



CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

The University of Vermont Health Network Inc. and Subsidiaries
Years Ended September 30, 2025 and 2024
With Report of Independent Auditors



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The University of Vermont Health Network Inc. and Subsidiaries

Consolidated Financial Statements and
Supplementary Information

Years Ended September 30, 2025 and 2024

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Report of Independent Auditors

The Board of Trustees
The University of Vermont Health Network Inc.

Opinion

We have audited the consolidated financial statements of The University of Vermont Health Network Inc. and its subsidiaries (the Network), which comprise the consolidated balance sheets as of September 30, 2025 and 2024, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, based on our audits and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of the Network at September 30, 2025 and 2024, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of VMC Indemnity Company, Inc., a wholly owned subsidiary, whose statements reflect total assets constituting 4.4% and 4.2%, respectively, of consolidated total assets as of September 30, 2025 and 2024, and total revenues constituting 0.4% and 0.5%, respectively, of consolidated total revenue and other support without donor restrictions for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for VMC Indemnity Company, Inc., is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Network and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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, 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 Network's internal control. Accordingly, no such opinion is expressed.



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- 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 Network'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating balance sheets as of September 30, 2025 and consolidating statements of operations for the year then ended are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, based on our audits, the procedures performed as described above and the report of other auditors, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst + Young LLP

January 20, 2026

The University of Vermont Health Network Inc. and Subsidiaries

Consolidated Balance Sheets

	September 30	
	2025	2024
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 411,902	\$ 378,266
Short-term investments	289,848	248,657
Current portion of assets whose use is limited or restricted	7,642	7,644
Patient and other trade accounts receivable	355,443	340,445
Inventories	74,431	68,023
Receivables from third-party payors	12,870	22,846
Prepaid and other current assets	109,925	106,912
Total current assets	1,262,061	1,172,793
Assets whose use is limited or restricted:		
Board-designated assets	785,242	710,938
Assets held by trustee under bond indenture agreements	400	110
Restricted assets	146,317	119,411
Donor-restricted assets for specific purposes	74,573	69,185
Donor-restricted assets for perpetual endowment	56,417	53,213
Total assets whose use is limited or restricted	1,062,949	952,857
Property and equipment, net	810,747	792,078
Operating lease right of use assets, net	62,745	59,767
Finance lease right of use assets, net	6,398	2,052
Other	61,148	49,496
Total assets	\$ 3,266,048	\$ 3,029,043
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 53,884	\$ 47,539
Accrued expenses and other liabilities	119,949	129,672
Accrued payroll and related benefits	197,558	193,189
Current installments of long-term debt	67,096	79,511
Current portion of third-party payor settlements	72,605	32,467
Current portion of incurred but not reported claims	26,356	26,617
Current portion of operating lease right of use obligations	15,083	14,638
Current portion of finance lease right of use obligations	1,461	791
Total current liabilities	553,992	524,424
Long-term liabilities:		
Long-term debt, net of current installments	670,817	651,698
Malpractice and workers' compensation claims, net of current portion	66,816	61,534
Pension and other postretirement benefit obligations	2,884	6,847
Third-party payor settlements, net of current portion	40,796	26,956
Operating lease right of use obligations, net of current portion	49,335	46,679
Finance lease right of use obligations, net of current portion	4,982	1,297
Other	5,629	10,692
Total liabilities	1,395,251	1,330,127
Net assets:		
Without donor restrictions	1,724,063	1,562,427
With donor restrictions:		
Time or purpose	90,093	83,207
Perpetual	56,641	53,282
Total with donor restrictions	146,734	136,489
Total net assets	1,870,797	1,698,916
Total liabilities and net assets	\$ 3,266,048	\$ 3,029,043

See accompanying notes.

The University of Vermont Health Network Inc. and Subsidiaries

Consolidated Statements of Operations

	Year Ended September 30	
	2025	2024
	<i>(In Thousands)</i>	
Revenue and other support without donor restrictions		
Net patient service revenue before Enhanced Medicaid Graduate Medical Education revenues	\$ 2,657,507	\$ 2,585,636
Enhanced Medicaid Graduate Medical Education revenues – Hospital	25,241	21,894
Enhanced Medicaid Graduate Medical Education revenues – Professional	40,383	36,471
Net patient service revenue	2,723,131	2,644,001
Fixed prospective payment revenue	358,484	327,953
Premium revenue	11,501	5,911
Outpatient and specialty pharmacy revenue	430,677	332,760
Net assets released from restrictions	10,870	19,372
Other revenue	110,222	109,136
Total revenue and other support without donor restrictions	3,644,885	3,439,133
Expenses		
Salaries, payroll taxes, and fringe benefits	2,131,494	1,989,986
Supplies and other	1,088,017	970,301
Purchased services	127,240	123,364
Provider tax	140,411	136,792
Depreciation and amortization	99,478	97,537
Interest expense	25,825	28,722
Total expenses	3,612,465	3,346,702
Gain from operations	32,420	92,431
Nonoperating gains (losses)		
Investment income, net	67,469	34,845
Change in fair value of interest rate swap agreements	1,732	(3,052)
Other components of pension expense	617	(14,012)
Net change in unrealized gains and losses on investments	43,758	146,387
Other	12,511	2,417
Total nonoperating gains, net	126,087	166,585
Excess of revenue over expenses	158,507	259,016
Net change in unrealized gains and losses on fixed-income investments	250	2,062
Net assets released from restrictions for capital purchases	2,457	3,590
Pension related adjustments	1,303	17,151
Transfers and other	(881)	(123)
Increase in net assets without donor restrictions	\$ 161,636	\$ 281,696

See accompanying notes.

