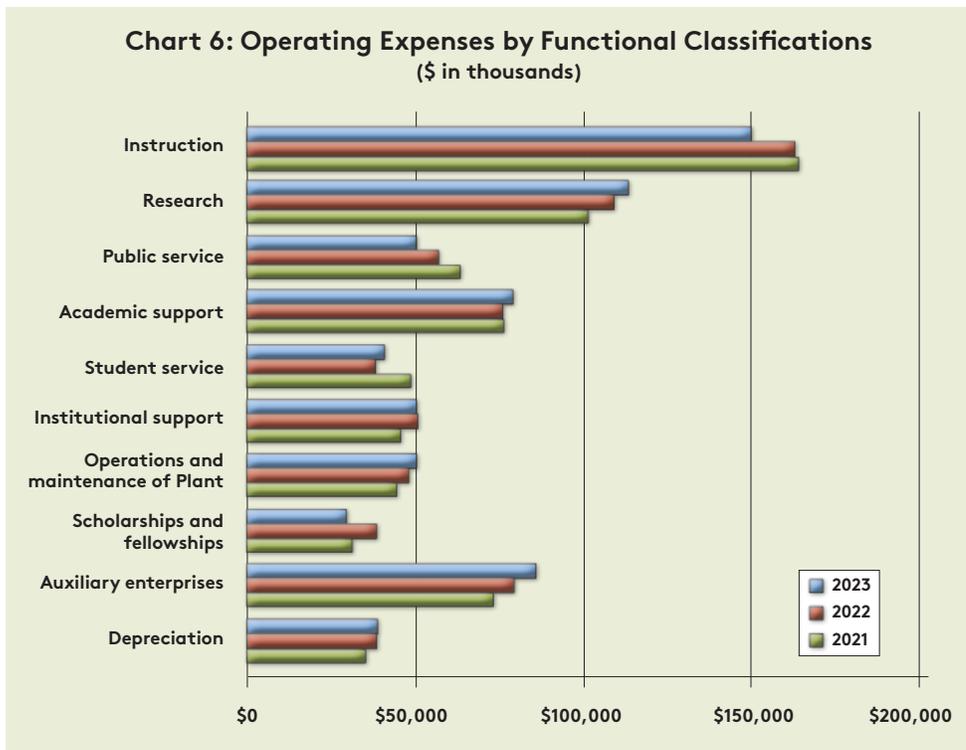


Chart 6 displays the University's operating expenses for the past three years by functional, rather than natural, classification. In fiscal 2023, the University recognized decreased benefit costs due to a drop in the other postemployment benefit obligations. The decrease is allocated proportionally across each functional category and is most evident in the instruction and public service reductions. The University's continued success in pursuit of research initiatives can be seen with additional research expenditures. Scholarship and fellowships decreased with temporary federal aid dedicated to providing relief to students as the result of COVID-19 from the Higher Education Emergency Relief Funds being exhausted.

equivalents and investments of \$508.9 million, \$461.9 million, and \$497.7 million in fiscal 2023, 2022, and 2021, respectively. Both fiscal 2023 and fiscal 2022 were impacted by market performance. Additional gifts to the endowment also increase these balances. In fiscal 2023, the University received an endowment of \$30 million through federal appropriation. Deposits held by bond trustees are also included in this balance totaling \$14 thousand, \$617 thousand, and \$11.7 million in fiscal 2023, 2022, and 2021, respectively. The balances are due to unspent proceeds from the issuance of general obligation bonds.

Capital and right of use assets, net, saw increases of \$1.3 million or 0.2% in fiscal 2023 and \$27.5 million or 3.9% in fiscal 2022. Right of use assets, net, grew by \$1.5 million, primarily due to the University's adoption of a new accounting standard for subscription-based information technology arrangements. Capital assets, net, remained flat with net additions offset by disposals and depreciation expense for a net decrease of \$0.1 million.

Other assets and deferred outflows of resources includes accounts, loans, notes, and pledges receivable, inventories and prepaid expenses, other equity interest and deferred outflows due to loss on refunding of debt and post-employment benefits. Fiscal 2023 saw a decrease from fiscal 2022 of \$3.7 million or 2.2% and a decrease in fiscal 2022 from fiscal 2021 of \$12.6 million or 6.8%. The decrease in fiscal 2023 is mostly due to a decrease in post-employment benefits deferred outflows of \$23.4 million stemming from changes in actuarial assumptions offset by a new other asset related to the University's equity interest in Catamount Run of \$12.6 million.

Postemployment benefits, which represents the current and future liability and deferred inflows the University has to retirees and their dependents for medical, dental, life insurance, and tuition remission benefits, decreased \$86.7 million or 15.8% in fiscal 2023 and \$33.9 million or 5.8% in fiscal 2022. The decrease in fiscal 2023 was driven primarily by expected future experience with the University changing medical carriers for Medicare Advantage plans and updated

**Table 2: Condensed information from Statements of Net Position**

at June 30, 2023, 2022 and 2021  
(\$ in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Assets and deferred outflows of resources</b>			
Cash and operating investments	\$ 416,356	\$ 407,744	\$ 399,233
Endowment, capital, and similar investments	591,404	533,868	582,986
Capital and right of use assets, net	742,925	741,588	714,084
Other assets and deferred outflows of resources	<u>169,371</u>	<u>173,119</u>	<u>185,691</u>
<b>Total assets and deferred outflows of resources</b>	<b><u>1,920,056</u></b>	<b><u>1,856,319</u></b>	<b><u>1,881,994</u></b>
<b>Liabilities and deferred inflows of resources</b>			
Postemployment benefits	460,728	547,457	581,323
Long-term debt	544,332	558,692	570,316
Other liabilities and deferred inflows of resources	<u>140,208</u>	<u>142,496</u>	<u>127,939</u>
<b>Total liabilities and deferred inflows of resources</b>	<b><u>1,145,268</u></b>	<b><u>1,248,645</u></b>	<b><u>1,279,578</u></b>
Net investment in capital assets	200,460	183,268	148,190
Restricted:			
Non-expendable	167,205	133,203	121,083
Expendable	418,089	397,697	438,873
Unrestricted	<u>(10,966)</u>	<u>(106,494)</u>	<u>(105,730)</u>
<b>Total net position</b>	<b><u>\$ 774,788</u></b>	<b><u>\$ 607,674</u></b>	<b><u>\$ 602,416</u></b>

Table 2 shows condensed information from the Statements of Net Position at June 30 for the past three years.

trends for current premiums. The decrease in fiscal 2022 was largely due to the result of assumption changes. The discount rate used in the calculation also significantly impacts the liability in both fiscal years.

Long-term debt decreased \$14.4 million or 2.6% from fiscal 2022 due to debt service payments of \$18.0 million offset by new operating leases and subscription-based information technology arrangements of \$3.6 million. From fiscal 2021 to 2022 long-term debt decreased \$11.6 million or 2.0% due to debt service payments of \$16.3 million offset by new finance and operating leases of \$4.6 million.

Other liabilities and deferred inflows of resources decreased from fiscal 2022 to fiscal 2023 by 1.6% or \$2.3 million from \$142.5 million to \$140.2 million. These balances consist of the University's accounts payable and current and non-current accrued liabilities including insurance reserves, compensated absences, obligations under deferred giving arrangements, and pledges payable. Unearned revenues, deposits and advance payments for tuition and grants & contracts are also included in this total. The decrease is primarily attributed to reduced pollution remediation activities in the fiscal year along with scheduled amortization under the service concession arrangement between the University and its food service program provider, Sodexo, offset by increases in unearned revenues.

Net position is reported in four categories. The net investment in capital assets amount represents the historical cost of property and equipment reduced by total accumulated depreciation and the balance of related debt outstanding. Restricted expendable resources include balances of current and prior year gifts for specified purposes such as scholarships or academic programs, as well as spendable endowment gains. Restricted non-expendable resources are endowment balances which are required to be invested in perpetuity by the original donors. Unrestricted financial resources represent net position that is available for any future use without legal restriction and is negative due to the recording of the post-employment benefit obligation.

#### **B. Statements of Revenues, Expenses, and Changes in Net Position**

Operating revenues are generally earned through the sale of goods and services. However, GASB reporting standards require that certain University recurring revenues be shown as nonoperating. This includes state appropriations, federal Pell grants, private gifts, net investment income, and transfers from University component units. These revenue streams are important sources of funds used to supplement tuition and fees revenue. Accordingly, we have grouped the operating and nonoperating revenues together in the condensed statements to allow readers to better understand which revenues support University operating expense streams.

**Table 3: Condensed information from Statements of Revenues,  
Expenses, and Changes in Net Position**  
for the years ended June 30, 2023, 2022 and 2021  
(\$ in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tuition and fees	\$ 563,330	\$ 547,458	\$ 503,715
Less student financial aid	<u>(159,438)</u>	<u>(147,917)</u>	<u>(133,889)</u>
Net student fees	<u>403,892</u>	<u>399,541</u>	<u>369,826</u>
Grants and contracts	241,406	230,954	222,645
State appropriations	55,828	48,415	72,685
Transfers to UVM from component units	29,622	29,274	30,254
Other auxiliary enterprises	44,713	43,365	39,920
Investment income (loss) and other	<u>83,504</u>	<u>(15,403)</u>	<u>170,716</u>
<b>Total operating and non-operating revenues</b>	<b><u>858,965</u></b>	<b><u>736,146</u></b>	<b><u>906,046</u></b>
Compensation and benefits	(411,702)	(440,151)	(439,434)
Supplies and services	(206,595)	(178,652)	(172,301)
Scholarship expense	(27,431)	(39,935)	(29,954)
Depreciation and interest expense	(59,858)	(60,192)	(54,725)
Transfers from UVM to component units and State	<u>(34,300)</u>	<u>(24,126)</u>	<u>(22,144)</u>
<b>Total operating and non-operating expenses</b>	<b><u>(739,886)</u></b>	<b><u>(743,056)</u></b>	<b><u>(718,558)</u></b>
<b>Increase (Decrease) in net position from recurring activities</b>	<b><u>119,079</u></b>	<b><u>(6,910)</u></b>	<b><u>187,488</u></b>
Capital and endowment appropriations, gifts and grants	48,482	11,005	1,240
Other net non-operating revenue (expense)	<u>(447)</u>	<u>1,163</u>	<u>(45)</u>
<b>Total other changes in net position</b>	<b><u>48,035</u></b>	<b><u>12,168</u></b>	<b><u>1,195</u></b>
<b>Total increase in net position</b>	<b><u>\$ 167,114</u></b>	<b><u>\$ 5,258</u></b>	<b><u>\$ 188,683</u></b>

Table 3 shows condensed information from the Statements of Revenues, Expenses and Changes in Net Position for the past three years ended June 30.

Net student fees increased by 1.1% from \$399.5 million in fiscal 2022 to \$403.9 million in fiscal 2023. Embedded in the net student fees amount are three components including gross tuition and fees, gross residential life fees, and student financial aid. Gross tuition and fees increased by \$11.9 million or 2.5% from fiscal 2022 to fiscal 2023 and gross residential life fees increased \$4.0 million or 5.5%. The increase in gross tuition and fees can be attributed to additional undergraduate, out-of-state enrollments. The increase in gross residential life fees is the result of additional occupancy over 2022. Student financial aid increased from fiscal 2022 to fiscal 2023 by \$11.5 million or 7.8% demonstrating the effort to keep tuition affordable. An increase in net student tuition and fees in fiscal 2022 of 8.0% included a 6.5% increase in gross tuition and fees, a 25.9% increase in gross residential life fees, and a 10.5% increase in student financial aid from fiscal 2021.

Total state appropriation revenue was \$55.8 million in fiscal 2023 and \$48.4 million in fiscal 2022. The increase of \$7.4 million is due in part to special appropriations received for the Upskill Vermont scholarship program and the forgivable loan program through the Office of Engagement.

Transfers to UVM from component units includes transfers from the University of Vermont Foundation and University Medical Education Associates. These transfers include reimbursement of expenses on gifts

received by the University of Vermont Foundation on behalf of the University. These transfers stayed mostly flat in fiscal 2023 with a small increase of \$348 thousand from \$29.3 million in fiscal 2022 to \$29.6 million in fiscal 2023.

Other auxiliary enterprises revenues remained relatively stable at \$44.7 million, \$43.4 million, and \$39.9 million in fiscal 2023, 2022, and 2021, respectively.

Investment income (loss) and other can be volatile due to the investment markets. There was an increase of \$98.9 million or 642.1% in fiscal 2023 from fiscal 2022. This increase is directly attributable to the net investment income growth in fiscal 2023 of \$95.0 million from a net investment loss in fiscal 2022 of \$41.3 million to a net investment income of \$53.7 million in fiscal 2023. In fiscal 2022, there was a decrease of \$186.1 million due to a net investment loss of \$41.3 million in fiscal 2022 from a \$148.1 million net investment income in fiscal 2021.

Compensation and benefits decreased \$28.5 million or 6.5% from \$440.2 million in fiscal 2022 to \$411.7 million in fiscal 2023 primarily due to reduced expense related to the other post-employment benefits for fiscal 2023 offset by scheduled wage increases. There was a modest increase in fiscal 2022 of \$0.8 million, or 0.2%, from \$439.4 million in fiscal 2021 to \$440.2 million for the same reason.

Supplies and services expenses increased in fiscal 2023 from fiscal 2022 by \$27.9 million or 15.6% from \$178.7 million to \$206.6 million partly due to higher costs to manage the food service program and additional business-related travel costs as restrictions from COVID-19 had been lifted mid-fiscal 2022. These same restrictions being lifted resulted in additional business-related travel costs in fiscal 2022 from fiscal 2021. Total supplies and services increased in fiscal 2022 from fiscal 2021 by \$6.4 million or 3.7% from \$172.3 million to \$178.7 million.

Scholarship expense decreased \$12.5 million, or 31.3%, in fiscal 2023 and increased \$10.0 million, or 33.3%, in fiscal 2022. This fluctuation was the result of temporary Higher Education Emergency Relief Funds being exhausted in fiscal 2022.

Transfers from UVM to component units and State of \$34.3 million, \$24.1 million, and \$22.1 million in fiscal 2023, 2022, and 2021, respectively, represents transfers to the University of Vermont Foundation to assist in its operations and contributions to the State of Vermont to support the Graduate Medical Education program.

Capital and endowment appropriations, gifts and grants represent capital gifts and grants, capital appropriations, and gifts to the University endowment. Fiscal 2023 had an increase of \$37.5 million from \$11.0 million in fiscal 2022 to \$48.5 million primarily from new gifts for endowment purposes of \$30.4 million. Fiscal 2022 had an increase of \$9.8 million from \$1.2 million in fiscal 2021 to \$11.0 million primarily from new gifts for endowment purposes of \$7.9 million.