The University of Vermont Health Network Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets

	Year Ended September 30	
	2025	2024
	<i>(In Thousands)</i>	
Changes in net assets without donor restrictions		
Excess of revenue over expenses	\$ 158,507	\$ 259,016
Net change in unrealized gains and losses on fixed-income investments	250	2,062
Net assets released from restrictions for capital purchases	2,457	3,590
Pension related adjustments	1,303	17,151
Transfers and other	(881)	(123)
Increase in net assets without donor restrictions	<u>161,636</u>	<u>281,696</u>
Changes in net assets with donor restrictions		
Gifts, grants, and bequests	13,683	26,508
Investment gain	4,212	1,326
Net change in unrealized gains and losses on investments	4,553	12,611
Net assets released from restrictions used in operations	(10,870)	(19,372)
Net assets released from restrictions used for capital purchases	(2,457)	(3,590)
Change in beneficial interest in perpetual trusts	1,124	2,556
Increase in net assets with donor restrictions	<u>10,245</u>	<u>20,039</u>
Increase in net assets	171,881	301,735
Net assets		
Beginning of year	1,698,916	1,397,181
End of year	<u>\$ 1,870,797</u>	<u>\$ 1,698,916</u>

See accompanying notes.

The University of Vermont Health Network Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended September 30	
	2025	2024
	<i>(In Thousands)</i>	
Operating activities		
Increase in net assets	\$ 171,881	\$ 301,735
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	99,478	97,537
Contributions restricted for long-term use	(7,974)	(2,626)
Pension related adjustments	(1,303)	(17,151)
Loss on disposal of property and equipment	33	731
Change in fair value of interest rate swap agreements	(1,732)	3,052
Net realized and unrealized gains on investments	(73,674)	(184,173)
Undistributed gains of affiliated companies	(6,490)	(2,542)
Change in beneficial interest in perpetual trusts	(1,124)	(2,556)
Noncash lease expense	18,475	12,313
(Decrease) increase in cash resulting from a change in:		
Patient and other accounts receivable	(14,998)	(11,477)
Other current and noncurrent assets	(15,028)	(42,890)
Accounts payable and accrued expenses	(3,050)	21,358
Accrued payroll and related expenses	2,934	36,815
Other current and noncurrent liabilities	1,690	9,308
Estimated settlements with third-party payors	63,954	36,636
Pension and other postretirement benefit obligations	(2,660)	4,585
Right-of-use lease liabilities and assets	(18,357)	(12,097)
Medicare accelerated and advance payments	-	(515)
Net cash provided by operating activities	<u>212,055</u>	<u>248,043</u>
Investing activities		
Purchases of property and equipment	(116,060)	(74,933)
Purchases of investments	(392,755)	(154,891)
Proceeds from sales of investments	318,151	136,665
Net cash used in investing activities	<u>(190,664)</u>	<u>(93,159)</u>
Financing activities		
Proceeds from contributions restricted for long-term use	7,974	2,626
Payments on long-term debt	(48,374)	(39,813)
Proceeds from debt issuances	69,297	-
Payment of debt financing costs	(378)	-
Payments on line of credit	(15,300)	-
Payments of finance leases	(974)	(1,467)
Net cash provided by (used in) financing activities	<u>12,245</u>	<u>(38,654)</u>
Net increase in cash and cash equivalents	<u>33,636</u>	<u>116,230</u>
Cash and cash equivalents		
Beginning of year	378,266	262,036
End of year	<u>\$ 411,902</u>	<u>\$ 378,266</u>
Supplemental cash flow information		
Cash paid during the year for interest	<u>\$ 26,078</u>	<u>\$ 28,436</u>
Capital expenditures included in accounts payable	<u>\$ 2,759</u>	<u>\$ 3,087</u>

See accompanying notes.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Years Ended September 30, 2025 and 2024

1. Organization and Principles of Consolidation

The University of Vermont Health Network Inc., inclusive of its controlled subsidiaries (collectively, UVM Health Network), is an integrated academic health care system for the development of a highly coordinated health care network to improve the quality, increase the efficiencies, and lower the costs of health care delivery in the regions it serves. Most entities within UVM Health Network are incorporated and recognized by the Internal Revenue Service (IRS) as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the Code). Accordingly, the IRS has determined that these organizations are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The exempt organizations are also exempt from state and local income taxes.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and include the accounts of the following principal operating organizations. Intercompany balances and transactions have been eliminated in consolidation.

Hospitals

- The University of Vermont Medical Center, Inc. (UVM Medical Center)
- Central Vermont Medical Center (CVMC)
- Porter Hospital, Inc. – subsidiary of Porter Medical Center, Inc. (PMC), a parent holding company
- Champlain Valley Physicians Hospital Medical Center (CVPH)
- Elizabethtown Community Hospital (ECH)
- Alice Hyde Medical Center (AHMC)

Other Organizations

Continuing Care Entities

- The University of Vermont Health Network – Home Health & Hospice, Inc. (HH&H)
- Helen Porter Nursing Home, Inc. – subsidiary of PMC
- Woodridge Rehabilitation and Nursing (Woodridge) – operating division of CVMC
- The Alice Center

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Principles of Consolidation (continued)

Professional Corporations

- University of Vermont Health Network Medical Group, Inc. (UVMHN Medical Group)
- Lake Champlain Physician Services, P.C. – subsidiary of CVPH
- Community Providers, Inc., including its wholly owned subsidiaries

Foundations and Other Entities

- The University of Vermont Health Network Specialty Care Transport, LLC – subsidiary of UVM Medical Center
- University of Vermont Medical Center Foundation, Inc. – subsidiary of UVM Medical Center
- Porter Real Estate Holdings, LLC – subsidiary of PMC
- The University of Vermont Health Network Ventures, Inc. – for-profit holding company that holds various for-profit investment activities of UVM Health Network
- Valcour Imaging, Inc. – subsidiary of CVPH
- University of Vermont Medical Center Executive Services, LLC – subsidiary of UVM Medical Center
- VMC Indemnity Company, Inc. (VMCIC) – Captive insurance company domiciled in Vermont providing professional and general liability insurance
- The Foundation of CVPH Medical Center, Inc. – subsidiary of CVPH
- Health Network Ventures Holding, LLC – limited liability company with 501(c)(3) status that holds various investment activities of UVM Health Network

In addition to the above consolidated entities, UVM Health Network is also the sole corporate member of OneCare Vermont Accountable Care Organization, LLC (OCV). OCV is a 501(c)(3) statewide accountable care organization that comprises an extensive network of providers across a full continuum of care, including hospitals in Vermont and New Hampshire, hundreds of primary and specialty care physicians, federally qualified health centers, designated agencies for mental health and substance use, skilled nursing facilities, home health agencies, and area agencies on