## Statements of Net Position

as of June 30, 2023 and 2022

(dollars in thousands)

	2023	2022	Discretely Presented Component Units			
			UMEA 2023	UMEA 2022	UVMF 2023	UVMF 2022
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 167,524	\$ 237,804	\$ 1,021	\$ 554	\$ 56,215	\$ 54,908
Operating investments	248,832	169,940	58,089	55,961	16,376	16,167
Accounts, loans, notes, and pledges receivable, net	54,686	47,039	565	609	4,898	5,345
Inventories and prepaid expenses	19,489	16,683	19	11	686	567
<b>Total current assets</b>	<b>490,531</b>	<b>471,466</b>	<b>59,694</b>	<b>57,135</b>	<b>78,175</b>	<b>76,987</b>
<b>Non-current assets:</b>						
Endowment cash, cash equivalents and investments	508,863	461,862	-	-	251,307	234,610
Student loans, notes, and pledges receivable, net	42,912	46,034	-	-	5,665	7,914
Investments for capital activities	73,522	63,022	-	-	157	132
Deposits with trustees	9,019	8,984	-	-	1,538	1,473
Other assests	12,615	-	-	-	-	-
Capital and right of use assets, net	742,925	741,588	-	-	7,252	7,557
<b>Total non-current assets</b>	<b>1,389,856</b>	<b>1,321,490</b>	<b>-</b>	<b>-</b>	<b>265,919</b>	<b>251,686</b>
<b>Total Assets</b>	<b>1,880,387</b>	<b>1,792,956</b>	<b>59,694</b>	<b>57,135</b>	<b>344,094</b>	<b>328,673</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Loss on refunding of debt	5,009	5,261	-	-	-	-
Postemployment benefits	34,660	58,102	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>39,669</b>	<b>63,363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued liabilities	90,049	91,045	575	315	8,084	10,871
Unearned revenue, deposits, and funds held for others	18,326	15,726	43,411	41,621	-	1,823
Bonds and leases payable	18,015	16,827	-	-	-	-
<b>Total current liabilities</b>	<b>126,390</b>	<b>123,598</b>	<b>43,986</b>	<b>41,936</b>	<b>8,084</b>	<b>12,694</b>
<b>Non-current liabilities:</b>						
Accrued liabilities	12,457	15,216	-	-	-	-
Postemployment benefits	186,997	436,372	-	-	-	-
Bonds and leases payable	526,316	541,865	-	-	4,220	4,443
<b>Total non-current liabilities</b>	<b>725,770</b>	<b>993,453</b>	<b>-</b>	<b>-</b>	<b>4,220</b>	<b>4,443</b>
<b>Total Liabilities</b>	<b>852,160</b>	<b>1,117,051</b>	<b>43,986</b>	<b>41,936</b>	<b>12,304</b>	<b>17,137</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Right of use leases and service concession arrangement	14,350	16,468	-	-	-	-
Split-interest arrangements	5,027	4,041	-	-	-	-
Postemployment benefits	273,731	111,085	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>293,108</b>	<b>131,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>						
Net investment in capital assets	200,460	183,268	-	-	3,032	3,115
Restricted:						
Non-Expendable	167,205	133,203	-	-	235,781	218,351
Expendable	418,089	397,697	11,629	11,428	77,187	77,209
Unrestricted	(10,966)	(106,494)	4,079	3,771	15,790	12,861
<b>Total Net Position</b>	<b>\$ 774,788</b>	<b>\$ 607,674</b>	<b>\$ 15,708</b>	<b>\$ 15,199</b>	<b>\$ 331,790</b>	<b>\$ 311,536</b>

*The accompanying notes are an integral part of the financial statements.*

## Statements of Revenues, Expenses and Changes in Net Position

for the years ended June 30, 2023 and 2022

(dollars in thousands)

Discretely Presented Component Units

	2023	2022	Discretely Presented Component Units			
			UMEA 2023	UMEA 2022	UVMF 2023	UVMF 2022
<b>Operating revenues</b>						
Tuition and fees	\$ 486,896	\$ 474,997	\$ -	\$ -	\$ -	\$ -
Residential life	76,434	72,461	-	-	-	-
Less scholarship allowances	(159,438)	(147,917)	-	-	-	-
Net student fees	403,892	399,541	-	-	-	-
Federal, state, and private grants and contracts	233,332	223,288	-	-	1,015	1,088
Sales and services of educational activities	7,692	7,452	-	-	-	-
Other auxiliary enterprises	44,713	43,365	-	-	-	-
Student loan interest and other operating revenues	19,228	17,634	181	176	216	185
<b>Total operating revenues</b>	<b>708,857</b>	<b>691,280</b>	<b>181</b>	<b>176</b>	<b>1,231</b>	<b>1,273</b>
<b>Operating expenses</b>						
Compensation and benefits	(411,702)	(440,151)	(256)	(230)	(10,099)	(9,158)
Supplies and services	(206,595)	(178,652)	-	-	(3,154)	(2,834)
Depreciation	(39,311)	(39,499)	-	-	(353)	(350)
Scholarships and fellowships	(27,431)	(39,935)	-	-	-	-
<b>Total operating expenses</b>	<b>(685,039)</b>	<b>(698,237)</b>	<b>(256)</b>	<b>(230)</b>	<b>(13,606)</b>	<b>(12,342)</b>
<b>Operating gain (loss)</b>	<b>23,818</b>	<b>(6,957)</b>	<b>(75)</b>	<b>(54)</b>	<b>(12,375)</b>	<b>(11,069)</b>
<b>Non-operating revenues (expenses)</b>						
State appropriations	55,828	48,415	-	-	-	-
Federal Pell grants	8,074	7,666	-	-	-	-
Private gifts	2,898	847	399	423	21,766	28,032
Net investment income (loss)	53,686	(41,336)	905	(3,248)	10,161	(13,278)
Interest on indebtedness	(20,547)	(20,693)	-	-	(44)	(54)
Gain (loss) on disposal of capital assets	(2,010)	(548)	-	-	-	-
Net other non-operating revenue (expense)	1,563	1,711	-	-	(576)	(380)
Intergovernmental transfers	(22,433)	(13,164)	-	-	-	-
Transfers from UVM to component units	(11,867)	(10,962)	-	-	11,375	10,538
Transfers to UVM from component units	29,622	29,274	(720)	(826)	(26,871)	(26,328)
<b>Net non-operating revenues (expense)</b>	<b>94,814</b>	<b>1,210</b>	<b>584</b>	<b>(3,651)</b>	<b>15,811</b>	<b>(1,470)</b>
<b>Revenue (loss) before capital and endowment additions</b>	<b>118,632</b>	<b>(5,747)</b>	<b>509</b>	<b>(3,705)</b>	<b>3,436</b>	<b>(12,539)</b>
State capital appropriations	3,100	1,500	-	-	-	-
Capital gifts and grants	15,024	1,576	-	-	-	-
Gifts for endowment purposes	30,358	7,929	-	-	16,818	27,517
<b>Total capital and endowment additions</b>	<b>48,482</b>	<b>11,005</b>	<b>-</b>	<b>-</b>	<b>16,818</b>	<b>27,517</b>
Increase (decrease) in net position	167,114	5,258	509	(3,705)	20,254	14,978
Net position, beginning of year	607,674	602,416	15,199	18,904	311,536	296,558
<b>Net position, end of year</b>	<b>\$ 774,788</b>	<b>\$ 607,674</b>	<b>\$ 15,708</b>	<b>\$ 15,199</b>	<b>\$ 331,790</b>	<b>\$ 311,536</b>

*The accompanying notes are an integral part of the financial statements.*

**Statements of Cash Flows**  
for the years ended June 30, 2023 and 2022  
(dollars in thousands)

	2023	2022
<b>Cash Flows From Operating Activities</b>		
Tuition and fees net of applicable scholarship allowances	\$ 348,745	\$ 345,937
Grants and contracts	229,326	222,991
Sales and services of educational activities	7,692	7,452
Sales and services of auxiliary enterprises:		
Residential life fees, net of scholarship allowances	54,801	52,883
Other	44,713	43,365
Payments to employees and benefit providers	(472,665)	(445,085)
Payments to vendors	(209,214)	(179,019)
Payments for scholarships and fellowships	(27,431)	(39,935)
Other receipts, net	18,326	16,622
<b>Net cash provided by (used in) operating activities</b>	<b>(5,707)</b>	<b>25,211</b>
<b>Cash Flows From Non-Capital Financing Activities</b>		
State general appropriation	55,828	48,415
Federal Pell grants	8,074	7,666
Private gifts for other than capital purposes	33,572	9,741
Intergovernmental transfers	(22,433)	(13,164)
Transfers from UVM to component units	(11,867)	(10,962)
Transfers to UVM from component units	29,622	29,274
Deposits of affiliates and life income payments, net	(1,315)	(2,950)
<b>Net cash provided by non-capital financing activities</b>	<b>91,481</b>	<b>68,020</b>
<b>Cash Flows From Capital Financing Activities</b>		
State capital appropriation	3,100	1,500
Capital grants, gifts and other income	16,589	3,193
Purchases and construction of capital assets	(41,759)	(64,832)
Proceeds from disposal of capital assets	70	95
Principal paid on capital debt	(17,960)	(11,732)
Interest paid on capital debt	(20,636)	(20,849)
Changes in deposits with trustees, net	603	11,096
<b>Net cash used in capital financing activities</b>	<b>(59,993)</b>	<b>(81,529)</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sales and maturities of investments	134,371	237,363
Purchase of investments	(232,892)	(216,639)
Interest and dividends on investments, net	4,833	570
Call contribution to joint venture	(12,615)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(105,303)</b>	<b>21,294</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(79,522)</b>	<b>32,996</b>
Cash and cash equivalents - beginning of year	269,388	236,392
Cash and cash equivalents - end of year*	<b>\$ 189,866</b>	<b>\$ 269,388</b>
<b>Reconciliation of Operating Loss To Cash Provided by Operating Activities</b>		
Operating gain (loss)	\$ 23,818	\$ (6,957)
Adjustments to reconcile operating loss to net cash provided by Operating Activities:		
Depreciation expense	39,311	39,499
Changes in assets and liabilities:		
Accounts receivable and loan receivable, net	(5,912)	641
Inventories and prepaid expenses	(1,593)	909
Accounts payable	3,503	(2,307)
Unearned revenue, deposits and accrued liabilities	(64,834)	(6,574)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (5,707)</b>	<b>\$ 25,211</b>

*\* of total cash and cash equivalents for 2023, \$167,524 is current and \$22,342 is non-current endowment and, for 2022, \$237,804 is current and \$31,584 is non-current endowment.  
The accompanying notes are an integral part of the financial statements.*

## Notes to Financial Statements

### For the Years Ended June 30, 2023 and 2022

(dollars in thousands)

#### A. Summary of Significant Accounting Policies and Presentation

The University of Vermont and State Agricultural College is a public, non-profit, comprehensive research institution of higher education with an enrollment of approximately 13,766 undergraduate, graduate, medical, and non-degree students. It is located in Burlington, Vermont with satellite instructional and research buildings throughout the State.

The University of Vermont and State Agricultural College is a land-grant institution and a component unit of the State of Vermont. The University receives an annual appropriation from the State. The Board of Trustees has 25 members including 9 legislative, 9 self-perpetuating, 3 gubernatorial, and 2 students; the Governor and President of the University serve as ex-officio members during their terms in office.

The University has received a letter from the Internal Revenue Service recognizing the University as an organization that is described in Internal Revenue Code Section 501(c)(3) and generally exempt from income taxes pursuant to Section 501(a) of the Internal Revenue Code.

#### 1. Affiliated Organizations & Related Parties

University Medical Education Associates, Inc. (UMEA) is a legally separate component unit of the University of Vermont. UMEA is an organization described in Internal Revenue Code Section 501(c)(3) and is generally exempt from income taxes pursuant to Section 501(a) of the Code. UMEA is governed by a minimum nine-member board; five members are named as a result of their positions at the University of Vermont and the remaining are elected by the other members. UMEA's purpose is to support the operations, activities and objectives of the Robert Larner, M.D. College of Medicine of the University of Vermont. UMEA is a public non-profit organization that reports under Financial Accounting Standards Board (FASB) standards. UMEA's fiscal year ends on June 30. UMEA issues separate audited financial statements, which may be obtained by contacting the Dean's Office, Robert Larner, M.D. College of Medicine. Accordingly, UMEA is discretely presented on the University's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position.

The University of Vermont and State Agricultural College Foundation, Inc. (UVMF) was incorporated as a Vermont nonprofit corporation on March 14, 2011 and is a legally separate entity from the University of Vermont. On January 1, 2012, UVMF officially assumed all fundraising responsibilities of the Office of Development and Alumni Relations at the University. UVMF is an organization described in Internal Revenue Code Section 501(c)(3) and is generally exempt from income taxes pursuant to Section 501(a) of the Code. UVMF exists to secure and manage private gifts for the sole benefit of the University and has been recognized by the University as the primary and preferred recipient for charitable gifts to or for the benefit of the University. UVMF is governed by a board of directors composed of not less than 15 or

more than 29 members, including ex officio directors. The President of the University, the Chair of the Board of Trustees of the University, the President of the UVM Alumni Association, the Chair of the UVM Medical Center Foundation, and the UVMF President/CEO are ex officio directors of UVMF. UVMF reports under FASB standards, has a fiscal year end date of June 30, and issues separate audited financial statements, which may be obtained at the UVMF's website [www.uvmfoundation.org](http://www.uvmfoundation.org). Accordingly, UVMF is discretely presented on the University's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position. The UVMF holds an operating cash fund through UVM and participates in the UVM pooled endowment. The associated assets and liabilities, including endowment cash and investments, are analogous to an internal investment pool and are not reflected within the University's Statement of Net Position as they are reflected in the discretely presented column from the UVMF.

Catamount Run Phase 1, LLC. (Catamount Run) is a legally separate component unit of the University of Vermont. Catamount Run was established as a Vermont limited liability company on January 20, 2023, and consists of two partners, the University and Snyder-Braverman Development Company, LLC. The primary purpose of Catamount Run is to construct housing in close proximity to the University campus. The University will be given priority to the rental units for students and employees. Catamount Run will lease residential apartments to University students and employees under separate lease agreements and will, acting through its property manager, collect the rents for the apartment units directly from the apartment tenants. As a security for Catamount Run to reserve primarily all residential apartments for University students and employees, the University is providing a financial guaranty in the event there is a shortfall in gross rents due to vacancies or delinquencies. Catamount Run reports under Financial Accounting Standards Board (FASB) standards and has a fiscal year ends on December 31. Catamount Run will issue separate audited financial statements and accordingly will be discretely presented on the University's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position beginning in FY24. As of June 30, 2023, the University had an equity interest in Catamount Run of \$12,615 which is reflected as other assets on the 2023 Statements of Net Position.

The University has an affiliation with the University of Vermont Medical Center, Inc., University of Vermont Medical Group, Inc., and the University of Vermont Health Network, Inc. through an updated Affiliation Agreement signed in September 2022. The Affiliation Agreement is for a period of ten years, provided that either party may seek to re-negotiate any of the financial terms of the agreement after 5 years. The Agreement is to guide and govern the parties in the achievement of their common goals, including, but not limited to, providing high-quality clinical education for undergraduate and graduate students enrolled in UVM medical and health care related academic programs and health care professionals enrolled in continuing education programs. The Agreement sets forth principles and protocols designed to assist the University and the University of Vermont Medical Center (UVMCMC) in coordinating efforts and allocating their resources. UVMCMC agrees to pay a portion of salary, benefits, and related expenses incurred by the University to physician-faculty and staff who are also employed by UVMCMC. In addition, UVMCMC agrees to pay base payments that help maintain medical facilities owned and managed by the University

*(dollars in thousands)*

and the Dana Medical Library. UVMCC agrees to pay a portion of the UVM Medical Group Net Patient Revenues, referred to as the Dean's Tax, to the Robert Larner, M.D. College of Medicine for purposes that promote and are consistent with the common goals of both parties.

Under the University's conflict of interest policies, all business and financial relationships, including with trustees and employees, are subject to review and approval by the Board. Disclosures about the University's related party transactions, including those affiliates, are described in this footnote to the financial statements.

## 2. Basis of Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as defined for public colleges and universities by the Governmental Accounting Standards Board (GASB).

Net position is categorized as follows:

- **Net investment in capital assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Such assets include the University's physical plant.
- **Restricted:**
  - Non-Expendable** - Net position subject to externally imposed stipulations that they be maintained permanently by the University. This category includes the corpus of the University's true endowment funds.
  - Expendable** - Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University to meet those stipulations or that expire through the passage of time. This category includes restricted gifts, grants, contracts and endowment appreciation.
- **Unrestricted:** Net position not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management, the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

The University's policy for defining operating activities as reported on the Statements of Revenues, Expenses, and Changes in Net Position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Non-exchange transactions such as gifts, investment income, state appropriations and interest on indebtedness are reported as non-operating revenues and expenses.

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates. The most significant areas that require management estimates relate to valuation of certain investments, the

valuation of the postemployment benefit obligation, allowances on accounts and loans receivable, depreciation, and certain accruals.

Effective for the fiscal year ended June 30, 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The statement establishes new requirements for calculating and reporting the University's subscription-based software. The adoption of Statement No. 96 has been reflected as of July 1, 2022, with right of use subscription assets totaling \$1.8 million offset with corresponding operating subscription liabilities of \$1.8 million. There was no impact to beginning net position at July 1, 2021.

## 3. Fair Value Measurement

That fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used for measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

**Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active or inactive markets that the University has the ability to access.

**Level 2** – Inputs to valuation methodology include:

- Quoted prices for similar assets or liabilities in inactive markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the University's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumption of risk). Unobservable inputs are developed based on the best information available in circumstances and may include the University's own data.

Certain investments are measured at net asset value (NAV) as a practical expedient to estimate the fair value as determined by the fund manager. Investments reported at NAV consist of shares or units in commingled funds and private partnerships as opposed to direct interests in the funds' underlying securities, which may be readily marketable and not difficult to value. NAV measured investments are not categorized in the fair value hierarchy table.

Investments in certain funds contain lock-up provisions. Under such provisions, share classes of the investment are available for redemption at various times in accordance with the management agreement of the fund.

(dollars in thousands)

#### 4. Government Appropriations and Grants

Revenues associated with grants and contracts are generally recognized when related costs are incurred or when milestones are achieved. Federal, state and private grants and contracts revenue for 2023 and 2022 consists of:

Grants and Contracts	FY23	FY22
Federal appropriations, grants and contracts	\$ 153,662	\$ 158,113
State grants and contracts	6,500	5,908
Other governmental & private grants and contracts	73,170	59,267
<b>TOTAL</b>	<b>\$ 233,332</b>	<b>\$ 223,288</b>

State appropriations (general fund and capital) are reported as non-operating revenue. Grants awarded for capital improvements are reported as other revenues.

The University has recorded reimbursement of indirect costs relating to government contracts and grants at a predetermined rate. The reimbursement of indirect costs included in grant revenue is \$37.6 million in 2023 and \$36.8 million in 2022.

Federal appropriations, grants and contracts include *Higher Education Emergency Relief Fund* assistance dedicated to COVID-19 relief through the duration of the pandemic of \$18.8 million in 2022. No assistance from the fund was received in 2023.

Private grants and contracts include funding of \$26.2 million in 2023 and \$15.5 million in 2022 to the Robert Larner, M.D. College of Medicine from the University of Vermont Medical Center, Inc. to offset facilities and operation costs.

#### 5. Gifts

Gifts are recorded at their fair value and reported as non-operating revenue.

Promises to donate to the University are recorded as receivables and revenues when the University has met all applicable eligibility and time requirements. Since the University cannot fulfill the requirement to invest in perpetuity for gifts to endowments until the gift is received, pledges to endowments are not recognized until received.

#### 6. Deposits and Unearned Revenue

Deposits and advance payments for the following academic year are unearned and recorded as revenues when earned. Summer session revenues are unearned to the extent that they relate to courses scheduled in July and August. Deposits and advance payments unearned revenue at June 30, 2023, and 2022, is \$9,723 and \$9,339, respectively.

The University records unearned revenue for cash received in excess of expenditures on grants and contracts. Grants and contracts unearned revenue at June 30, 2023, and 2022, is \$5,764 and \$4,308, respectively.

#### 7. Employee Benefits

The University provides health and dental insurance to retired employees hired prior to 2012, and their families during their lives and life insurance until age 70. Employees hired on or after January 1, 2012 will continue to receive dental insurance and life insurance upon retirement. The health insurance benefit for these employees hired after January 1, 2012 has been replaced with a defined contribution Retiree Health Savings Plan (RHSP). UVM makes regular tax-free contributions to the RHSP for benefits-eligible faculty and staff. Earnings that accumulate in the RHSP grow tax free. Retirees will be able to access the savings in the RHSP to pay for eligible healthcare expenses upon retirement.

The total cost for active and retired employees for health, dental and life insurance, net of employee contributions, was \$79,513 in 2023 and \$66,415 in 2022. The total cost for contributions to the RHSP was \$1,103 in 2023 and \$800 in 2022. See note K for further information about postemployment benefits.

#### 8. Compensated Absences

The University accrues amounts for compensated absences (principally vacation allowances) as earned. They are included in the current portion of accrued liabilities.

As of June 30, 2023, \$27,045 (\$24,266 in 2022) was accrued for vacation pay of which \$19,926 (\$17,903 in 2022) was charged to unrestricted net position and \$7,119 (\$6,363 in 2022) was included in deferred charges to be recovered from restricted expendable net position when paid.

#### 9. Collections and Works of Art

The University maintains collections of inexhaustible assets, including works of art; historical artifacts; biological, geological, archaeological and ethnographic materials; and literature. While management believes the collections are quite valuable and irreplaceable, the University has not placed a dollar value on these assets. It is the University's policy to hold these assets for public exhibit, education and research rather than for financial gain and to protect, care for and maintain such assets in perpetuity. Accordingly, the collections are not capitalized for financial statement purposes.

(dollars in thousands)

### B. Accounts, Loans, Notes, and Pledges Receivable

Accounts, loans, notes and pledges receivable at June 30, 2023 and 2022 are summarized as follows:

Accounts, Loans, Notes and Pledges Receivable, Net	June 30, 2023	June 30, 2022
<b>Current</b>		
Federal, state, and private grants receivable	\$ 28,206	\$ 19,519
Student and trade accounts receivable, net	9,353	9,497
Other accounts receivable	14,138	16,239
Student loans receivable, net	1,771	1,784
Pledges receivable, net	1,218	-
<b>Total Current</b>	<b>\$ 54,686</b>	<b>\$ 47,039</b>
<b>Non-Current</b>		
Student loans receivable, net	\$ 20,272	\$ 20,159
Lease receivable	13,373	14,900
Other notes receivable	5,980	7,141
Pledges receivable, net	3,287	3,834
<b>Total Non-Current</b>	<b>\$ 42,912</b>	<b>\$ 46,034</b>

Other accounts receivable includes the present value of expected future cash flows for lease agreements between the University and third parties, where the University serves as lessor. The current receivable balance includes \$1,111 in 2023 from leases and \$1,145 in 2022. The long-term balance from these arrangements are reported as a non-current lease receivable totaling \$13,373 in 2023 and \$14,900 in 2022. The lease receivables are netted with a deferred inflow of resources totaling \$13,708 in 2023 and \$15,614 in 2022.

The student accounts receivable are carried net of an allowance for doubtful accounts of \$299 in 2023 and \$334 in 2022.

Student loans receivable are carried net of an allowance for uncollectible UVM loans. The balances at June 30, 2023 and 2022 were \$239 and \$254, respectively. The University does not record an allowance for uncollectible federal student loans since they can be assigned to the government if certain conditions stipulated by the federal government are met.

The University's liability for the federal capital contribution to the Perkins, Health Professions, Primary Care, and Nursing Student loan programs is \$2,409 for 2023 and \$2,850 for 2022. These amounts are included in non-current accrued liabilities.

Collections and disbursements of pass through student loans such as Federal Direct Loans, Federal Plus Loans, and Vermont Student Assistance Corporation's Green Mountain Loans are reported on a net basis in the Statements of Cash Flows.

Accounts receivable from the UVMF and UMEA are \$7,367 in 2023 and \$10,281 in 2022 and are presented in accounts, loans, notes and pledges receivable, net on the Statements of Net Position.

### C. Accounts Payable and Current Accrued Liabilities

Accounts payable and current accrued liabilities at June 30, 2023 and 2022 are summarized below:

Accounts Payable and Current Accrued Liabilities	June 30, 2023	June 30, 2022
Interest	\$ 5,624	\$ 5,712
Construction retainage	2,429	4,098
Compensated absences	27,045	24,266
Insurance reserves	19,376	20,047
Compensation and benefits	6,931	6,758
Other	9,159	14,182
Accounts and pledges payable	19,485	15,982
<b>TOTAL</b>	<b>\$ 90,049</b>	<b>\$ 91,045</b>

### D. Capital and Right of Use Assets

Capital assets are stated at acquisition cost or, in the case of gifts, at the fair value at the date of donation.

Depreciation is calculated using the straight-line method over the estimated economic useful lives of the related assets. Certain research buildings are classified into the following components: 1) building (basic construction components/shell) with an estimated useful life of 40 years; 2) building service systems (plumbing, electrical, etc.) with an estimated useful life of 25 years; 3) interiors/renovations with an estimated useful life of 20 years and 4) fixed equipment with an estimated useful life of 15 years.

Other buildings are depreciated over a useful life of 40 years, land improvements are depreciated over a useful life of 20 years, fixed equipment is depreciated over a useful life of 15 years, and moveable equipment is depreciated over a useful life of 5 years. Software systems are depreciated over a useful life of 7 years. Major construction projects are capitalized but are not depreciated until they are put into service.

Depreciation expense for building and components including fixed equipment for fiscal year 2023 is \$32,384 (\$29,918 in 2022). Moveable equipment, software systems, and land improvements depreciation expense is \$4,800 for 2023 (\$8,424 in 2022). Right of use asset amortization expense totaled \$2,127 in 2023 (\$1,157 in 2022).

Land and construction in progress are the only non-depreciable capital assets.

Right of use assets include contractual agreements for noncancellable leases where the University is the lessee, primarily of land and buildings, and subscription-based information technology arrangements where the University pays for a third party's software for a specified period of time. For leases or information technology arrangements with a maximum possible term of 12 months or less at commencement, the University recognizes expense based on the provisions of the contract. For those greater than 12 months, the University recognizes an operating lease or subscription liability

*(dollars in thousands)*

(footnote E) and an intangible right of use lease or subscription asset. The asset is initially measured as the initial amount of the corresponding liability, less payments made at or before the commencement date, plus any initial direct costs or software implementation costs ancillary to placing the underlying asset into service, less any incentives received at or before the commencement date. Subsequently, the right of use asset is amortized into amortization expense on a straight-line basis over the shorter of the contractual term or the useful life of the underlying asset. The corresponding lease or subscription liability is measured as the present value of payments over the term discounted using an incremental borrowing rate. The value of an option to terminate or extend the agreement is reflected to the extent it is reasonably certain management will exercise the option. The University monitors changes in circumstances that may require remeasurement. When certain changes occur that are expected to significantly affect the amount of the liability, it is remeasured and a corresponding adjustment is made to the asset.

Key estimates and judgments include how the University determines the discount rate it uses to calculate the present value of the expected contractual payments, the term, and the payments. The University generally uses its estimated incremental borrowing rate as the discount rate for leases and information technology arrangements unless the rate is set within the contract. The University's incremental borrowing rate was determined from available debt instruments that carried similar dollar value and time periods to the portfolio.

The term includes the noncancellable period of the agreement plus any periods covered by either a University or vendor unilateral option to extend for which it is reasonably certain to be exercised, or terminate for which it is reasonably certain to be exercised. Periods in which both the University and the lessor or vendor have an option to terminate are excluded from the term.

The University's net capital and right of use asset activity for the years ended June 30, 2023 and 2022 is summarized as follows:

Fiscal Year 2023	Balance as of June 30, 2022	Additions	Retirements	Reclass/ Changes	Balance as of June 30, 2023
Capital Assets:					
Land	\$ 20,627	\$ -	\$ -	\$ -	\$ 20,627
Land improvements	20,152	1,025	-	650	21,827
Buildings	799,014	1,822	(6,201)	34,931	829,566
Building service systems	173,517	5,198	-	27,055	205,770
Building interiors	88,753	364	-	9,765	98,882
Fixed equipment	107,740	2,152	(2,884)	1,878	108,886
Moveable equipment	29,960	2,977	(597)	1,206	33,546
Software systems	31,891	-	-	-	31,891
Construction in progress	94,278	25,584	-	(75,485)	44,377
Total capital assets	1,365,932	39,122	(9,682)	-	1,395,372
Less: accumulated depreciation	(627,710)	(37,184)	7,609	-	(657,285)
Capital assets, net	738,222	1,938	(2,073)	-	738,087
Right of use assets	4,523	3,402	(152)	187	7,960
Less: accumulated amortization	(1,157)	(2,127)	152	10	(3,122)
Right of use assets, net	3,366	1,275	-	197	4,838
<b>Total capital and right of use assets, net</b>	<b>\$ 741,588</b>	<b>\$ 3,213</b>	<b>\$ (2,073)</b>	<b>\$ 197</b>	<b>\$ 742,925</b>

*(dollars in thousands)*

<b>Fiscal Year 2022</b>	<b>Balance as of June 30, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Reclass/ Changes</b>	<b>Balance as of June 30, 2022</b>
Capital Assets:					
Land	\$ 29,044	\$ -	\$ (471)	\$ (7,946)	\$ 20,627
Land improvements	11,738	468	-	7,946	20,152
Buildings	776,059	2,616	(257)	20,596	799,014
Building service systems	165,977	7,540	-	-	173,517
Building interiors	88,358	349	-	46	88,753
Fixed equipment	106,727	1,013	-	-	107,740
Moveable equipment	27,088	4,003	(1,303)	172	29,960
Software systems	31,891	-	-	-	31,891
Construction in progress	67,958	47,134	-	(20,814)	94,278
Total capital assets	1,304,840	63,123	(2,031)	-	1,365,932
Less: accumulated depreciation	(590,756)	(38,342)	1,388	-	(627,710)
Capital assets, net	714,084	24,781	(643)	-	738,222
Right of use assets	-	4,523	-	-	4,523
Less: accumulated amortization	-	(1,157)	-	-	(1,157)
Right of use assets, net	-	3,366	-	-	3,366
<b>Total capital and right of use assets, net</b>	<b>\$ 714,084</b>	<b>\$ 28,147</b>	<b>\$ (643)</b>	<b>\$ -</b>	<b>\$ 741,588</b>

*(dollars in thousands)*

### E. Long-Term Debt

Debt obligations are generally callable by the University and bear interest at fixed rates ranging from 1.60% to 6.43%. The debt obligations mature at various dates through 2050.

Long term debt activity for the years ended June 30, 2023 and 2022 is summarized as follows:

<b>Fiscal Year 2023</b>					
<b>Bonds, Notes and Leases Payable</b>	<b>Beginning Balance</b>	<b>New Debt</b>	<b>Payments</b>	<b>Ending Balance</b>	
				<b>Current</b>	<b>Non-Current</b>
General obligation bonds					
Series 2010A	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000
Series 2012A (1)	46,650	-	(13)	(13)	46,676
Series 2014A (2)	63,432	-	2,272	2,381	58,779
Series 2015 (3)	184,995	-	3,014	3,149	178,832
Series 2016 (4)	67,418	-	2,729	2,844	61,845
Series 2017 (5)	57,322	-	2,698	2,813	51,811
Series 2019A (6)	44,466	-	903	938	42,625
Series 2019B (7)	69,949	-	2,381	2,471	65,097
Series 2021 (note payable)	11,945	-	1,630	1,655	8,660
Finance lease liability	92	-	21	42	29
Operating lease and subscription liability	3,423	3,599	2,325	1,735	2,962
<b>TOTAL</b>	<b>\$ 558,692</b>	<b>\$ 3,599</b>	<b>\$ 17,960</b>	<b>\$ 18,015</b>	<b>\$ 526,316</b>

(1) This balance shown net of bond discount of \$197.

(2) This balance shown net of bond premium of \$4,361.

(3) This balance shown net of bond premium of \$7,231.

(4) This balance shown net of bond premium of \$8,679.

(5) This balance shown net of bond premium of \$7,759.

(6) This balance shown net of bond premium of \$7,138.

(7) This balance shown net of bond premium of \$13,018.

<b>Fiscal Year 2022</b>					
<b>Bonds, Notes and Leases Payable</b>	<b>Beginning Balance</b>	<b>New Debt</b>	<b>Payments</b>	<b>Ending Balance</b>	
				<b>Current</b>	<b>Non-Current</b>
General obligation bonds					
Series 2010A	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000
Series 2012A (1)	46,637	-	(13)	(13)	46,663
Series 2014A (2)	65,608	-	2,176	2,271	61,161
Series 2015 (3)	187,879	-	2,884	3,014	181,981
Series 2016 (4)	70,031	-	2,613	2,729	64,689
Series 2017 (5)	59,906	-	2,584	2,698	54,624
Series 2019A (6)	45,338	-	872	903	43,563
Series 2019B (7)	72,239	-	2,290	2,381	67,568
Series 2021 (note payable)	13,635	-	1,690	1,630	10,315
Finance lease liability	43	108	59	21	71
Operating lease liability	-	4,522	1,099	1,193	2,230
<b>TOTAL</b>	<b>\$ 570,316</b>	<b>\$ 4,630</b>	<b>\$ 16,254</b>	<b>\$ 16,827</b>	<b>\$ 541,865</b>

(1) This balance shown net of bond discount of \$210.

(2) This balance shown net of bond premium of \$4,673.

(3) This balance shown net of bond premium of \$7,560.

(4) This balance shown net of bond premium of \$9,107.

(5) This balance shown net of bond premium of \$8,143.

(6) This balance shown net of bond premium of \$7,420.

(7) This balance shown net of bond premium of \$13,534.

(dollars in thousands)

In compliance with the University's various bond indentures, at June 30, 2023 the University has deposits with trustees of \$14 (\$617 in 2022) for debt service reserves, sinking funds, and other requirements. Deposits with trustees are invested in obligations of the U.S. Government as required by the University's bond indentures.

The principal and interest due on bonds, notes and financing leases over the next five years and in subsequent five-year periods are presented in the table below:

<b>For the Fiscal Year Ending June 30</b>	<b>Principal Due</b>	<b>Interest Due</b>	<b>Total Due</b>
2024	\$ 14,021	\$ 21,868	\$ 35,889
2025	14,687	21,208	35,895
2026	15,382	20,514	35,896
2027	16,096	19,786	35,882
2028	16,910	19,021	35,931
2029-2033	98,625	82,321	180,946
2034-2038	122,305	58,500	180,805
2039-2043	135,145	28,884	164,029
2044-2048	53,010	4,992	58,002
2049-2050	5,464	269	5,733
<b>TOTAL</b>	<b>\$ 491,645</b>	<b>\$ 277,363</b>	<b>\$ 769,008</b>

Operating lease and subscription-based information technology arrangement payments are evaluated by the University to determine if they should be included in the measurement of the liability. Outstanding commitments for operating lease and subscription liabilities are expected to be paid over the agreement's contractual term. At June 30, 2023, the average right of use lease term is approximately 8 years, with the farthest lease end date in 2028.

Variable and short-term lease and subscription-based information technology arrangement payments are excluded from the measurement of the corresponding liability. Such amounts are recognized as expense in the period in which the obligation for those payments is incurred. The amounts recognized as outflows (expense) for variable and short-term lease and subscription-based information technology arrangement payments not included in the measurement of the lease liabilities were \$9,874 and \$3,710 in 2023 and 2022, respectively.