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Organization and Principles of Consolidation (continued)

aging. UVM Medical Center, CVMC and PMC participate in OCV risk-sharing contracts and paid participation fees to OCV totaling \$9,741,000 and \$10,225,000, recorded within purchased services expense, for the years ending September 30, 2025 and 2024, respectively. Additionally, UVM Medical Center provides various administrative services to OCV, including the processing of payroll. All OCV personnel are UVM Medical Center employees. OCV reimburses UVM Medical Center for all administrative and payroll-related costs, which totaled \$5,300,000 and \$6,221,000 for the years ending September 30, 2025 and 2024, respectively. While UVM Health Network is the sole corporate member of OCV, UVM Health Network does not control OCV, and the relationship does not meet the accounting criteria for consolidation. Therefore, OCV is not consolidated into the accompanying UVM Health Network financial statements. In December 2024, the UVM Health Network notified OCV of its intention not to continue as a participant in the OCV network beyond December 31, 2025 in conjunction with the conclusion of the Vermont All-Payer Accountable Care Organization Model. As a result, OCV's Board of Managers adopted a resolution which, among other things, formalized OCV's intention not to enter into new accountable care program contracts subsequent to December 31, 2025. OCV is in the process of winding down its operations, however a potential dissolution of the entity would be subject to additional approvals by OCV's Board of Managers and UVM Health Network.

2. Summary of Significant Accounting Policies

Related-Party Transactions

The entities comprising UVM Health Network provide various inter-entity services to their affiliates. These consist of human resources, information systems and telecommunications, general accounting, and other services. Charges are based on the approximate cost to provide the services and are allocated between the entities based on an agreed-upon method, which reflects the approximate level of usage by each entity. Such inter-entity charges and all intercompany balances between the entities eliminate in consolidation.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the amounts of revenues and expenses reported during the period. Significant estimates include implicit and

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

explicit price concessions related to net patient service revenue, receivables and accruals for estimated settlements with third-party payors, contingencies, self-insurance program liabilities, accrued medical claims, and pension and postretirement costs. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less when purchased, excluding amounts classified as assets whose use is limited or restricted. All cash and cash equivalents are classified as Level 1 in the fair value hierarchy.

Most of UVM Health Network's banking activity, including cash and cash equivalents, is maintained with multiple regional banks. Cash deposits exceed federal insurance limits. It is UVM Health Network's policy to monitor these banks' financial strength on an ongoing basis.

UVM Health Network has elected to treat all cash equivalents held within investment portfolios as short-term investments.

Inventories

Inventories are stated using the lesser of average cost or net realizable value.

Prepaid and Other Current Assets

Prepaid and other current assets include miscellaneous non-trade receivables and prepaid expenses primarily related to software maintenance and other contracts.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted primarily include board-designated assets, assets held by trustees under bond indenture agreements, donor-restricted assets, and restricted assets held for insurance-related liabilities. Board-designated assets may be used at the Board of Trustees' discretion. A significant portion of these assets consist of investments.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investments and Investment Income

UVM Health Network consolidates all non-pension investment assets into a pooled/unitized structure to gain efficiencies in portfolio management, simplify trades, and reduce trading and investment manager fees. Each participating entity owns a percentage share of each asset class defined as cash, domestic equity, international equity, fixed income and liquid alternative investments. Trading is executed at the asset class level and allocated to each investment portfolio based on their pro-rata ownership of the class. Fair value of the asset class is determined by aggregating the fair value of the underlying investments within each class.

Investments in equity securities and mutual funds with readily determinable fair values and all investments in debt securities are recorded at fair value. Investment income or loss (including realized gains and losses on investments, interest, and dividends, net of direct investment expenses, and to the extent not capitalized) and unrealized gains and losses on equity securities and mutual funds is included in nonoperating gains (losses), unless the income or gain (loss) is restricted by donor or law. Realized gains or losses on the sale of investments are determined by use of average costs. Unrealized gains and losses on other-than-trading debt securities are excluded from the excess of revenue over expenses to the extent such losses are not related to credit losses. Unrealized gains and losses on trading debt securities are included in the excess of revenue over expenses.

UVM Health Network holds certain investments without a readily determinable fair value that do not qualify for the equity method of accounting. Such investments are recorded following a permissible GAAP measurement alternative such that the UVM Health Network records the investment value based on the initial cost paid and adjusted when applicable for impairments and observable price changes during the fiscal year.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

UVM Health Network reviews its debt securities annually to identify those for which fair value is below cost, then makes a determination as to whether to record a credit loss or an impairment.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment acquisitions are recorded at cost or, in the case of gifts, at fair value at the date of the gift. Depreciation is recorded over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Such amortization is included in depreciation and amortization expense in the consolidated financial statements.

Depreciation is calculated using the following estimated useful lives:

Land improvements	2–45 years
Buildings and improvements	5–70 years
Equipment, furniture, and fixtures	3–30 years

Leasehold improvements are depreciated over the lesser of the useful life of the underlying asset or the remaining life of the lease, whichever is shorter.

Gifts of long-lived assets, such as land, buildings, or equipment are reported as support without donor restrictions and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions on how the assets are to be used and gifts that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expiration of donor restrictions is reported when the donated or acquired long-lived assets are placed in service.

Leases

UVM Health Network recognizes a right of use asset representing the right to use the underlying leased asset and a lease liability representing the obligation to make lease payments at the commencement date of a lease. The right of use asset is measured at its cost less subsequent accumulated amortization and accumulated impairment loss, with adjustments arising from remeasurements of the lease liability, if applicable. The right of use asset is amortized over the shorter of the asset's useful life or the lease term on a straight-line basis from the commencement date of the lease and is classified as operating lease right of use assets, net, or finance lease right of use assets, net, in the consolidated financial statements.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date. When measuring the present value, the lease payments are discounted using the interest rate implicit in the lease. If such implicit rate cannot be readily determined, a risk-free rate is used. The lease liability is subsequently amortized based on the discount rate and reduced by lease payments made.