### F. Cash and Cash Equivalents and Operating Investments

The University's cash management policy provides parameters for investment of the University's pooled cash. The University classifies resources invested in money market funds and short-term investments with maturities at date of purchase of 90 days or less as cash equivalents. Operating funds invested in instruments with maturities beyond 90 days are classified as operating investments. The cash management policy establishes three pools for investment: short, intermediate and long term. Allowable investments in the short-term pool and intermediate term

pool are restricted to U.S. Treasury and government agency securities, money markets, high quality corporate and asset-backed securities, and commercial and bank paper, whereas the intermediate term pool may have maturities up to six years. Investments shall be in marketable securities of the following types and with the noted credit ratings:

1. Debt securities rated Aaa, Aa, A or Baa by Moody's Investor's Service, Inc. or AAA, AA, A or BBB by Standard & Poor's Corporation.
2. Obligations of, or guaranteed by, the United States of America, its agencies or instrumentalities.
3. Obligations of, or guaranteed by, national or state banks or bank holding companies rated BB or better. No more than 20% of the funds held in the cash pool shall be invested in debt obligations of institutions within any single holding company.
4. Asset-backed securities rated Aaa by Moody's Investor's Service, Inc. or AAA by Standard & Poor's Corporation.
5. Commercial paper rated A-1 or higher by Standard and Poor's or Prime-1 (P1) by Moody's Investor's Service, Inc.
6. Bankers' acceptances or negotiable certificates of deposit issued by banks rated BB or better. No more than 20% of the funds held in the cash pool shall be invested in certificates of deposit, bankers' acceptances or floating rate notes of the institutions within any single holding company.
7. Repurchase agreements of banks having Fitch ratings no lower than BB secured by the U.S. government and federal agency obligations with market values of at least 100% of the amount of the repurchase agreement.
8. Commingled funds may be used if they are in compliance with the above guidelines.

Current and non-current cash and cash equivalents is summarized below:

<b>Cash and Cash Equivalents</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>
Current	\$ 167,524	\$ 237,804
Endowment	22,342	31,584
<b>TOTAL</b>	<b>\$ 189,866</b>	<b>\$ 269,388</b>

Current and non-current cash and cash equivalents are comprised of the following:

<b>Cash and Cash Equivalents</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>
Cash	\$ 41,126	\$ 166,681
Money Markets	148,740	102,707
<b>TOTAL</b>	<b>\$ 189,866</b>	<b>\$ 269,388</b>

*(dollars in thousands)*

Investment of the long-term pool shall be restricted to those that are allowable under the University’s Statement of Objectives and Policies for the Endowment Fund and that meet the overall objective of achieving consistent long-term growth of the pool with limited exposure to risk.

The balance of cash held in bank deposit accounts was \$38,376 at June 30, 2023 and \$166,681 at June 30, 2022. Of these bank balances, \$659 in 2023 and \$647 in 2022 were covered by the Federal Depository Insurance Corporation. The University had a third-party custodian agreement with Bank of New York Mellon, through People’s United, of \$100,664. The University also has an irrevocable standby letter of credit of \$225,000 at June 30, 2023 and June 30, 2022 through the Federal Home Loan Bank of Pittsburgh as collateral for the University’s primary depository account and money market account that the University has never drawn on. The University had a revolving line of credit of \$50,000 with TD Bank that was terminated on December 21, 2022.

Total operating investments of \$248,832 at June 30, 2023 and \$169,940 at June 30, 2022 were primarily made through commingled funds as described in footnote G.

### G. Investments

Investments are reported in three categories in the Statements of Net Position. Investments reported as non-current assets include endowment, annuity, and life income funds. Investments for capital activities reported as non-current assets are replacement reserves designated for capital renovations. All other investments are reported as operating investments. A summary of investments is below:

Investments	June 30, 2023	June 30, 2022
Operating investments	\$ 248,832	\$ 169,940
Endowment investments	508,863	461,862
Investments for capital activities	73,522	63,022
<b>TOTAL</b>	<b>\$ 831,217</b>	<b>\$ 694,824</b>

Deposits with trustees include \$7,853 in 2023 and \$7,229 in 2022 of assets held under deferred giving arrangements, \$1,152 in 2023 and \$1,138 in 2022 of investments in the waste disposal fund required by the EPA, and \$14 in 2023 and \$617 in 2022 of investments held by bond trustees.

The University records its purchases and sales of investments on a trade date basis.

The assets or liabilities level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgement by the University’s management. University management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to University management’s perceived risk of that investment.

These valuations may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Because of the inherent uncertainty of valuations, the estimated values as determined by the appropriate manager or general partners may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

The following is a description of the investment categories:

Public Global Equity – Investments are with managers who have a geographic focus, either the U.S., Developed ex U.S. Markets, or Emerging Markets. The program provides the portfolio exposure to common equities across the globe. The University has investments in commingled vehicles, mutual funds, and separate accounts.

Marketable Alternatives – This asset class includes hedge fund managers with the intention of reducing total portfolio volatility and providing diversification. The investments are in the following categories: multi-strategy, distressed securities, global macro, open mandate, and long/short equity in global markets.

Private Investments - This asset class includes investments focusing on interests in private companies including buyout funds, secondary markets, and distressed debt as well as investments focusing on non-publicly traded interests in start-up entities.

Public Real Assets – This asset class includes investments focusing on publicly traded securities of natural resources affiliated companies and private real estate funds invested in various segments of the real estate market, including office, industrial, multi-family, and retail. The allocation also includes partnerships targeting natural resources. Many of the private real asset investments are made via lock-up funds and are thus illiquid.

Fixed Income/Debt – Investments consisting of U.S. Treasuries, corporate, and high yield bonds. The allocation is liquid and designed to protect the portfolio in deflationary periods.

Other Investments – This asset class includes insurance policies where the University is named as the beneficiary.

*(dollars in thousands)*

Investments measured at fair value or net asset value as of June 30, 2023 and 2022 is summarized as follows:

<b>June 30, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV</b>	<b>Total Investments</b>
<b>Investments:</b>					
Public global equity	\$ 344,369	\$ -	\$ -	\$ 67,654	\$ 412,023
Marketable alternatives	-	-	-	132,893	132,893
Private investments	-	-	-	193,502	193,502
Fixed income/debt	62,571	225,162	-	-	287,733
Other	550	-	950	-	1,500
Cash and cash equivalents	<u>22,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,333</u>
Subtotal investments	<u>\$ 429,823</u>	<u>\$ 225,162</u>	<u>\$ 950</u>	<u>\$ 394,049</u>	<u>\$ 1,049,984</u>
Less UVM Foundation					<u>\$ (218,767)</u>
<b>Total Investments</b>					<b><u>\$ 831,217</u></b>
<b>Deposits with Trustees at Fair Value:</b>					
Beneficial interests in trusts	\$ -	\$ -	\$ 3,840	\$ -	\$ 3,840
Public global equity	26	-	-	-	26
Fixed income/debt	349	4,164	-	-	4,513
Cash and cash equivalents	<u>640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640</u>
<b>Total Deposits With Trustees</b>	<b><u>\$ 1,015</u></b>	<b><u>\$ 4,164</u></b>	<b><u>\$ 3,840</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,019</u></b>

(dollars in thousands)

June 30, 2022	Level 1	Level 2	Level 3	NAV	Total Investments
<b>Investments:</b>					
Public global equity	\$ 272,042	\$ -	\$ -	\$ 85,095	\$ 357,137
Marketable alternatives	-	-	-	94,650	94,650
Private investments	-	-	-	194,874	194,874
Fixed income/debt	51,515	148,219	-	14,690	214,424
Other	550	-	690	-	1,240
Cash and cash equivalents	31,584	-	-	-	31,584
Subtotal investments	<u>\$ 355,691</u>	<u>\$ 148,219</u>	<u>\$ 690</u>	<u>\$ 389,309</u>	<u>\$ 893,909</u>
Less UVM Foundation					<u>\$ (199,085)</u>
<b>Total Investments</b>					<b><u>\$ 694,824</u></b>
<b>Deposits With Trustees at Fair Value:</b>					
Beneficial interests in trusts	\$ -	\$ -	\$ 3,319	\$ -	\$ 3,319
Public global equity	28	-	-	-	28
Fixed income/debt	348	4,356	-	-	4,704
Cash and cash equivalents	933	-	-	-	933
<b>Total Deposits With Trustees</b>	<u>\$ 1,309</u>	<u>\$ 4,356</u>	<u>\$ 3,319</u>	<u>\$ -</u>	<u>\$ 8,984</u>

Investment liquidity fas of June 30, 2023 and 2022 is summarized as follows:

June 30, 2023	Daily	Monthly	Quarterly	Semi-Annual	Annual	Illiquid	Total	Redemption Notice Period
<b>Investments:</b>								
Public global equity	\$ 251,552	\$ 131,584	\$ 28,887	\$ -	\$ -	\$ -	\$ 412,023	1-90 days
Marketable alternatives	19,131	43,691	39,028	11,373	12,973	6,697	132,893	1-90 days
Private investments	-	-	-	-	-	193,502	193,502	Illiquid
Fixed income/debt	287,733	-	-	-	-	-	287,733	1-30 days
Other	550	-	-	-	-	950	1,500	Same day, Illiquid
Cash and cash equivalents	22,333	-	-	-	-	-	22,333	Same day
Subtotal investments	<u>\$ 581,299</u>	<u>\$ 175,275</u>	<u>\$ 67,915</u>	<u>\$ 11,373</u>	<u>\$ 12,973</u>	<u>\$ 201,149</u>	<u>\$ 1,049,984</u>	
Less UVM Foundation							<u>\$ (218,767)</u>	
<b>Total Investments</b>							<b><u>\$ 831,217</u></b>	

June 30, 2022	Daily	Monthly	Quarterly	Semi-Annual	Annual	Illiquid	Total	Redemption Notice Period
<b>Investments:</b>								
Public global equity	\$ 193,467	\$ 143,999	\$ 19,671	\$ -	\$ -	\$ -	\$ 357,137	1-90 days
Marketable alternatives	16,990	8,599	37,268	11,445	12,429	7,919	94,650	1-90 days
Private investments	-	-	-	-	-	194,874	194,874	Illiquid
Fixed income/debt	199,734	14,690	-	-	-	-	214,424	1-30 days
Other	550	-	-	-	-	690	1,240	Same day, Illiquid
Cash and cash equivalents	31,584	-	-	-	-	-	31,584	Same day
Subtotal investments	<u>\$ 442,325</u>	<u>\$ 167,288</u>	<u>\$ 56,939</u>	<u>\$ 11,445</u>	<u>\$ 12,429</u>	<u>\$ 203,483</u>	<u>\$ 893,909</u>	
Less UVM Foundation							<u>\$ (199,085)</u>	
<b>Total Investments</b>							<b><u>\$ 694,824</u></b>	

*(dollars in thousands)*

The fixed income/debt portfolio is composed of passive and active bond funds. The following shows the risk profiles at June 30, 2023 and 2022:

Fixed Income Debt	Amount	Average Maturity/ Effective Duration	Credit Quality %					
			Govt/Agency	AAA	AA	A	BBB	<BBB
2023	\$ 287,733	2.4/2.2	48	3	10	32	7	0
2022	\$ 214,424	2.9 /2.7	29	3	13	38	10	7

Investment income is recorded as revenue when earned. Net investment income is reported as non-operating revenue and includes income net of investment fees and the change in the fair value of investments as well as losses on impaired investments. The calculation of realized gains (losses) is independent of the calculation of the net increase in the fair value of marketable investments. Net investment income consists of:

Net Investment Income	FY23	FY22
Net interest, dividend, and other income	\$ 5,933	\$ 858
Realized gains	6,930	63,426
Unrealized gains/(losses)	42,396	(104,135)
Investment management fees	(1,573)	(1,485)
<b>TOTAL</b>	<b>\$ 53,686</b>	<b>\$ (41,336)</b>

### H. Endowment and Other Long-Term Funds

The University's investment policies are governed and authorized by the University Board of Trustees. The Board of Trustees Investment Subcommittee has established a formal policy for investment of the endowment and other long term funds with an objective to provide a stable and consistent level of ongoing support for the University's programs through a reasoned spending policy that is also consistent with preserving and enhancing the real purchasing power of the fund over time. The primary long-term investment goal is to attain a real total return that exceeds the amount being distributed for spending and administration, currently set at 5.50%. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark, measured over a full market cycle; and to outperform the median return of a pool of endowment funds of similar size with broadly similar investment objectives and policies.

The endowment in aggregate (which comprises the consolidated endowment and other separately invested assets), long term capital and operating reserves, and UVM Foundation assets are invested in a balanced portfolio consisting of traditional equities (domestic and international) and fixed income/debt; marketable alternatives (hedge funds); private investments (venture capital and private equity); and a diversified portfolio of public real assets (real estate and commodities). The consolidated endowment's asset allocation target and actual percentages at June 30 are presented in the following tables:

Unaudited	June 30, 2023	
	Target %	Actual %
Public global equity	45.0	50.7
Marketable alternatives	10.0	14.9
Private investments	35.0	24.2
Fixed income/debt	8.0	7.8
Cash & cash equivalents	2.0	2.4
		<b>June 30, 2022</b>
	Target %	Actual %
Public global equity	45.0	48.5
Marketable alternatives	10.0	11.3
Private investments	35.0	26.8
Fixed income/debt	8.0	9.1
Cash & cash equivalents	2.0	4.3

The majority of endowment fund assets are pooled for investment purposes. Each individual fund subscribes to or disposes of units on the basis of the value per unit at fair value at the beginning of the month within which the transaction takes place. Income is distributed on a per unit basis. Of the total units (each having a fair value of \$70.45), 5,728.3669 units were owned by endowment funds and 5,683.8573 units by quasi endowment funds at June 30, 2023 (\$69.04, 5,225.5937 and 5,304.5281 respectively, at June 30, 2022).

*(dollars in thousands)*

The University of Vermont Foundation (UVMF) participates in the UVM pooled endowment. The UVMF owned 3,105.3166 units with a market value of \$218,767 as of June 30, 2023 and 2,883.7550 units with a market value of \$199,085 as of June 30, 2022.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the institution define an overall prudent approach both to distribution of funds for spending and long-term preservation and growth of capital. The University policy allows distributions from endowments that are temporarily underwater in accordance with the statute. The Investment Subcommittee of the Board of Trustees reviews the income distribution rate annually.

The table below summarizes changes in relationships between cost and fair values of the pooled endowment:

	Fair Value	Cost	Net Change
June 30, 2023	\$ 803,983	\$ 642,278	\$ 161,705
June 30, 2022	726,964	611,026	115,938
Unrealized net gain/(loss)			45,767
New gifts and transfers			57,437
Realized net gain			4,384
Net loss			(1,648)
Withdrawn for spending			(28,921)
<b>Total Net Change</b>			<b>\$ 77,019</b>
	Fair Value	Cost	Net Change
June 30, 2022	\$ 726,964	\$ 611,026	\$ 115,938
June 30, 2021	704,546	477,167	227,379
Unrealized net gain/(loss)			(111,441)
New gifts and transfers			92,568
Realized net gain			62,233
Net loss			(1,727)
Withdrawn for spending			(19,215)
<b>Total Net Change</b>			<b>\$ 22,418</b>

### I. Commitments

Major plant projects include commitments as follows:

Project	Estimated Project Cost	Project-to-Date Expenditures 2023	Project-to-Date Expenditures 2022
Multipurpose Center	\$ 95,000	\$ 66,232	\$ 63,050
Hills Building	32,000	20,965	2,717

Obligations under lease agreements are detailed in note E.

The University is obligated under certain of its investments to make future capital contributions in the amount of \$82,157 as of June 30, 2023.

The University entered into agreements with the State of Vermont Department of Vermont Health Access in both 2023 and 2022, to make payments to support the Graduate Medical Education (GME) program. The GME program helps ensure access to quality and essential professional health services for Medicaid beneficiaries through the care provided by teaching physicians and teaching hospitals. The University uses general fund state appropriation dollars to fund the GME payments through an inter-governmental transfer to the State. GME payments totaling \$22,433 and \$13,164 were made in 2023 and 2022, respectively, and are recorded on the Statements of Revenues, Expenses, and Changes in Net Position under Intergovernmental transfers in the Non-operating revenues and expenses section. For 2024, the University will make a payment to the State of Vermont Department of Vermont Health Access totaling \$22,628.

The University is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters and business interruption. The University manages these risks through a combination of self-insurance and commercial insurance purchased in the name of the University. The University's annual self-insured obligation for general liability is \$500 per occurrence and \$25 per occurrence for automobile liability. Its assumption of risk for property losses is \$250 per occurrence. Educator's legal liability risks are subject to a \$300 per loss retention. Worker's compensation is subject to a \$650 per occurrence retention. None of these lines of coverage have an annual self-insured aggregate or stop-gap. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The University is a member of a Vermont captive, Pinnacle Consortium of Higher Education. The captive covers two insurance lines, general liability and automobile liability. All members are required to participate in the captive general liability program which provides \$5,000 excess limit and the group purchase liability program that provides a \$20,000 excess limit. The University has purchased an additional \$75,000 from the commercial liability insurance market to bring the total excess limit to \$100,000.

The University follows the policy of self-insuring risks up to certain limits. At year end, the University had open claims valued at \$2,687 in 2023 and \$2,344 in 2022; \$83 and \$31 of this is covered by excess insurance in 2023 and 2022, respectively. The University paid claims of \$1,914 in 2023 and \$2,531 in 2022. Reserves for property and casualty liabilities are included in accrued liabilities (including incurred but not reported) in the amount of \$19,376 at June 30, 2023 and \$20,047 at June 30, 2022.

In conducting its activities, the University from time to time is the subject of various claims and has claims against others. The ultimate resolution of such claims is not expected to have a material adverse or favorable effect on the financial position, operating performance or cash flows of the University.

Four groups of University employees are represented by collective bargaining units. The University participates in contract negotiations with these groups periodically.

(dollars in thousands)

The University receives significant financial assistance from federal and state agencies in the form of grants and contracts. Expenditures of funds under these programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditures resulting from such audits become a liability of the University. In the opinion of management such adjustments, if any, are not expected to materially affect the financial condition, operating performance or cash flows of the University.

## J. Retirement Plans

Faculty, staff and post-doctoral employees at the University of Vermont may participate in the University's 403(b) defined contribution plan and a 457(b) deferred compensation plan provided the following criteria are met:

- faculty and staff in 9-, 10-, 11-, or 12-month appointments must have a full-time equivalency of .75 or greater. These individuals may become eligible for UVM contributions;
- faculty, staff and post-doctoral employees with a 12-month appointment must have a full-time equivalency of .50 to .75 to be eligible to make contributions to UVM's 403(b) and 457(b) plans. These individuals are not eligible for UVM contributions;
- post-doctoral employees must have a full-time equivalency of .50 or greater to be eligible to make contributions to UVM's 403(b) and 457(b) plans. These individuals are not eligible for UVM contributions;
- non-represented staff, Staff United and United Electrical staff must be employed three years before they qualify for University contributions to their retirement plan, or, to waive this waiting period, they must have a vested interest in the retirement plan of their previous nonprofit employer;
- staff represented by the Teamsters Union are eligible for the 10% UVM contribution after the successful completion of their probationary period;
- non tenure-track faculty and faculty under the rank of assistant professor must wait two years to qualify for University contributions to their retirement plan, or, to waive this waiting period, they must have a vested interest in the retirement plan of their previous nonprofit employer;
- officers of administration or tenure track faculty at the level of assistant professor or above receive University contributions to their retirement plan immediately upon enrolling in the plan.

To obtain University contributions, faculty members and officers of administration must contribute 3% of their salary, and staff must contribute 2%. The University's contribution to the retirement fund of qualified faculty and staff is 10% of salary and this amount is immediately vested.

The University also offers a 457(b) deferred compensation plan. Faculty and staff can participate provided they are participating in the 403(b) plan. The University makes no contributions to this plan.

The University's 403(b) and 457(b) contributory retirement plans are administered by the Teachers Insurance Annuity Association of America (TIAA), the College Retirement Equities Fund (CREF), and Fidelity Investments.

Since both faculty and staff are immediately vested in all retirement contributions made on their behalf, the University has no control of, responsibility for, or ownership of retirement funds, except that employees may not withdraw employer funds contributed to either their 403(b) or 457(b) plan while employed at the University. Retirement funds may be transferred among the investment alternatives at the discretion of the employee.

Upon leaving the University, employees may remain in the UVM plan but may no longer make contributions, withdraw funds from their accounts, or transfer the funds to other investment alternatives subject to the limitations of 403(b) and/or 457(b) regulations and the contractual provisions of their investment alternative.

For the years ended June 30, 2023 and 2022, the University had total payroll expense of \$334,657 and \$314,069, respectively, of which \$235,150 in 2023 and \$228,143 in 2022 was covered by the University's 403(b) retirement plan. Total employee and employer contributions for 403(b) pension benefits for the year were \$20,111 and \$23,515, respectively, for 2023 and \$19,684 and \$22,814, respectively, for 2022. The University's contribution for 403(b) pension benefits is 10% of the covered payroll. Total employee contributions to the 457(b) retirement plan were \$6,693 in fiscal year 2023 and \$6,186 in fiscal year 2022.

## K. Postemployment Benefits Other Than Pensions (OPEB)

The University accounts for its postemployment benefit plan in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement 75 prescribes a methodology which requires the employer to recognize a total OPEB liability on the Statements of Net Position. Changes in the total OPEB liability will immediately be recognized as OPEB expense on the Statements of Revenues, Expenses, and Changes in Net Position or reported as deferred outflows or deferred inflows of resources depending on the nature of the changes.

### 1. Plan Description

The University's OPEB plan covers medical, (base) dental, life insurance, and tuition remission benefits provided to eligible University retirees and their dependents. The plan was established under the authority of and may be amended by the University. It is a single employer defined benefit OPEB plan administered by the University. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Plan provisions include two levels of eligibility based on whether the employee was at least 65 years of age at June 30, 2014:

- 1) Pre-65 retirees that met the retirement benefit eligibility criteria that were in place at the time of his or her hire date, and retired on or before June 30, 2014, will receive the post-retirement medical benefit and premium

*(dollars in thousands)*

contributions will remain unchanged. For employees hired before January 1, 2012, if the employee met the retirement eligibility criteria that were in place at the time of his or her hire date, and did not retire on or before June 30, 2014, then he or she is eligible for the benefit but his or her share of the premium contribution will change based on the employee's salary at the date of retirement. If, by June 30, 2014, the employee has not met the eligibility criteria that were in place at the time of his or her hire date, then he or she will be eligible to enroll in the pre-65 post-retirement medical benefit plan, but will be responsible for 100% of the premium unless the employee has at least fifteen years of service in which case, at the age of 62, the employee will be eligible for the pre-retirement medical benefit and will pay 50% of the premium for Non-United Academic employees, and 60% of the premium for United Academic employees. Employees hired on or after January 1, 2012 will be able to participate in the post-retirement medical plan, but they will be responsible for 100% of the premium.

2) Post-65 retirees that met the retirement benefit eligibility criteria that were in place at the time of his or her hire date, and retired on or before June 30, 2014, will receive the post-retirement medical benefit and premium contributions will remain unchanged. Employees hired before January 1, 2012 who do not retire by June 30, 2014 will be eligible for the post-65 benefit when they reach the age of 65 and have 15 years of service, but the premium will change based on the employee's salary at the date of retirement. Employees hired on or after January 1, 2012 will be able to participate in the post-retirement medical plan, but they will be responsible for 100% of the premium.

Employees who retired under the Voluntary Separation Plan of 1992 or before are not required to contribute to the plan, however, a surviving spouse receives two (2) years of medical and base dental coverage without charge, after which dental terminates (the surviving spouse would be eligible for 36 months of COBRA) and medical coverage is available at 50% of the cost of providing coverage. Retirees under the Voluntary Separation Plan of 2000 pay for their medical benefits based on the contribution system in effect prior to June 30, 2000 (based on 0.5% times 75% of the average final three years' base salary). Retirees hired after June 30, 1992 have the same salary band contribution percentages as active employees, which is based on 75% of their average final three years' base salary. Retirees hired after June 30, 1992 and before July 1, 1997 are required to contribute as above plus a percentage based on the sum of their age at retirement and their years of continuous full-time service. This surcharge is based on a scale that ranges from 65 to 75 and over. A retirement benefit structure was announced in December 2011, affecting employees retiring on or after June 30, 2015. Consideration is given to age and years of service, with employee participation in medical benefit coverage and the costs associated with that coverage.

At the valuation date of January 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	1,848
Active employees	4,016
<b>TOTAL</b>	<b>5,864</b>

## 2. Total OPEB Liability

The University's total OPEB liability of \$186,997 in 2023 and \$436,372 in 2022 was determined by an actuarial valuation as of January 1, 2021, and then projected forward to the measurement date of December 31, 2022 and December 31, 2021, respectively.

The total OPEB liability as of the December 31, 2022 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary Increases	3.00%
Discount Rate	3.72%

The following percentages have been assumed for election of coverage by future eligible retirees:

Medical and Rx	90%
Dental	95%
Life Insurance	95%
	50% for disabled retirees

Assumed health care cost trend rates vary by benefit type as follows:

<b>Benefit</b>	<b>Initial Rate</b>	<b>Ultimate Rate</b>	<b>Year Ultimate Rate is Reached</b>
VHP Pre-Medicare	5.9%	4.0%	2067
J Carve-Out Medicare	0.0%	3.9%	2068
MediComp III Medicare	0.0%	3.9%	2068
Dental	7.9%	4.0%	2023
Tuition Remission	2.3%	2.3%	2021

The discount rate was based on Bond Buyer GO 20-Bond Municipal Bond Index. The discount rate is as of the measurement date.

The mortality rates for 2023 and 2022 were based on the Pri-2012 Retiree/Employee Mortality Table projected with Projection Scale MP-2021 for healthy participants, Pri-2012 Contingent Survivor Table with Scale MP-2021 for current surviving spouses, and Pri-2012 Disabled Mortality Table projected with Projection Scale MP-2021 for disabled participants.

The University's OPEB plan is not large enough to develop credible mortality table based exclusively on plan experience. Therefore, the University has relied on the previously mentioned published mortality table in which credible mortality experience was analyzed.

(dollars in thousands)

### 3. Changes in Total OPEB Liability

The following table represents changes in Total OPEB Liability for the year ended June 30, 2023 and 2022:

Total OPEB Liability	Fiscal Year 2023	Fiscal Year 2022
Balance at the beginning of year	\$ 436,372	\$ 474,485
Changes for the year:		
Service cost	8,909	15,745
Interest on total OPEB liability	9,062	10,251
Effect of economic/demographic gains or losses	(213,796)	(9,093)
Effect of assumption changes or inputs	(42,777)	(41,561)
Benefit payments	(10,773)	(13,455)
Net changes	(249,375)	(38,113)
<b>Balance at end of the year</b>	<b>\$ 186,997</b>	<b>\$ 436,372</b>

Medical and dental trends were updated to reflect current premiums, including the impact of changing medical carriers for the Medicare Advantage plans, and expected future experience. These changes decreased the liability \$214.4 million and were treated as an effect of economic/demographic gains or losses and not an assumption change. The discount rate increased to 3.72% in FY23 from 2.06% in FY22, decreasing the liability by \$42.8 million.

The following tables present the total OPEB liability of the University, calculated using the discount rates of 3.72% in FY23 and 2.06% in FY22, as well as what the University's total OPEB liability 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.

	1% Decrease	Discount Rate	1% Increase
<b>Fiscal Year 2023</b>	<b>(2.72%)</b>	<b>(3.72%)</b>	<b>(4.72%)</b>
Total OPEB liability	\$ 211,087	\$ 186,997	\$ 167,035
<b>Fiscal Year 2022</b>	<b>(1.06%)</b>	<b>(2.06%)</b>	<b>(3.06%)</b>
Total OPEB liability	\$ 506,193	\$ 436,372	\$ 379,904

The following tables present the FY23 and FY22 total OPEB liability for the University, calculated using the current healthcare cost trend rates as well as what the University's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
<b>Fiscal Year 2023</b>			
Total OPEB liability	\$ 160,287	\$ 186,997	\$ 220,129
<b>Fiscal Year 2022</b>			
Total OPEB liability	\$ 371,706	\$ 436,372	\$ 518,167

### 4. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB expense for the fiscal year ended June 30, 2023 and 2022 is summarized as follows:

OPEB (Credit) Expense	FY23	FY22
Service cost	\$ 8,909	\$ 15,745
Interest on total OPEB liability	9,062	10,251
Recognition of deferred outflows/inflows of resources		
Recognition of economic/demographic gains or losses	(71,544)	(24,923)
Recognition of assumption changes or inputs	(473)	1,319
<b>OPEB (credit) expense</b>	<b>\$ (54,046)</b>	<b>\$ 2,392</b>

Deferred outflows and inflows of resources as of June 30, 2023 and 2022 are summarized as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
<b>Fiscal Year 2023</b>		
Difference between expected and actual experience	\$ (214,335)	\$ 2,391
Changes of assumptions	(59,396)	28,858
Contributions after measurement period	-	3,411
<b>TOTAL</b>	<b>\$ (273,731)</b>	<b>\$ 34,660</b>
<b>Fiscal Year 2022</b>		
Difference between expected and actual experience	\$ (74,092)	\$ 4,399
Changes of assumptions	(36,993)	48,759
Contributions after measurement period	-	4,944
<b>TOTAL</b>	<b>\$ (111,085)</b>	<b>\$ 58,102</b>

Deferred outflows of resources resulting from contributions after the measurement period totaling \$3,411 and \$4,944 will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023 and June 30, 2022, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

For the Fiscal Year Ending June 30	OPEB Expense
2024	\$ (69,108)
2025	(70,982)
2026	(65,093)
2027	(37,299)
2028*	-

\* Note that additional future inflows and outflows of resources may impact these numbers.

*(dollars in thousands)*

### L. Operating Expenses by Function

Operating expenses by functional classification for the years ended June 30, 2023 and 2022 are summarized as follows:

Year ended June 30, 2023					
Function	Compensation And Benefits	Supplies And Services	Depreciation	Scholarships And Fellowships	Total
Instruction	\$ 127,373	\$ 22,698	\$ -	\$ -	\$ 150,071
Research	65,197	47,676	-	-	112,873
Public service	40,832	9,389	-	-	50,221
Academic support	59,456	17,335	-	-	76,791
Student services	28,243	13,796	-	-	42,039
Institutional support	36,669	12,850	-	-	49,519
Operations and maintenance of plant	28,153	22,078	-	-	50,231
Scholarships and fellowships	-	-	-	27,431	27,431
Auxiliary enterprises	25,779	60,773	-	-	86,552
Depreciation	-	-	39,311	-	39,311
<b>TOTAL</b>	<b>\$ 411,702</b>	<b>\$ 206,595</b>	<b>\$ 39,311</b>	<b>\$ 27,431</b>	<b>\$ 685,039</b>
Year ended June 30, 2022					
Function	Compensation And Benefits	Supplies And Services	Depreciation	Scholarships And Fellowships	Total
Instruction	\$ 140,115	\$ 18,917	\$ -	\$ -	\$ 159,032
Research	70,135	39,806	-	-	109,941
Public service	44,061	14,448	-	-	58,509
Academic support	61,286	13,560	-	-	74,846
Student services	28,543	10,978	-	-	39,521
Institutional support	37,928	12,531	-	-	50,459
Operations and maintenance of plant	29,613	17,958	-	-	47,571
Scholarships and fellowships	-	-	-	39,935	39,935
Auxiliary enterprises	28,470	50,454	-	-	78,924
Depreciation	-	-	39,499	-	39,499
<b>TOTAL</b>	<b>\$ 440,151</b>	<b>\$ 178,652</b>	<b>\$ 39,499</b>	<b>\$ 39,935</b>	<b>\$ 698,237</b>

### M. Subsequent Events

On August 24, 2023 the University paid \$15.6 million for an equity interest in Catamount Run Phase 2, LLC. Catamount Run Phase 2, like Catamount Run Phase 1 described in footnote A1, is a legally separate entity of the University of Vermont. Catamount Run Phase 2 is a continuation of the same Catamount Run Phase 1 project. The primary purpose of both is to construct housing in close proximity to the University campus. The University will be given priority to the rental units for students and employees.