Lease liabilities are classified as operating lease right of use obligations or finance lease right of use obligations and classified as current or long-term, as applicable.

Lease payments on short-term leases (i.e., lease term of 12 months or less at the commencement date) are charged to expense on a straight-line basis over the period of the lease as a practical expedient.

Impairment of Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell.

Net Assets With Donor Restrictions

Net assets with donor restrictions include those whose use by UVM Health Network has been restricted by donors or law for a specific purpose, time period, or both, either temporarily or in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of operations and changes in net assets.

Consolidated Statements of Operations

Transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as revenue and other support without donor restrictions and expenses. Peripheral or incidental transactions are reported as nonoperating gains (losses).

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Excess of Revenue Over Expenses

The consolidated statements of operations include the excess of revenue over expenses as the performance indicator. Changes in net assets without donor restrictions excluded from the excess of revenue over expenses primarily include net change in unrealized gains and losses on other-than-trading fixed-income investments to the extent such losses are not related to credit losses, contributions of long-lived assets (including assets acquired using contributions restricted by donors for acquiring such assets), pension related adjustments, transfers and other items.

UVM Health Network's measure of operations as presented in the consolidated statements of operations includes revenue from health care services, pharmacy revenue, grants and contracts revenue, the allocation of endowment spending for operations and other revenues. Operating expenses are reported on the consolidated statements of operations by natural classification.

Enhanced Medicaid Graduate Medical Education Revenues (Hospital and Professional)

Under an Amendment to the Vermont State Medicaid Plan TN#11-019 (the State Plan Amendment), UVM Medical Center receives increased Vermont Medicaid payments to support graduate medical education (GME). The State Plan Amendment provided for enhanced Medicaid payments of GME through two funding mechanisms: (1) payments to "qualified teaching hospitals" and (2) payments to "qualified teaching physicians." Under the definitions contained in the State Plan Amendment, UVM Medical Center is a qualified teaching hospital and physicians employed by UVM Medical Group are qualified teaching physicians.

The nonfederal source of these payments was provided by The University of Vermont (the University) from its governmental appropriations from the State of Vermont (the State). The University entered into a contract with the State to provide the annual nonfederal share of GME payments for the State's fiscal year. UVM Medical Center expects that the University will enter into similar contracts for subsequent years, though there is no assurance of this. UVM Medical Center entered into a contract with the State to assess and monitor program benefits to Medicaid beneficiaries and to report to the State annually on certain quality measures and improvement focus areas for Medicaid beneficiaries pertaining to UVM Medical Center's GME programs. Under this contract, the State agreed to provide GME payments to UVM Medical Center during the State fiscal year, with an initial term of July 1, 2021 through June 30, 2025. In July 2025, the contract was extended through June 30, 2026. UVM Medical Center expects to enter into similar contracts with the State for future years, but these are subject to continued funding by the University of the nonfederal source.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

UVM Medical Center recognized enhanced GME revenue under the State Plan Amendment totaling \$65,624,000 and \$58,365,000 for the fiscal years ended September 30, 2025 and 2024, respectively. Both the University and the State retain the right to discontinue GME payments at any time in the future.

Outpatient and Specialty Pharmacy Revenue

Pharmacy revenue consists of sales of pharmaceuticals and related products, including contract pharmacy revenue. UVM Health Network recognizes these revenue sources in the amounts that reflect the consideration to which it expects to be entitled in exchange for prescriptions.

Other Revenue

In addition to patient service revenue, UVM Health Network also recognizes revenue related to nonpatient transactions. These transactions consist primarily of contract revenues, cafeteria sales, parking garage income, grant income, and rental income. Revenue from these transactions is recognized when obligations under the terms of the respective contracts are satisfied and is measured at the amount of consideration UVM Health Network expects to receive from those services.

Net Assets Released From Restrictions Used for Operations

Net assets are released from restrictions and used for operations when the donor-imposed restrictions associated with the net assets have been satisfied.

Grants and Contracts

UVM Health Network receives sponsored support from governmental and private sources. Certain sponsored arrangements are considered exchange agreements and revenue under these agreements is recognized based on UVM Health Network's fulfillment of the contract, which is typically based on costs incurred or the achievement of milestones. Revenue for such arrangements is recorded within other revenue in the statements of operations. Federal grants and other sponsored research are considered non-exchange transactions and are recognized when donor-imposed conditions (if any) have been met. Expirations of donor restrictions on net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and as net assets released from

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

restrictions or net assets released from restrictions used for capital purchases in the consolidated statements of operations and changes in net assets. Federal grants and contracts awarded but for which expenditures have not yet been incurred or cash has not been received approximated \$17,058,000 and \$9,363,000 as of September 30, 2025 and 2024, respectively.

Malpractice and Workers' Compensation Claims

The liabilities for outstanding losses and loss-related expenses and the related provision for losses and loss-related expenses include estimates for malpractice losses incurred but not reported, losses pending settlement, and for workers' compensation claims and underwriting expenses. Such liabilities are based on estimates and, while management believes the amounts provided are adequate, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The calculations of such estimates and the resulting liabilities are actuarially determined annually and any adjustments required are reflected in estimated incurred but not reported medical claims.

Income Taxes

Certain entities of UVM Health Network are for-profit entities. Provisions for income taxes and deferred taxes, where applicable, have been made for the taxable entities of UVM Health Network. Taxable operations and the potential for income taxes from these entities and unrelated business income activities of the tax-exempt entities are not significant to the accompanying consolidated financial statements. As of September 30, 2025, tax years ending September 30, 2022 through September 30, 2024 remain open and subject to federal and state taxing authority examination. UVM Health Network believes it has taken no significant uncertain tax positions.

Provider Tax Expenses

The states of Vermont and New York operate provider tax programs related to certain patient service revenues and operating cash receipts, respectively, collectively referred to as provider tax expenses in the accompanying consolidated financial statements.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Defined Benefit Pension and Other Postretirement Benefit Plans

UVM Health Network recognizes the overfunded or underfunded status of its defined benefit pension and other postretirement benefit plans (collectively, postretirement benefit plans) in the consolidated balance sheets. Changes in the unrecognized actuarial gains and losses of the plans are reported in the year in which the changes occur as a change in net assets without donor restrictions presented below the excess of revenue over expenses in the consolidated statements of operations and changes in net assets.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (also referred to as an exit price). A fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. In determining fair value, the use of various valuation approaches, including market, income, and cost approaches, is permitted.

GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumption about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

UVM Health Network uses the following fair value hierarchy to present its fair value disclosures:

Level 1 Quoted (unadjusted) prices for identical assets or liabilities in active markets. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time).
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates).

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Pricing inputs are generally unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities.

Certain investments, for which an election is made, are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient and have not been classified in the above fair value hierarchy.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Equities, Mutual Funds, and Money Market Funds

The fair values of equities, mutual funds, and money market funds are based on quoted market prices and are categorized as Level 1.

Debt Securities

The estimated fair values of debt securities are based on quoted market prices or other market data for the same or comparable instruments and transactions. The marketable debt securities classified as Level 1 are classified based on quoted prices of the actual debt instruments in active markets. The marketable debt securities classified as Level 2 are classified based on observable market prices for similar securities traded in less active markets. Marketable debt instruments are priced using: nonbinding market consensus prices corroborated with observable market data; quoted market prices for similar instruments; or pricing models, such as a discounted cash flow model, with all significant inputs derived from or corroborated with observable market data. These Level 2 debt securities primarily include corporate bonds, notes and other debt securities.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Beneficial Interest in Perpetual Trusts

The estimated fair values of UVM Health Network's beneficial interests in perpetual trusts are based on information provided by the trustees. Such information is generally based on a pro rata interest in the net assets of the underlying investments. The assets held in trust consist primarily of cash equivalents and marketable securities. Perpetual trusts are measured using the fair value of the assets contributed to the trusts, and therefore are categorized as Level 3.

Venture Capital Funds and Partnerships

The fair values of investments in venture capital funds and partnerships (collectively, hedge funds) are primarily determined using calculated NAV as a practical expedient. The hedge funds invest primarily in securities whose underlying values are based on Level 1 inputs. The fund managers receive prices from nationally recognized pricing services based on observable market transactions. Certain of the underlying securities held by the funds are listed on recognized securities exchanges and valued at the closing price ascertained by the respective exchange.

Interest Rate Swap Agreements

Interest rate swap agreements are valued at the present value of the estimated series of cash flows resulting from the exchange of fixed rate payments for floating rate payments from the counterparty over the remaining life of the contract from the balance sheet date. Each floating rate payment is calculated based on forward market rates at each respective payment date. The valuation based on estimated cash flows is obtained from third parties and assessed by management for reasonableness. Because the inputs used to value the contract can generally be corroborated by market data, the fair value is categorized as Level 2.

3. Current and Upcoming Accounting Guidance

In September 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The amendments in this ASU both clarify and modernize the guidance for accounting for costs related to internal-use software. The new guidance removes all reference to “project stages” within Subtopic 350-40 and requires entities to begin capitalizing software costs based on new criteria, including the probability that the project will be completed and that the software will be used for

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Current and Upcoming Accounting Guidance (continued)

the intended function. The ASU also includes expanded disclosure requirements for capitalized software costs. The guidance is effective for all entities for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years; early adoption is permitted. Entities may apply the guidance using a prospective, retrospective or modified transition approach. UVM Health Network is currently evaluating the impact of this ASU on its consolidated financial statements.

4. Patient Service Revenue

UVM Health Network uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing patient service revenue on an individual contract basis. The portfolios primarily consist of major financial or payor classes for all types of revenue. Based on historical collection trends and other analysis, UVM Health Network believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

Patient service revenue is reported at the amount that reflects the consideration to which UVM Health Network expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of ongoing and future audits, reviews, and investigations. Generally, UVM Health Network bills patients and third-party payors several days after services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by UVM Health Network. Revenue for performance obligations satisfied over time is recognized based on charges incurred in relation to total expected or actual charges. UVM Health Network believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services. UVM Health Network measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and UVM Health Network believes it is not required to provide additional goods or services to the patient.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Patient Service Revenue (continued)

Amounts related to services provided to patients that have not been billed and that do not meet the conditions of unconditional right to payment at the end of the reporting period are contract assets. Contract assets consist primarily of services that have been provided to patients who are still receiving inpatient care at the end of the reporting period. Contract assets are included in patient and other trade accounts receivable in the accompanying consolidated balance sheets at September 30, 2025 and 2024. Contract assets are \$16,828,000 and \$20,184,000 as of September 30, 2025 and 2024, respectively.

Because all of its performance obligations relate to contracts with a duration of less than one year, UVM Health Network has elected to apply the optional exemption provided in Topic 606 and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

UVM Health Network determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors and discounts provided to uninsured patients in accordance with UVM Health Network's policy (explicit price concessions), and implicit price concessions. UVM Health Network determines its estimates of explicit price concessions based on contractual agreements, its discount policies, and historical experience. UVM Health Network determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

UVM Health Network has agreements with third-party payors that provide for payments to UVM Health Network at amounts different from its established rates. Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. UVM Health Network also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. UVM Health Network estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Patient Service Revenue (continued)

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to net patient service revenue in the period of the change. For the years ended September 30, 2025 and 2024, revenue recognized due to changes in UVM Health Network's estimates of implicit price concessions for performance obligations satisfied in prior years was not significant. UVM Health Network records an estimated credit loss reserve for subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay. Credit loss expense for the years ended September 30, 2025 and 2024 was not significant.

Consistent with UVM Health Network's mission, care is provided to patients regardless of their ability to pay (see Note 5). Therefore, UVM Health Network has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts UVM Health Network expects to collect based on its collection history with those patients.