(dollars in thousands)

UNAUDITED	Required Supplementary Information - Post Employment Benefits Schedule of Changes in the University's Total OPEB Liability and Related Ratio					
<b>Total OPEB Liability</b>	<b>FY23</b>	<b>FY22</b>	<b>FY21</b>	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>
Service cost	\$ 8,909	\$ 15,745	\$ 13,582	\$ 13,452	\$ 15,645	\$ 14,434
Interest on total OPEB liability	9,062	10,251	14,661	19,063	17,175	18,066
Changes of benefit terms	-	-	-	-	-	-
Effect of economic/demographic (gains) or losses	(213,796)	(9,093)	(117,836)	9,862	1,395	847
Effect of assumption changes or inputs	(42,777)	(41,561)	51,272	45,175	(48,429)	4,085
Benefit payments	(10,773)	(13,455)	(17,225)	(17,853)	(18,029)	(16,058)
<b>Net change in total OPEB liability</b>	<b>(249,375)</b>	<b>(38,113)</b>	<b>(55,546)</b>	<b>69,699</b>	<b>(32,243)</b>	<b>21,374</b>
Total OPEB liability, beginning	436,372	474,485	530,031	460,332	492,575	471,201
<b>Total OPEB liability, ending</b>	<b>\$ 186,997</b>	<b>\$ 436,372</b>	<b>\$ 474,485</b>	<b>\$ 530,031</b>	<b>\$ 460,332</b>	<b>\$ 492,575</b>
Covered-employee payroll	\$ 259,184	\$ 259,184	\$ 258,395	\$ 258,395	\$ 241,981	\$ 241,981
Total OPEB liability as a % of covered-employee payroll	72.15%	168.36%	183.63%	205.12%	190.23%	203.56%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

**Notes to Schedule:**

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2023	3.72%
2022	2.06%
2021	2.12%
2020	2.74%
2019	4.10%
2018	3.44%

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Direct award or pass-through entity identification	Federal ALN	Passed through to subrecipients	Total federal expenditures
<b>Research and Development Cluster:</b>				
<b>Department of Agriculture:</b>				
Animal and Plant Health Inspection Service	Direct	10.RD	\$ —	198,552
Forest Service	Direct	10.RD	726,675	1,336,775
National Institute of Food and Agriculture	Direct	10.RD	5,320,644	14,356,536
Natural Resources Conservation Service	Direct	10.RD	49,359	403,076
Agriculture Research Service	Direct	10.001	—	11,793,591
Agricultural Marketing Service	Direct	10.174	11,024	499,448
Department of Agriculture Direct Subtotal			<u>6,107,702</u>	<u>28,587,978</u>
Dairy Management, Inc.	3711-0	10.000	—	83,339
Dairy Research Institute	D1295-0	10.000	—	38,088
National Pork Board	PO-000779	10.000	—	34,887
US Endowment Forestry and Communities	21-00284	10.000	—	29,500
Subtotal			—	<u>185,814</u>
Geisinger Clinic	646515UV01	10.001	—	19,881
Oregon State University	R0813A-F	10.001	—	7,530
Vermont Law School	USDA-NAL-58-8250-8-0	10.001	—	3
Subtotal			—	<u>27,414</u>
Vermont Agency of Agric Food & Markets	02200-FIELD-2021	10.025	—	948
Vermont Agency of Agric Food & Markets	02200-FRUIT-2021	10.025	—	1,288
Subtotal			—	<u>2,236</u>
University of Delaware	UDR0000340	10.146	—	2,968
Vermont Agency of Agric Food and Markets	45170	10.156	—	10,138
Michigan State University	RC114418 - UVT	10.164	—	18,332
Cornell University	136022-20710	10.170	—	1,767
Cornell University	136378-20752	10.170	—	3,171
Pollinator Partnership	LOA Proj Partner-7/27/22	10.170	—	7,386
Vermont Agency of Agric Food and Markets	02200-SCBGP-15-2	10.170	—	4,917
Vermont Agency of Agric Food and Markets	02200-SCBGP-15-6	10.170	—	4,214
Vermont Agency of Agric Food and Markets	02200-SCBGP-16-04	10.170	—	18,245
Vermont Agency of Agric Food and Markets	02200-SCBGP-16-06	10.170	—	15,459
Vermont Agency of Agric Food and Markets	02200-SCBGP-17-04	10.170	—	22,267
Vermont Agency of Agric Food and Markets	02200-SCBGP-19-03	10.170	—	6,667
Vermont Agency of Agric Food and Markets	02200-SCBGP-19-04	10.170	—	16,010
Vermont Agency of Agric Food and Markets	02200-SCBGP-19-05	10.170	—	8,007
Vermont Agency of Agric Food and Markets	02200-DBIC-21-02	10.176	103,296	222,882
Vermont Agency of Agric Food and Markets	02200-DBIC-21-06	10.176	—	98,085
Vermont Agency of Agric Food and Markets	02200-DBIC-23-FIAM-22	10.176	—	1,102
Vermont Subtotal	41571	10.176	—	9,222
Vermont Agency of Agric Food and Markets	43373	10.176	—	52,309
Vermont Agency of Agric Food and Markets	45520	10.176	—	10,921
Vermont Creamery	202201	10.176	—	131,174
Subtotal			103,296	<u>665,243</u>
Vermont Sustainable Jobs Fund	2021-09-01 UVM	10.177	—	2,232
Colorado State University	CSU 531459	10.200	—	1,990
University of Maryland Eastern Shore	IR4S24327370/SLR	10.200	—	972
Mitotherapeutix, LLC	AWD1020	10.212	—	5,670
Cornell University	139779-21213	10.215	—	6,881
Cornell University	142258-21588	10.215	—	33,855
University of Maine	UMS1301	10.215	—	32,731
University of Massachusetts Amherst	21-015590-B	10.215	—	29,063
University of New Hampshire	L0691	10.215	—	12,321
University of New Hampshire	PZL0306	10.215	—	1,013
Subtotal			—	<u>126,728</u>
Extension Foundation	EXC2-2021-2120	10.229	98,000	221,214
Iowa State University	025840A	10.250	—	4,718
Cornell University	80289-10776	10.304	—	3
University of Florida	SUB00002907	10.304	—	23,345
University of Maine	UMS1427	10.304	—	14,688
Subtotal			98,000	<u>263,968</u>
Cornell University	143324-21723	10.307	—	95,228
Cornell University	92406-20533	10.307	—	105,730
Subtotal			—	<u>200,958</u>
Colby College	2021-NIFA-CRS-05	10.310	—	107,515
Colorado State University	G-03163-02	10.310	—	44,915
Harvard University	131727-5116598	10.310	—	13,969
North Carolina State University	2019-1507-06	10.310	—	107,866
Pennsylvania State University	S001396-USDA	10.310	—	21,408
University of Maine	UMS1443	10.310	—	1,810
University of Massachusetts Amherst	22-016101 A 00	10.310	—	118,139
University of Missouri	C00075322-1	10.310	—	23,528
University of Missouri	C00080426-2	10.310	—	673
Washington State University	132484-G003898	10.310	—	10,206
Subtotal			—	<u>450,029</u>
University of New Hampshire	19-025	10.319	—	(1)
University of Massachusetts Amherst	23-017183 A 00	10.328	—	11,518
Cornell University	86935-21136	10.329	—	14,980
Cornell University	86935-21755	10.329	—	37,230
Subtotal			—	<u>63,727</u>

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Direct award or pass-through entity identification	Federal ALN	Passed through to subrecipients	Total federal expenditures
University of Maine	UMS1393	10.330	\$ —	8,679
Iowa State University	022840H	10.332	—	14,970
Iowa State University	028499D	10.352	—	20,811
Pennsylvania State University	S002789-EF	10.500	—	1,533
University of Delaware	58891	10.500	5,351	25,792
University of Delaware	58899	10.500	—	9,048
University of Delaware	58900	10.500	—	2,751
University of Delaware	58984	10.500	—	30,528
University of Delaware	58985	10.500	—	4,203
University of Delaware	UDR0000154	10.500	—	63,148
University of Minnesota	H007172401	10.500	—	19,861
Subtotal			5,351	201,324
University of Delaware	UDR0000155	10.520	—	4,999
University of Delaware	UDR0000365	10.520	—	3,204
Subtotal			—	8,203
Vermont Agency of Agric Food and Markets	02200-FRSAN-21-002	10.525	—	30,696
Colgate University	201684-621	10.652	—	2,333
Vermont Dept of Forests Parks Recreation	06130-UVM-FEMC-FFY18	10.664	—	325
Vermont Dept of Forests Parks Recreation	06130-UVM-FEMC-FFY19	10.664	—	964
Vermont Dept of Forests Parks Recreation	06130-UVM-FEMC-FFY20	10.664	90,415	468,063
Vermont Dept of Forests Parks Recreation	06130-UVM-FEMC-FFY21	10.664	15,000	319,912
Vermont Dept of Forests Parks Recreation	06130-UVM-UCF-FFY22	10.664	—	112,893
Subtotal			105,415	935,186
GSR Solutions LLC	4/15/2022	10.912	—	9,738
Vermont Land Trust	2021-VLT-UVMCIG	10.912	—	62,559
American Farmland Trust	3/31/2022	10.932	—	33,591
Subtotal			—	105,888
Department of Agriculture Pass Through Subtotal			312,062	3,236,718
Department of Agriculture Total			6,419,764	31,824,696
Department of Commerce:				
National Oceanic Atmospheric Admin/NOAA	Direct	11.RD	378,043	2,307,205
National Inst Standards Technology/NIST	Direct	11.RD	—	77,665
Department of Commerce Direct Subtotal			378,043	2,384,870
Synoptic Data PBC	S2021-161	11.000	—	12,721
Louisiana State University	PO-0000187366	11.417	—	7,527
University of Minnesota	D010061406	11.417	—	2,336
University of Puerto Rico	2021-2022-002	11.417	12,927	23,830
Subtotal			12,927	46,414
University of Alabama - Tuscaloosa	A22-0303-S001	11.432	—	221,020
University of Alabama - Tuscaloosa	A22-0303-S002	11.432	—	126,710
University of Alabama - Tuscaloosa	A22-0303-S003	11.432	—	104,615
University of Alabama - Tuscaloosa	A22-0304-S002	11.432	—	371,838
University of Alabama - Tuscaloosa	A22-0305-S001	11.432	—	406,662
University of Alabama - Tuscaloosa	A22-0309-S002	11.432	—	107,798
University of Alabama - Tuscaloosa	A22-0310-S007	11.432	—	143,820
Mississippi State University	193700.364089.01	11.617	—	9,412
Subtotal			—	1,491,875
Department of Commerce Pass Through Subtotal			12,927	1,538,289
Department of Commerce Total			390,970	3,923,159
Department of Defense:				
Office of Naval Research	Direct	12.300	—	20,948
Defense Threat Reduction Agency	Direct	12.351	—	14,020
US Army Medical Research Acquisition Activity	Direct	12.420	127,106	324,149
Department of The Army	Direct	12.431	—	41,040
Department of the Navy	Direct	12.700	—	90,324
Department of Defense Direct Subtotal			127,106	490,481
Rochester Institute of Technology	12/15/2021	12.000	—	2,000
Stealth Software Technologies	SIEVE Program	12.000	—	121,990
University of Calgary	UCalgary	12.000	—	5,641
Subtotal			—	129,631
University of Colorado, Boulder	1562376	12.300	—	80,247
Dimension Inx	UVM-05312021	12.420	—	47,284
MedStar Health Research Institute	5002071103	12.420	—	311,687
University of Alabama at Birmingham	000507860 - SC021	12.420	—	10
University of Colorado Denver	FY21.645.005	12.420	—	28,866
Subtotal			—	468,094
Wayne State University	WSU21079	12.750	—	4,702
Stanford University	62621898-192767	12.91	—	387,231
University of Pittsburgh	AWD00001593 (416052-1)	12.910	—	71,939
University of Pittsburgh	AWD00001593 (419447-1)	12.910	—	494,313
Subtotal			—	958,185
Department of Defense Pass Through Subtotal			—	1,555,910
Department of Defense Total			127,106	2,046,391

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Direct award or pass-through entity identification	Federal ALN	Passed through to subrecipients	Total federal expenditures
Department of the Interior:				
US Geological Survey	Direct	15.RD	\$ 40,958	554,842
National Park Service	Direct	15.RD	—	409,690
Department of the Interior Direct Subtotal			40,958	964,532
Vermont Dept of Fish and Wildlife (ANR)	06120FY23618	15.634	—	37,737
Saint Michaels College	SUBAWD520032	15.805	—	5,570
University of Massachusetts Amherst	22-016666-A-01	15.812	—	13,466
AmericaView	AV18-VT-01	15.815	—	24,399
University of Massachusetts Amherst	20-015184-D-02	15.820	—	73,797
University of Massachusetts Amherst	21-015986-A-01	15.820	—	107,916
Subtotal			—	262,885
University of New Mexico	045501-8723	15.945	—	23,721
Department of the Interior Pass Through Subtotal			—	286,606
Department of the Interior Total			40,958	1,251,138
Department of Justice:				
Vermont Law School	15PBJA-20-GK-00035-NCRJ01	16.003	12,599	277,996
Vermont Law School	2020-MU-CX-K001-01	16.030	—	309,908
Department of Justice Pass Through Subtotal			12,599	587,904
Department of Justice Total			12,599	587,904
Department of Transportation :				
Federal Aviation Administration	Direct	20.RD	282,043	329,626
Federal Highway Administration	Direct	20.RD	—	22,306
Department of Transportation Direct Subtotal			282,043	351,932
University of Alabama - Huntsville	2020-1263	20.109	—	185,457
Minnesota Department of Transportation	1034820	20.200	—	(1,830)
National Academy of Sciences	HR 20-44(017)	20.200	—	(358)
Vermont Agency of Transportation	GR1593	20.200	—	55,127
Vermont Agency of Transportation	GR1671	20.200	—	103,642
Vermont Agency of Transportation	GR1688	20.200	—	43,657
Subtotal			—	385,695
Chittenden County Regional Planning	PL 2022-UVM TRC	20.205	—	31,990
Vermont Agency of Transportation	CA0500EA 0001057-332	20.205	—	996
Vermont Agency of Transportation	CA0500WA024 EA - VTRC20-003	20.205	—	23,250
Vermont Agency of Transportation	EA VTRC20-001 WO 022	20.205	—	3,117
Vermont Agency of Transportation	PS0894 EA VTRC021	20.205	—	21,913
Vermont Agency of Transportation	SPWP22 302 WA 029	20.205	—	13,767
Vermont Agency of Transportation	VTRC21-000	20.205	—	8,805
Vermont Agency of Transportation	PS0961	20.205	3,588	52,205
Vermont Agency of Transportation	WO-023A EA - VTRC20-002	20.205	—	16,402
Subtotal			3,588	172,445
The Regents of the Univ of California	201603605-03	20.701	—	391,436
University of Maine	UMS-1186	20.701	—	304,766
Subtotal			—	696,202
Department of Transportation Pass Through Subtotal			3,588	1,254,342
Department of Transportation Total			285,631	1,606,274
National Aeronautics & Space Admin:				
National Aeronautics & Space Admin:	Direct	43.RD	134,113	1,742,109
National Aeronautics and Space Administration Direct Subtotal			134,113	1,742,109
University of Maryland	104049-Z6358201	43.001	—	44,794
National Aeronautics and Space Administration Pass Through Subtotal			—	44,794
National Aeronautics and Space Administration Total			134,113	1,786,903
National Science Foundation:				
National Science Foundation	Direct	47.RD	1,610,337	9,705,419
National Science Foundation Direct Subtotal			1,610,337	9,705,419
CoreMap, Inc.	Agreement # AWD491	47.041	—	102
MedChem Partners	8/16/2021	47.041	—	(2,459)
Rensselaer Polytech Institute	A18-0051-S001	47.041	—	10,102
Virginia Polytec Inst State University	480771-19D19	47.041	—	321,115
Yale University	GR104715 (CON-80001519)	47.041	—	48,110
Subtotal			—	376,970
Rensselaer Polytech Institute	A12980/A19-0075-S001	47.070	—	90,399
Columbia University	2(GG016707-01)	47.074	—	181,778
Donald Danforth Plant Science Center	24409-V	47.074	—	48,985
Harvard University	144255-5118459	47.074	—	13,297
University of Texas at Austin	UTA20-000899	47.074	—	152,238
Virginia Polytec Inst State University	480146-19D19	47.074	—	71,370
Subtotal			—	558,067