Medicare

Inpatient acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient rehabilitation services are paid based on a prospective per discharge methodology. These rates vary according to a patient classification system based upon services provided, the patient's level of acuity and other factors. Outpatient services are paid based upon a prospective standard rate for procedures performed or services rendered. UVM Health Network is reimbursed for cost-reimbursable items at tentative rates, with final settlement determined after submission of annual cost reports by UVM Health Network and audits thereof by the Medicare Audit Contractor. Medicare reimbursement for professional billings is paid based on a standard fee schedule that is determined by CMS.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Patient Service Revenue (continued)

Medicaid

Inpatient services rendered to Vermont and New York Medicaid program beneficiaries are paid at prospectively determined rates per discharge. As with Medicare, payments are based on a diagnosis-related group (DRG) system that is based on clinical, diagnostic, and other factors. In Vermont, additional reimbursement for inpatient rehabilitation and neonatal cases is paid through a per diem add-on. In Vermont, additional reimbursement for inpatient psychiatric cases is based on a per diem rate calculation, including adjustments for diagnostic factors and length of stay. Outpatient services rendered to Vermont Medicaid beneficiaries are paid based upon a prospective standard rate. Certain laboratory, mammography, therapy, and dialysis services are paid on a fee schedule. Outpatient services rendered to New York Medicaid beneficiaries are paid under an Ambulatory Patient Group (APG). Ancillary services get bundled into the clinic visit and are paid under an APG. Medicaid payments for professional services are determined by a standard fee schedule.

Managed Care and Commercial Insurers

Services rendered to patients with commercial insurance are generally paid at standard charges, less a negotiated discount or according to DRG or negotiated fee schedules.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge UVM Health Network's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon UVM Health Network. In addition, the contracts UVM Health Network has with commercial payors also provide for retroactive audit and review of claims. UVM Health Network is not aware of any allegations of non-compliance that could have a material adverse effect on the accompanying consolidated financial statements and believes that it is in compliance in all material respects with all applicable laws and regulations.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Patient Service Revenue (continued)

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and UVM Health Network's historical settlement activity, including an assessment to ensure it is probable that a significant reversal in cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Changes in prior-year estimates decreased net patient service revenue by approximately \$29,882,000 and increased net patient service revenue by approximately \$3,709,000 in the years ended September 30, 2025 and 2024, respectively.

There has been enacted legislation and various other proposals at the federal and state levels that could, among other things, significantly reduce payment and enrollment rates or modify payment methods. The ultimate outcome of these proposals and other market changes, including the effects of or potential revisions to federal and state legislation that has been or will be enacted by the federal and state governments, cannot be presently determined. Future changes in the Medicare and Medicaid programs and any reduction of federal or state funding could have an adverse impact on UVM Health Network.

The Green Mountain Care Board (GMCB) is an independent board established by State of Vermont legislation around health care reform. The GMCB has statutory authority to review and approve hospital budgets and oversee major capital investments for Vermont providers. As part of their oversight, the GMCB will monitor variances to budget throughout the year. The GMCB may take enforcement action if an entity's actual performance differs substantially from budget including, but not limited to, prospective commercial rate reductions or financial settlement, amongst other mechanisms. Future enforcement actions by GMCB could have an adverse impact on UVM Health Network.

UVM Medical Center, CVMC and PMC receive monthly fixed prospective payments for services provided by hospitals (and hospital-owned practices) participating in the Vermont Medicaid Next Generation Accountable Care Organization Pilot Program and the CMS Vermont Modified Next Generation ACO Model. Under these arrangements, monthly per member payments are received in advance of the services being performed and recognized as revenue in the month to which they relate. Medicaid and Medicare fee-for-service payments continue for all other non-hospital

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Patient Service Revenue (continued)

providers in the ACO, for all providers who are not a part of the ACO, and for all services that are not included in the fixed prospective payment. UVM Health Network is responsible for both the cost and quality of care for each attributed member. This is true whether that person uses little or no care or whether they require services consistently throughout the year. UVM Medical Center, CVMC and PMC recognize their share of annual contract settlements, which include shared savings or losses and quality incentives, as an increase or decrease to fixed prospective payment revenue. Quality incentives and shared savings or losses under this contract are recorded as increases or decreases to patient service revenue. Effective January 1, 2026, these programs have ended and reimbursement has reverted back to a fee-for-service model for those members previously covered by these ACO programs.

CVPH, through the Adirondack Regional Medical Home Pilot, a program which was established as a joint venture initiative of medical providers and public and private insurers to transform healthcare delivery in the rural, upstate New York region, receives monthly fixed prospective payments for the provision of care management services. This is a monthly, per member payment received in advance of the services being performed and recognized as revenue in the month to which it relates.

For services provided under fee-for-service (FFS) and fixed prospective payment (FPP) arrangements, composition by payor for the years ended September 30 is as follows:

	2025			2024		
	Total	FFS	FPP	Total	FFS	FPP
Medicare*	35%	28%	7%	35%	28%	7%
Medicaid*	10	5	5	11	7	4
Contracted Commercial	48	48	–	48	48	–
Noncontracted Insurers	7	7	–	6	6	–

**Amounts are inclusive of Medicare and Medicaid program activity administered by managed care organizations.*

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Charity Care and Community Service

UVM Health Network provides care to patients who meet certain criteria under its charity care policies without charge or at amounts less than its established rates. Because UVM Health Network does not pursue the collection of amounts determined to qualify as charity care, they are not reported as revenue.

The amount of charges foregone for services and supplies furnished under UVM Health Network's charity care policy aggregated approximately \$55,396,000 and \$43,079,000 for the years ended September 30, 2025 and 2024, respectively.

Approximately \$22,574,000 and \$17,538,000 of UVM Health Network's total expenses for the years ended September 30, 2025 and 2024, respectively, arose from providing services to charity care patients. The estimated costs of providing charity care services is calculated by application of a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on UVM Health Network's total expenses divided by gross patient service revenue. For the years ended September 30, 2025 and 2024, respectively, UVM Health Network used \$402,000 and \$470,000 in charitable endowment earnings to help defray the costs of indigent care.

6. Financial Assets and Liquidity Resources

As of September 30, 2025 and 2024, respectively, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

	2025	2024
	<i>(In Thousands)</i>	
Liquidity and availability		
Cash and cash equivalents	\$ 411,902	\$ 378,266
Short-term investments	289,848	248,657
Current portion of assets whose use is limited or restricted	7,642	7,644
Patient and other trade accounts receivable	355,443	340,445
Receivables from third-party payors	12,870	22,846
Financial assets available at year end for current use	<u>\$ 1,077,705</u>	<u>\$ 997,858</u>

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Financial Assets and Liquidity Resources (continued)

UVM Health Network's board-designated assets can be used for capital and operating expenditures at the direction of the UVM Health Network Board of Trustees and management. As of September 30, 2025, and 2024, the balance in board-designated assets was \$785,242,000 and \$710,938,000, respectively.

UVM Health Network's endowment funds consist of donor-restricted funds. Donor-restricted endowments are restricted for specific purposes and therefore are not available for general expenditure.

To manage liquidity, UVM Health Network maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, certificates of deposit, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to UVM Health Network. Short-term investments without donor restriction are also utilized to generate a higher yield on balances versus cash and cash equivalents and to provide UVM Health Network with an additional layer of liquidity for daily operations if needed. UVM Health Network also maintains two lines of credit, each in the amount of \$50,000,000, for use by UVM Health Network entities that are part of the University of Vermont Medical Center Obligated Group (UVM Medical Center Obligated Group). As of September 30, 2025 and 2024, the amounts available under lines of credit were \$81,000,000 and \$65,700,000, respectively.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Investments, Including Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted at September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
	<i>(In Thousands)</i>	
Equities	\$ 43,336	\$ 49,576
Mutual funds:		
Bond funds	355,194	245,384
United States Treasury obligation funds	—	2,163
International equity funds	253,139	245,762
Domestic equity funds	352,433	321,161
Real estate funds	51	36,419
Total mutual funds	<u>960,817</u>	<u>850,889</u>
Money market funds	8,841	6,376
United States Treasury notes	17,635	15,180
Bonds and notes	19,819	18,560
Beneficial interest in perpetual trusts	22,006	20,882
Venture capital funds and partnerships	4,286	3,671
	<u>1,076,740</u>	<u>965,134</u>
Less: Current portion of assets whose use is limited or restricted	(7,642)	(7,644)
Less: Pooled investments included in short-term investments	(6,149)	(4,633)
	<u>\$ 1,062,949</u>	<u>\$ 952,857</u>

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Investments, Including Assets Whose Use is Limited or Restricted (continued)

The following tables present information as of September 30, 2025 and 2024 about UVM Health Network's financial assets and liabilities that are measured at fair value on a recurring basis:

	2025				
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	NAV as Practical Expedient	Fair Value
	<i>(In Thousands)</i>				
Equities	\$ 44,621	\$ –	\$ –	\$ –	\$ 44,621
Mutual funds:					
Bond funds	356,972	–	–	–	356,972
United States Treasury obligation funds	1,329	–	–	–	1,329
International equity funds	253,498	–	–	–	253,498
Domestic equity funds	354,301	–	–	–	354,301
Real estate funds	62	–	–	–	62
Total mutual funds	966,162	–	–	–	966,162
Money market funds	246,447	–	–	–	246,447
United States Treasury notes	57,098	–	–	–	57,098
Bonds and notes	–	19,819	–	–	19,819
Beneficial interest in perpetual trusts	–	–	22,006	–	22,006
Venture capital funds and partnerships	–	–	–	4,286	4,286
	<u>\$ 1,314,328</u>	<u>\$ 19,819</u>	<u>\$ 22,006</u>	<u>\$ 4,286</u>	<u>\$ 1,360,439</u>
Interest rate swap agreements	\$ –	\$ (2,588)	\$ –	\$ –	\$ (2,588)

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Investments, Including Assets Whose Use is Limited or Restricted (continued)

	2024				Fair Value
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	NAV as Practical Expedient	
	<i>(In Thousands)</i>				
Equities	\$ 50,011	\$ –	\$ –	\$ –	\$ 50,011
Mutual funds:					
Bond funds	247,562	–	–	–	247,562
United States Treasury obligation funds	2,163	–	–	–	2,163
International equity funds	246,073	–	–	–	246,073
Domestic equity funds	323,710	–	–	–	323,710
Real estate funds	36,430	–	–	–	36,430
Total mutual funds	855,938	–	–	–	855,938
Money market funds	92,961	–	–	–	92,961
United States Treasury notes	167,135	–	–	–	167,135
Bonds and notes	–	18,560	–	–	18,560
Beneficial interest in perpetual trusts	–	–	20,882	–	20,882
Venture capital funds and partnerships	–	–	–	3,671	3,671
	<u>\$ 1,166,045</u>	<u>\$ 18,560</u>	<u>\$ 20,882</u>	<u>\$ 3,671</u>	<u>\$ 1,209,158</u>
Interest rate swap agreements	\$ –	\$ (6,479)	\$ –	\$ –	\$ (6,479)

The table below summarizes the investments in certain entities with fair value at NAV as a practical expedient as of September 30, 2025 and 2024. There were no transfers between levels as of September 30, 2025 and 2024.

Category of Investment	2025					
	Fair Value	Unfunded Commitments	Remaining Life, if Applicable	Redemption Terms, If Currently Eligible	Redemption Restrictions and Terms	Redemption Restrictions and Terms in Place at Year End
	<i>(In Thousands)</i>					
Venture capital funds and partnerships	\$ 4,286	\$ 473	5 years	None	None	None

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Investments, Including Assets Whose Use is Limited or Restricted (continued)

Category of Investment	2024					
	Fair Value	Unfunded Commitments	Remaining Life, if Applicable	Redemption Terms, If Currently Eligible	Redemption Restrictions and Terms	Redemption Restrictions and Terms in Place at Year End
<i>(In Thousands)</i>						
Venture capital funds and partnerships	\$ 3,671	\$ 613	6 years	None	None	None

The fair value of the assets and change in the value of the assets measured using significant unobservable inputs (Level 3) were related to beneficial interests in perpetual trusts.