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Direct award or pass-through entity identification	Federal ALN	Passed through to subrecipients	Total federal expenditures
Research Foundation of SUNY	R1234965	47.075	\$ —	11,078
American Educational Research Assn	44,179	47.076	—	2
University of Maine	3UMS1229	47.083	—	312,555
University of Maine	UMS1275	47.083	—	449,327
University of Maine	UMS1400	47.083	—	42,132
Cornell University	144070-21857	47.084	—	5,148
Subtotal			—	820,242
National Science Foundation Pass Through Subtotal			—	1,755,279
National Science Foundation Total			1,610,337	11,460,698
Department of Veteran Affairs:				
US Department of Veterans Affairs/VA	Direct	64.RD	—	2,234
Department of Veteran Affairs Direct Subtotal			—	2,234
Department of Veteran Affairs Total			—	2,234
Environmental Protection Agency:				
Environmental Protection Agency	Direct	66.RD	7,392	163,184
Environmental Protection Agency Direct Subtotal			7,392	163,184
Stone Environmental, Inc.	20-134	66.000	—	13,062
Vermont Dept Environmental Conservation	PO#10695	66.468	—	5,111
Dartmouth College	R1623	66.481	—	18,581
NE Interstate Water Pollution/NEIWPC	LC00A00695-0	66.481	—	136,646
NE Interstate Water Pollution/NEIWPC	LS-2019-008	66.481	—	60,131
NE Interstate Water Pollution/NEIWPC	LS-2021-057	66.481	—	5,617
NE Interstate Water Pollution/NEIWPC	LS-2022-021	66.481	—	6,438
NE Interstate Water Pollution/NEIWPC	LS-2022-039	66.481	—	24,274
NE Interstate Water Pollution/NEIWPC	LS-2022-081	66.481	—	848
NE Interstate Water Pollution/NEIWPC	LS-2023-002	66.481	—	3,228
NE Interstate Water Pollution/NEIWPC	LS-2023-005	66.481	—	7,277
NE Interstate Water Pollution/NEIWPC	LS-2023-027	66.481	—	9,572
NE Interstate Water Pollution/NEIWPC	LS-2023-035	66.481	—	1,675
SLR International Corporation	03/28/2022	66.481	—	37,687
Stone Environmental, Inc.	19-150	66.481	—	49,993
Stone Environmental, Inc.	20211011	66.481	—	68,003
Environmental Protection Agency Pass Through Subtotal			—	448,143
Environmental Protection Agency Total			7,392	611,327
Department of Energy:				
Department of Energy	Direct	81.RD	170,123	658,087
Department of Energy Direct Subtotal			170,123	658,087
Pacific Northwest National Laboratory	603561	81.000	—	139,606
Sandia National Laboratories/DOE	PO#2361271	81.000	—	27,979
Subtotal			—	167,585
Galois, Inc	2022-004	81.049	—	82,331
Wildlife Imaging Systems	AWD1177	81.049	—	63,105
Subtotal			—	145,436
Department of Energy Pass Through Subtotal			—	313,021
Department of Energy Total			170,123	971,108
Department of Education:				
Department of Education	Direct	84.324B	—	226,498
Department of Education Direct Subtotal			—	226,498
University of Washington	UWSC12069	84.305A	—	31,329
Vermont Student Assistance Corporation	11/1/2021	84.334S	—	2,586
Vermont Student Assistance Corporation	P334S180004	84.334S	—	19,779
Department of Education Pass Through Subtotal			—	53,694
Department of Education Total			—	280,192
Department of Health and Human Services:				
Administration for Community Living	Direct	93.632	—	764,069
Department of Health and Human Services	Direct	93.RD	—	(5,743)
National Institutes of Health	Direct	93.RD	9,808,375	64,038,143
Health Resources and Services Administration	Direct	93.RD	551,553	7,006,782
Substance Abuse and Mental Health Services Administration	Direct	93.243	—	162,979
Department of Health and Human Services Direct Subtotal			10,359,928	71,966,230
All Clear Emergency Management Group LLC	VT23-001	93.000	—	44,309
Columbia University	05(GG017922-01)	93.000	—	39,923
Johns Hopkins University	2,004,691,448	93.000	—	(11,280)
Johns Hopkins University	2005474783	93.000	—	424,898
Nzumbe, Inc	FP00001893	93.000	—	50,065
University of California, Los Angeles	1557PLA583	93.000	—	9,830
University of Michigan	SUBK00015148	93.000	—	51,822
University of Mississippi Medical Center	66111350819-08	93.000	—	48,017
University of North Carolina Chapel Hill	5107238	93.000	—	(4,106)
University of Washington	UWSC11635	93.000	—	175,592
University of Washington	UWSC12413	93.000	—	67,505
University of Washington	UWSC12882	93.000	51,572	333,468
University of Washington	UWSC12970	93.000	—	400,485
Subtotal			51,572	1,630,828

UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Direct award or pass-through entity identification	Federal ALN	Passed through to subrecipients	Total federal expenditures
Duke University	234691/240919	93.103	\$ —	1,190
Seattle Children's Hospital	12603SUB	93.103	—	12,227
Vermont Agency of Agric Food and Markets	02200-FSMA-21-01	93.103	—	29,246
Vermont Agency of Agric Food and Markets	02200-FSMA-23-01	93.103	—	29,757
Subtotal			—	72,420
American College of Obstetricians Gyn	UC4MC28042	93.110	—	13,954
Vermont AHS Department of Health	03420-09102	93.110	—	41,424
Vermont AHS Department of Health	03420-09700	93.110	—	130,409
Subtotal			—	185,787
Boston Medical Center	6001-UVM-02A1	93.242	—	29,864
Columbia University	2(GG017224-01)	93.242	—	108,849
Dartmouth College	R1604	93.242	—	13,660
Harvard Medical School	149663.5126869.0006	93.242	—	59,951
Middlebury College	2020-0040-501320	93.242	—	12,017
University of North Carolina Chapel Hill	5119198	93.242	—	42,801
WISER Systems, Inc.	UVM-002	93.242	—	120,797
Subtotal			—	387,939
Center for Behavioral Health Integration	08/08/2022	93.243	—	20,000
Center for Behavioral Health Integration	4/6/2021	93.243	—	47
Vermont AHS Department of Health	03420-09634	93.243	—	51,812
Vermont AHS Dept of Mental Health	36603	93.243	—	24,877
Subtotal			—	96,736
Yale University	GR106384/CON-800001853	93.273	—	36,099
Baystate Medical Center	19-166	93.279	—	3,170
George Mason University	E206019B	93.279	—	24,768
Georgia State University	SP00014597-02	93.279	—	30,956
University of California, San Diego	131643098	93.279	—	80,710
University of California, San Diego	132356569	93.279	—	144,455
University of California, San Diego	704390	93.279	—	26,519
University of California, San Diego	705051	93.279	—	46,947
University of California, San Diego	KR 704898	93.279	—	88,726
University of North Carolina Chapel Hill	5112084	93.279	—	115,159
Subtotal			—	597,309
University of California San Francisco	13021sc	93.307	—	44,916
University of South Carolina	22-4485	93.307	—	33,506
Subtotal			—	78,422
Duke University	303001309	93.310	—	63,249
Duke University	A03-5358	93.310	—	12,539
University of Arkansas	54005-ESC Training	93.310	—	3,079
University of Arkansas	54005-leadership	93.310	—	40,441
University of Arkansas	54005-protocol chair	93.310	—	9,246
University of Arkansas	54005-protocol dev	93.310	—	28,255
University of Arkansas	54005-VDORA	93.310	—	1,881
University of Arkansas	54487-BREATHE	93.310	—	54,886
University of Florida	SUB00002565	93.310	—	63,783
University of Florida	SUB00003574	93.310	—	983,025
Subtotal			—	1,260,384
University of Utah	10059044-UVM	93.321	—	28,102
Vermont AHS Department of Health	03420-08894	93.323	—	96,390
Vermont AHS Department of Health	03420-09284	93.323	—	17,589
Subtotal			—	142,081
Equitable Cities	08/23/2022	93.391	—	15,466
Moffitt Cancer Ctr Research Institute	10-19731-99-01-G4	93.393	—	45,513
Moffitt Cancer Ctr Research Institute	10-21000-99-01-G1	93.393	—	23,742
University of California San Francisco	10905sc	93.393	—	104,129
University of California, Davis	201603696-09	93.393	—	80,602
University of California, Davis	A22-1534-S010	93.393	—	218,501
University of California, Los Angeles	1557 G WA331	93.393	—	33,211
University of North Carolina Chapel Hill	5118234	93.393	—	215,965
University of North Carolina Chapel Hill	5118237	93.393	—	91,689
University of Utah	10061258-02	93.393	—	21,652
University of Washington	UWSC12807	93.393	—	41,804
University of Wisconsin-Madison	0000001492	93.393	—	12,407
University of Wisconsin-Madison	0000001703	93.393	—	632
University of Wisconsin-Madison	0000002423	93.393	—	40,883
Subtotal			—	946,196
University of Washington	UWSC13874	93.394	—	40,183
Childrens Hospital of Philadelphia	ALTE11C2 Study	93.395	—	260
Childrens Hospital of Philadelphia	FP000269529_SUB343_01	93.395	—	(2,282)
Childrens Hospital of Philadelphia	NCTN PCR FP00026529Sub168	93.395	—	5,141
Public Health Institute	Work Order: PCR	93.395	—	17,429
Subtotal			—	60,731
Dartmouth College	R1570	93.397	—	3,222
Beth Israel Deaconess Medical Center	01062775/01061818	93.398	—	7,434
University of Wisconsin-Madison	0000002404	93.399	—	2,913
Asn of University Ctrs on Disabilities	01-8816-22	93.421	415,102	614,117
Asn of University Ctrs on Disabilities	09-21-8814	93.421	128,069	149,377
Subtotal			543,171	777,063

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Direct award or pass-through entity identification	Federal ALN	Passed through to subrecipients	Total federal expenditures
University of Wyoming	7/1/21SCOPE/1004506A	93.632	\$ —	7,265
RTI International	43-312-0217571-66611L	93.738	—	134,825
Boston University	4500004372	93.837	—	148,126
Johns Hopkins University	2005683450	93.837	—	45,782
Massachusetts General Hospital	239432	93.837	—	132,637
Mount Sinai School of Medicine	0255-A346-4605	93.837	—	585
Northwestern University	60060285 UVT	93.837	—	7,861
Oregon Health Sciences University	1011359 UVT	93.837	—	14,888
Pennsylvania State University	UVTHL163585	93.837	—	68,300
Princeton University	SUB0000423	93.837	—	148,129
Samba Biologics Incorporated	AWD960	93.837	—	226,229
University of Alabama at Birmingham	000524781-SC002	93.837	—	43,212
University of Alabama at Birmingham	000530071-SC001	93.837	—	34,389
University of California San Francisco	12916sc	93.837	—	12,025
University of California San Francisco	12999sc	93.837	—	25,723
University of Minnesota	P008505102	93.837	—	15,550
University of Mississippi Medical Center	SP14194-SB3	93.837	—	84,155
University of Pittsburgh	AWD00004314 (138609-26A)	93.837	—	1,560
University of Texas	SA0000561	93.837	—	84,421
University of Washington	UWSC11251	93.837	—	58,970
University Texas Hlth Sci Ctr San Anton	172396/172293	93.837	—	152,507
Wayne State University	WSU22067-A1	93.837	—	47,652
Subtotal			—	1,494,991
Arkansas Childrens Research Institute	01/26/2022	93.838	—	100,787
Boston University	4500003898	93.838	—	(1,730)
Boston University	4500004289	93.838	—	226,565
Brigham and Womens Hospital	121004	93.838	—	69,089
Columbia University	31(GG015997-01)	93.838	—	71,823
Fred Hutchinson Cancer Center	0001110370	93.838	—	89,134
Fred Hutchinson Cancer Research Center	0001092789	93.838	—	298
Fred Hutchinson Cancer Research Center	0001092790	93.838	—	(47,572)
Fred Hutchinson Cancer Research Center	1131453	93.838	—	188,074
National Jewish Health	National Jewish Health	93.838	—	74,507
RTI International	41-312-0217571-66405L	93.838	—	193,534
RTI International	8-312-0217571-66064L	93.838	—	225,913
University of California, San Diego	705102	93.838	—	180,862
University of Illinois	18722	93.838	—	11,814
University of Illinois	19174	93.838	—	44,777
University of Pennsylvania	583172	93.838	—	34,560
Subtotal			—	1,464,435
Prolocor Inc.	Subcontract 001	93.839	—	89,794
Rutgers University	1484	93.839	—	4,443
University of Michigan	SUBK00011495	93.839	—	(1,173)
University of Minnesota	P005639701	93.839	—	7,831
University of Washington	UWSC9761	93.839	—	19,825
Subtotal			—	120,720
Abalone Bio	AWD771	93.847	—	36,006
Dartmouth College	R1073	93.847	—	32,270
Duke University	A031900	93.847	—	24,205
Kansas Univ Medical Center Research Inst	AWD10000039	93.847	—	17,037
Michigan State University	RC110044UVSAC	93.847	—	139,288
Ohio State University	GR113097/SPC-1000003811	93.847	—	79,406
Subtotal			—	328,212
Cleveland Clinic Foundation	1433-SUB	93.853	—	24,441
Columbia University	2(GG017672-01)	93.853	—	13,176
Florida International University	000509	93.853	—	255,654
Harvard University	153366.5114453.0004	93.853	—	9,669
University of Alabama at Birmingham	000525282-SC001	93.853	—	233,809
University of California, Los Angeles	1580 G ZG753	93.853	—	90,769
University of Cincinnati	011337-137268	93.853	—	19,378
University of Cincinnati	012043-137268	93.853	—	15,456
University of Cincinnati	012044-137268	93.853	—	8,708
University of Cincinnati	013888-137268	93.853	—	3,207
University Texas Hlth Sci Ctr San Anton	168357/168352	93.853	—	4,387
University Texas Hlth Sci Ctr San Anton	170355/170353	93.853	—	25,835
Subtotal			—	704,489
Boston Childrens Hospital	GENFD0002329322	93.855	—	1,935
Celdara Medical, LLC	ABATE STTR 4-2020	93.855	—	102,344
Celdara Medical, LLC	DB1/84574510.1	93.855	—	61,351
University of California San Francisco	10797sc	93.855	—	125,015
University of Colorado Denver	Y20-1034.001	93.855	—	5,243
University of Florida	SUB00001749	93.855	—	22,869
University of North Carolina Chapel Hill	5112871	93.855	—	160,584
University of North Carolina Chapel Hill	5116806	93.855	—	24,063
University of North Carolina Chapel Hill	5127749	93.855	—	30,640
University of Utah	10057734 UV	93.855	—	243,665
Subtotal			—	777,709

UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Direct award or pass-through entity identification	Federal ALN	Passed through to subrecipients	Total federal expenditures
American Society for Cell Biology	UVM2R25GM116707-03	93.859	\$ —	10,393
Celdara Medical, LLC	12/18/2020	93.859	—	2,021
MaineHealth	111605-ROSEN-CTR-1	93.859	—	1,635,308
MaineHealth	111699-ROSEN-CTR	93.859	—	66,391
MaineHealth	112366-ROSEN-CTR-1	93.859	—	80,099
MaineHealth	112366-ROSEN-CTR-PILOT-14	93.859	—	13,495
MaineHealth	112366-ROSEN-CTR-PILOT-18	93.859	—	1,459
MaineHealth	CTR_Year 5 pilot-Floreani	93.859	—	13,227
MaineHealth	CTR-Pilot-Yr6-UVM-Frietze	93.859	—	627
MaineHealth	CTRPilotYr6UVMvanEeghen	93.859	—	12,215
MaineHealth	CTR-Year 5 Pilot-Kaminsky	93.859	—	23,586
MaineHealth	MH_CTR_Rosen-UVM_Stafford	93.859	—	28,443
MaineHealth	MH-Rosen-111081-Carr	93.859	—	(147)
MaineHealth	MH-Rosen-111081-Holmes	93.859	—	14,730
MaineHealth	MH-Rosen-111081-Wolfson	93.859	—	9,256
MaineHealth	MH-Sawyer-111410-Craig/UV	93.859	—	4,335
Mayo Clinic Jacksonville	UNI-251795-04	93.859	—	76,398
Purdue University	11001435-002	93.859	—	15,854
State University of New York	93818-UV	93.859	—	80,110
Tufts University	103716-00001	93.859	—	45,303
West Virginia University	12-303G-UV	93.859	—	14,590
Subtotal			—	2,147,693
Duke University	A03-2100	93.865	—	7,766
New York University	20-A1-00-1002855	93.865	—	1,404
Research Foundation of SUNY	R1173728	93.865	—	48,608
Research Foundation of SUNY	R1325273	93.865	—	25,158
RTI International	2-312-0218259-66958L	93.865	—	37,939
Stanford University	62936573-153996	93.865	—	22,678
University of Connecticut	UCHC7-143456319	93.865	—	18,321
Subtotal			—	161,874
Boston University	4500003476	93.866	—	58,678
Harvard School of Public Health	cc115437-5119658	93.866	—	(19,437)
Harvard University	150228.5119706.0044	93.866	—	30,483
Healthy Design Ltd. Co.	782020	93.866	—	39
Healthy Design Ltd. Co.	Healthy Design Ltd.	93.866	32,793	45,927
Mount Sinai School of Medicine	0255-B741-4609	93.866	—	6,038
University of California, Los Angeles	1558GWA292	93.866	—	5,506
University of Colorado	FY19.875.003	93.866	—	82,848
University of North Carolina Chapel Hill	5124099	93.866	—	127,098
University of North Carolina Chapel Hill	5127150	93.866	—	370,840
University of North Carolina Chapel Hill	5127155	93.866	—	50,079
University of Wisconsin-Madison	000000692	93.866	—	18,068
Vanderbilt University Medical Center	VUMC99326	93.866	—	27,556
Wake Forest University	116-33664-10000551083	93.866	—	22,170
Wake Forest University	1517-45107-11000000181	93.866	—	89,768
Subtotal			32,793	915,661
Emory University	A132491	93.879	—	48,903
Phrase Health, Inc.	1/11/2022	93.879	—	38,399
Subtotal			—	87,302
Vermont AHS Department of Health	03420-08113	93.898	—	(1,690)
Vermont AHS Department of Health	03420-08917	93.898	—	2,862
Vermont AHS Department of Health	03420-09476	93.898	—	84,411
Subtotal			—	85,583
Dartmouth-Hitchcock Clinic	GC10316-01	93.969	—	5,154
Subtotal			—	5,154
Department of Health and Human Services Pass Through Subtotal			627,536	14,529,719
Department of Health and Human Services Total			10,987,464	86,495,949
Department of Homeland Security:				
Mississippi State University	193700.362394.02	97.005	—	200,488
Mississippi State University	193700.364108.02	97.005	—	1,108
Vermont Agency of Natural Resources	45317	97.023	—	56,692
Vermont Dept Environmental Conservation	2021-GEO-687	97.042	—	56
Department of Homeland Security Pass Through Subtotal			—	258,344
Department of Homeland Security Total			—	258,344
United States Agency for International Development				
CIAT International Center Tropical Ag	C-002-2	98.000	—	213,768
CIAT International Center Tropical Ag	CIAT Sub-Agmt -7/15/22	98.000	—	(104,517)
Subtotal			—	109,251
Innovations for Poverty Action	SCI-21-10003-X1	98.001	—	14,481
Innovations for Poverty Action	SCI-21-10006-X1	98.001	—	20,149
Subtotal			—	34,630
United States Agency for International Development Pass Through Subtotal			—	143,881
United States Agency for International Development Total			—	143,881
Research and Development Cluster Total			20,186,457	143,250,198

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Direct award or pass-through entity identification	Federal ALN	Passed through to subrecipients	Total federal expenditures
<b>Student Financial Assistance Cluster:</b>				
Federal Supplemental Education Opportunity Grant	Direct	84,007	\$ —	2,012,384
Federal Work Study Program	Direct	84,033	—	1,226,112
Federal Perkins Loan Program (note 2)	Direct	84,038	—	1,718,497
Federal Pell Grant Program	Direct	84,063	—	7,785,099
Federal Direct Loan Program	Direct	84,268	—	84,402,619
Health Professions Student Loan program (note 2)	Direct	93,342	—	11,513
Nursing Student Loans (note 2)	Direct	93,364	—	751,218
Student Financial Assistance Cluster Total			—	<u>97,907,442</u>
<b>Medicaid Cluster:</b>				
Vermont AHS Dept Vermont Health Access	43977	93,778	—	263,680
Vermont AHS Dept Vermont Health Access	Contract 34113	93,778	—	128,414
Vermont AHS Department of Health	003420-08915	93,778	—	28,261
Vermont AHS Department of Health	03420-08916	93,778	—	231,300
Vermont AHS Department of Health	03420-08983	93,778	—	127
Vermont AHS Department of Health	03420-09011	93,778	—	(248,128)
Vermont AHS Department of Health	03420-09211	93,778	—	189,896
Vermont AHS Department of Health	03420-09452	93,778	—	5,002,655
Vermont AHS Department of Health	03420-09732	93,778	—	88,388
Medicaid Cluster Total			—	<u>5,684,593</u>
<b>Other Programs:</b>				
<b>Department of Agriculture (USDA):</b>				
Agriculture and Food Research Initiative	Direct	10,310	—	5,542
Smith-Lever Funding	Direct	10,511	—	2,045,905
Expanded Food and Nutrition Education Program	Direct	10,514	—	307,745
Renewable Resources Act and National Focus Fund Projects	Direct	10,515	—	49,314
Partnership Agreements	Direct	10,699	—	182,708
Other Department of Agriculture Direct Subtotal			—	<u>2,591,214</u>
Plant and Animal Disease, Pest Control, and Animal Care	02200-FPOP-2021	10,025	—	10,907
Specialty Crop Block Grant Program - Farm Bill	02200-SCBGP-17-03	10,170	—	17,109
Farmers Market and Local Food Promotion Program	LVM 34934	10,175	—	3,605
Dairy Business Innovation Initiatives	02200-DBIC-21-03	10,176	—	221,709
Agriculture and Food Research Initiative (AFRI)	L0121	10,310	—	10,486
Value-Added Producer Grants	023108D	10,352	—	54,122
Cooperative Extension Service	F9001573902023	10,500	—	14,859
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	03420-09561	10,561	—	28,936
Cooperative Forestry Assistance	06130-UVMLSR-01	10,664	—	18,912
Subtotal			—	<u>380,645</u>
Other Department of Agriculture Pass Through Subtotal			—	<u>380,645</u>
Other Department of Agriculture Total			—	<u>2,971,859</u>
<b>Department of Commerce:</b>				
Climate and Atmospheric Research	UMS1397	11,431	—	17,448
Other Department of Commerce Pass Through Subtotal			—	<u>17,448</u>
Other Department of Commerce Total			—	<u>17,448</u>
<b>Department of Housing and Urban Development:</b>				
Lead Hazard Control for High Risk Areas	BLP-Lead	14,920	—	6,257
Other Department of Housing and Urban Development Pass Through Subtotal			—	<u>6,257</u>
Other Department of Housing and Urban Development Total			—	<u>6,257</u>
<b>Department of the Interior:</b>				
Cooperative Research and Training Programs – Resources of the National Park System	Direct	15,945	—	106,813
Other Department of the Interior Direct Subtotal			—	<u>106,813</u>
Other Department of the Interior Total			—	<u>106,813</u>
<b>Department of State:</b>				
Bureau of Western Hemisphere Affairs (WHA) Grant Programs	A4FEH	19,750	—	(440)
Other Department of State Pass Through Subtotal			—	<u>(440)</u>
Other Department of State Total			—	<u>(440)</u>
<b>Department of Transportation :</b>				
Highway Training and Education	Direct	20,215	—	2,487
Other Department of Transportation Direct Subtotal			—	<u>2,487</u>
Highway Planning and Construction	Check#666602	20,205	—	2,668
Highway Planning and Construction	58246.00	20,205	—	1,498
Highway Planning and Construction	58752.00	20,205	—	3,050
Highway Planning and Construction	PS0696-WA00010	20,205	—	5,778
Highway Planning and Construction	03/16/2022	20,205	—	1,862
Highway Planning and Construction	GR1670	20,205	—	5,433
Highway Planning and Construction	PS0696-WA00002	20,205	—	48,174
Highway Planning and Construction	PS0696-WA00003	20,205	—	15,545
Highway Planning and Construction	PS0696-WA00012	20,205	—	(13,151)
Highway Planning and Construction	PS0696-WA00012 Phase II	20,205	—	1,616
Highway Planning and Construction	PS0696-WA00013	20,205	—	(20,524)
Highway Planning and Construction	PS0696-WA00013 Phase I	20,205	—	13,065
Highway Planning and Construction	PS0696-WA00013 Phase III	20,205	—	24,511
Highway Planning and Construction	PS0962-WA00001	20,205	—	5,831
Highway Planning and Construction	PS0962-WA00002LVRT010-300	20,205	—	4,032
Highway Planning and Construction	PS0962-WA00003 LVRT12-300	20,205	—	746
Highway Planning and Construction	PS0962-WA00004 LVRT11-300	20,205	—	28,411
Other Department of Transportation Pass Through Subtotal			—	<u>128,545</u>
Other Department of Transportation Total			—	<u>131,032</u>

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Direct award or pass-through entity identification	Federal ALN	Passed through to subrecipients	Total federal expenditures
Department of the Treasury:				
BAB Subsidy	Direct	21.000	\$ —	190,941
Other Department of the Treasury Direct Subtotal			—	190,941
Other Department of the Treasury Total			—	190,941
National Endowment for the Humanities:				
Museums for America	Direct	45.301	—	35,224
Other National Endowment for the Humanities Direct Subtotal			—	35,224
Other National Endowment for the Humanities Total			—	35,224
Department of Veterans Affairs:				
VA Supportive Services for Veteran Families Program	Direct	64.033	709,025	2,139,677
Other Department of Veterans Affairs Direct Subtotal			709,025	2,139,677
Other Department of Veterans Affairs Total			709,025	2,139,677
Environmental Protection Agency:				
Rsch, Devlpmnt, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	SA-2022-32	66.716	—	11,622
Other Environmental Protection Agency Pass Through Subtotal			—	11,622
Other Environmental Protection Agency Total			—	11,622
Department of Energy:				
Conservation Research and Development	EMPOWER	81.086	—	13,344
Other Department of Energy Through Subtotal			—	13,344
Other Department of Energy Total			—	13,344
Department of Education:				
Fund for the Improvement of Postsecondary Education	Direct	84.116Z	—	30,113,890
Subtotal			—	30,113,890
TRIO:				
TRIO Upward Bound	Direct	84.047A	—	326,035
Subtotal			—	326,035
Special Education				
Special Education - Personnel Dev to Improve Services and Results for Children with Disabilities	Direct	84.325K	—	260,632
Subtotal			—	260,632
Other Department of Education Direct Subtotal			—	30,700,557
Migrant Education State Grant Program	4253R2192201	84.011A	—	8,543
Migrant Education State Grant Program	4253R2192301	84.011A	—	611,152
Subtotal			—	619,695
Migrant Education Coordination Program	4256R2192201	84.144F	—	434
Special Education - State Personnel	AWD00001421	84.323	—	462
Subtotal			—	896
Other Department of Education Pass Through Subtotal			—	620,591
Other Department of Education Total			—	31,321,148
Department of Health and Human Services:				
Area Health Education Centers	Direct	93.107	276,072	346,306
Maternal and Child Health Federal Consolidated Programs	Direct	93.110	17,063	568,436
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Direct	93.243	—	456,995
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	Direct	93.632	—	15,178
Other Department of Health and Human Services Direct Subtotal			293,135	1,386,915
Maternal and Child Health Federal Consolidated Program	10897sc	93.110	—	209,555
Subtotal			—	209,555
Injury Prevention and Control Research and State and Community Based Programs	03420-09002	93.136	—	16,468
Injury Prevention and Control Research and State and Community Based Programs	03420-09474	93.136	—	79,207
Injury Prevention and Control Research and State and Community Based Programs	03420-09484	93.136	—	56,678
Subtotal			—	152,353
Grants to States for Loan Repayment	03420-09217	93.165	—	22,500
Grants to States for Loan Repayment	03420-09726	93.165	—	116,867
Subtotal			—	139,367
Telehealth Programs	U1UTH42523	93.211	—	33,799
Health Center Program	10/20/2021	93.224	—	40,299
Substance Abuse and Mental Health Services Projects of Regional and National Significance	0009873/01232023	93.243	—	13,143
Immunization Cooperative Agreements	03420-09103	93.268	—	595,909
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	03420-09226	93.323	—	13,306
Subtotal			—	696,456

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**  
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 Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Direct award or pass-through entity identification	Federal ALN	Passed through to subrecipients	Total federal expenditures
Improving the Health of Americans through Prev and Mgt of Diabetes and Heart Disease and Stroke	03420-09247	93.426	\$ —	48,681
Every Student Succeeds Act	03420-09828	93.434	—	14,355
ACL Assistive Technology	42716	93.464	—	216,876
Subtotal			—	279,912
Foster Care Title IV-E	039946	93.658	—	(15)
Foster Care Title IV-E	41277	93.658	—	93,986
Subtotal			—	93,971
Adoption Assistance	41277_A1	93.659	—	1,794,755
Subtotal			—	1,794,755
Medical Assistance Program	003420-08915	93.130	—	22,214
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	03420-08914	93.898	—	247
Subtotal			—	22,461
Rural Health Care Serv Outreach, Rural Health Network Dev and Small Health Care Prov Quality Imp	3.1.2021	93.912	—	111,868
Subtotal			—	111,868
Maternal and Child Health Services Block Grant to the States	03420-09010	93.994	—	15,155
Subtotal			—	15,155
Other Department of Health and Human Services Pass Through Subtotal			—	3,515,853
Other Department of Health and Human Services Total			293,135	4,902,768
Department of Homeland Security:				
Non-Profit Security Program	02140-7N22111-109	97.008	—	806
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Gooseneck Bend	97.036	—	6,028
Other Department of Homeland Security Pass Through Subtotal			—	6,834
Other Department of Homeland Security Total			—	6,834
Total Other Programs			1,002,160	41,854,527
Total Expenditures of Federal Awards			\$ 21,188,617	288,696,760

See accompanying independent auditors' report and notes to supplementary schedule of expenditures of federal awards.

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

Notes to Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

**(1) Basis of Presentation**

The accompanying supplementary schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of University of Vermont and State Agricultural College (the University) and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. For the year ended June 30, 2023, the University's discretely presented components units did not administer any federal awards.

For purposes of the Schedule, and except as noted below, federal awards include all grants, contracts and similar agreements entered into directly between the University and agencies and departments of the federal government and all subawards to the University by nonfederal organizations pursuant to federal grants, contracts and similar agreements. Grants made from the University to other organizations are shown separately on the Schedule as passed through to subrecipients.

**(2) Loan Activity**

Loan activity under federal programs was as follows:

	<u>CFDA number</u>	<u>Outstanding balances at June 30, 2022</u>	<u>Disbursements in fiscal 2023</u>	<u>Outstanding balances at June 30, 2023</u>
Federal Perkins Loan Program	84.038	\$ 1,528,415	—	999,894
Health Professions Student Loans Program	93.342	11,513	—	8,332
Nursing Student Loans	93.364	<u>626,194</u>	<u>125,024</u>	<u>657,973</u>
Total federal loan programs		\$ <u>2,166,122</u>	<u>125,024</u>	<u>1,666,199</u>

The University received an allowance for administrative costs for the Federal Perkins Loan Program of \$190,082. Expenditures reported on the Schedule represent the outstanding balance at June 30, 2022 plus fiscal 2023 disbursements and the allowance for administrative costs. There were no disbursements of Federal Perkins Loans during the year ended June 30, 2023.

With respect to the Federal Direct Loan Program, the University is responsible only for the performance of certain administrative duties and, accordingly, these loans are not included in the University's financial statements. It is not practical to determine the balances of loans outstanding under this program at June 30, 2023.

## UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

Notes to Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

### **(3) Direct and Indirect Federal Award Expenditures**

Federal award expenditures consist of direct and indirect costs, which are commonly referred to as facilities and administrative costs (F&A). Direct costs are those that can be readily identified with an individual federally sponsored project. The salary of a principal investigator of a sponsored research project and the materials consumed by the project are examples of direct costs.

Unlike direct costs, indirect costs cannot be readily identified with an individual federally sponsored project. Indirect costs are the costs of services and resources that benefit both sponsored and non-sponsored projects and activities. Indirect costs consist of expenses incurred for administration, library, plant maintenance, and building and equipment depreciation.

The University and federal agencies use an indirect cost rate to charge indirect costs to individual federally sponsored projects. The rate is a result of a number of complex cost allocation procedures that the University uses to allocate its indirect cost to both sponsored and non-sponsored activities. Rates are negotiated with and approved by the University's cognizant audit agency, the U.S. Department of Health and Human Services.

### **(4) Indirect Cost Rate**

The University has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



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Colchester, VT 05446-9909

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

The Honorable Douglas Hoffer,  
Auditor of Accounts, State of Vermont  
and

The Board of Trustees of University of Vermont and State Agricultural College:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of University of Vermont and State Agricultural College (collectively, the University), a component unit of the State of Vermont, which collectively comprise the University's basic financial statements as of June 30, 2023, and have issued our report thereon dated November 10, 2023. Our report includes a reference to other auditors who audited the financial statements of University Medical Education Association, Inc., a discretely presented component until, as described in our report on the University's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the



financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Colchester, Vermont  
November 10, 2023



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**Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Supplementary Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

The Honorable Douglas Hoffer,  
Auditor of Accounts, State of Vermont  
and  
The Board of Trustees of University of Vermont and State Agricultural College:

**Report on Compliance for Each Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited University of Vermont and State Agricultural College's (the University's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

*Auditors' Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the



University's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Supplementary Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the business-type activities and aggregate discretely presented component units of the University, a component unit of the State of Vermont as of and for the year ended June 30, 2023 and the related notes which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 10, 2023, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying supplementary schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

*KPMG LLP*

March 11, 2024

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

**(1) Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued on whether the financial statements were prepared in accordance with U.S. generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes   X   none reported

Noncompliance material to the financial statements noted?

\_\_\_\_\_ yes   X   no

*Federal Awards*

Internal control deficiencies over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes   X   none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Audit findings disclosed that are required to be reported in accordance with 2 CFR?

\_\_\_\_\_ yes   X   no

*The University's major programs were as follows:*

<b>Name of federal program or cluster</b>	<b>Federal ALN</b>
Research and Development Cluster	Various
Fund for the Improvement of Postsecondary Education	84.116Z
Medicaid Cluster	93.778

Dollar threshold used to distinguish between type A and type B programs:

\$3,000,000

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   yes \_\_\_\_\_ no

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

None.

**(3) Findings and Questioned Costs Relating to Federal Awards**

None.