A roll forward of the Level 3 fair value measurements (defined above) for the years ended September 30, 2025 and 2024 is as follows:

	2025	2024
	Beneficial Interest in Perpetual Trusts	Beneficial Interest in Perpetual Trusts
<i>(In Thousands)</i>		
Beginning of year	\$ 20,882	\$ 18,326
Change in beneficial interest in perpetual trusts	1,124	2,556
End of year	<u>\$ 22,006</u>	<u>\$ 20,882</u>

Investment income, net included in nonoperating gains (losses) for the years ended September 30, 2025 and 2024 is as follows:

	2025	2024
<i>(In Thousands)</i>		
Interest and dividend income	\$ 40,059	\$ 35,735
Realized gains and losses, net	27,410	(890)
	<u>\$ 67,469</u>	<u>\$ 34,845</u>

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Property and Equipment

A summary of property and equipment, net at September 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
	<i>(In Thousands)</i>	
Land	\$ 55,217	\$ 47,195
Land improvements	18,598	17,561
Leasehold improvements	87,642	92,127
Buildings	1,195,898	1,141,649
Equipment, furniture, and fixtures	805,410	781,232
	<u>2,162,765</u>	<u>2,079,764</u>
Less: Accumulated depreciation	(1,384,699)	(1,331,580)
	778,066	748,184
Construction-in-progress	32,681	43,894
	<u>\$ 810,747</u>	<u>\$ 792,078</u>

UVM Health Network sold, traded-in or wrote off approximately \$46,722,000 and \$3,347,000 in property and equipment in the years ended September 30, 2025 and 2024, respectively. In conjunction with these sales, trade-ins or disposals, losses of \$33,000 and \$731,000 were recorded in the years ended September 30, 2025 and 2024, respectively. Of the \$46,722,000 assets written off during the year ended September 30, 2025, approximately \$42,000,000 were fully depreciated.

UVM Health Network recorded depreciation expense of \$99,841,000 and \$97,447,000 for the years ended September 30, 2025 and 2024, respectively.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Long-Term Debt

Long-term debt at September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
	<i>(In Thousands)</i>	
Bonds payable	\$ 383,032	\$ 344,195
Other long-term debt	314,480	329,390
Lines of credit	19,000	34,300
Total long-term debt	716,512	707,885
Less: current installments of long-term debt	(67,096)	(79,511)
Plus: unamortized bond premiums, net	23,039	24,657
Less: unamortized debt issuance costs	(1,638)	(1,333)
Long-term debt, net of current installments	<u>\$ 670,817</u>	<u>\$ 651,698</u>

Obligated Group

UVM Medical Center, UVM Health Network, CVMC, CVPH, ECH, AHMC, HH&H, PMC, and certain other consolidated subsidiaries are members of the UVM Medical Center Obligated Group (Obligated Group) at September 30, 2025 and 2024. Effective August 1, 2025, the Obligated Group is subject to the terms of the Amended and Restated Master Trust Indenture (the 2025 MTI).

The 2025 MTI contains provisions permitting the addition, withdrawal or consolidation of members of the Obligated Group under certain conditions. The Master Trust Indenture constitutes joint and several obligations of the members of the Obligated Group and covers all issued bonds and loans by the Obligated Group members.

Under the terms of the 2025 MTI, UVM Medical Center has granted a mortgage on substantially all of its property and an interest in its gross receipts, and the Obligated Group is required to meet certain covenant requirements. In addition, the indenture provides for restrictions on, among other things, additional indebtedness and dispositions of property of the Obligated Group. As of September 30, 2025 and 2024, the Obligated Group was in compliance with all financial covenants.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Long-Term Debt (continued)

Bonds Payable

Bonds payable at September 30, 2025 consisted of the following:

	Interest Structure	Interest Rate	Final Maturity	Outstanding Principal
Vermont Educational and Health Buildings Financing Agency Hospital Revenue Bonds				
Series 2025A	Fixed	3.67%	2035	\$ 49,616
Refunding Series 2025A	Fixed	3.62%	2035	8,924
Series 2023A	Fixed	4.17%	2027	13,535
Series 2016A	Fixed	3.00% – 5.00%	2036	146,543
Series 2016B	Fixed	3.13% – 5.00%	2046	89,000
Series 2008A ^(b)	Variable	2.97%	2031	54,706
Other				
CVPH Series 2016A ^(a)	Variable	3.91%	2042	9,327
CVPH Series 2016B ^(a)	Variable	3.75%	2042	11,381
				\$ 383,032

(a) CVPH issued bank qualified bonds through the Clinton County Capital Resource Corporation.

(b) The Series 2008A Bonds are collateralized by an irrevocable letter of credit from TD Bank expiring in 2030. Further, the Series 2008A bondholders have the option to put the bonds back to UVM Health Network. At such time, the bonds would be subject to remarketing efforts by the Obligated Group's remarketing agent. To the extent such remarketing efforts be unsuccessful, the nonmarketable bonds would be purchased from the proceeds of the letter of credit.

In August 2025, the Obligated Group issued \$58,540,000 of tax-exempt bonds through the Vermont Educational and Health Buildings Financing Agency Hospital Revenue Bonds. Of this, \$49,616,000 (Series 2025A Bonds) was issued on behalf of UVM Medical Center to reimburse costs associated with certain capital purchases and \$8,924,000 (Refunding Series 2025A Bonds) was used to refund the Series 2015A Bonds.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Long-Term Debt (continued)

Other Long-Term Debt

Other long-term debt at September 30, 2025 consisted of the following:

	Interest Structure	Interest Rate	Final Maturity	Outstanding Principal
UVM Health Network 2020 Bank of America Loan	Fixed	2.90%	2030	\$ 50,000
AHMC 2022 Bank of America Loan	Fixed	3.60%	2032	18,730
UVM Medical Center 2025 Bank of America Loan	Fixed	3.59%	2032	10,727
UVM Health Network 2020 TD Bank Loan	Fixed	2.09%	2035	73,125
UVM Health Network 2022 TD Bank Loan	Fixed	4.40%	2037	100,000
UVMMC 2018 TD Bank Loan	Fixed	3.87%	2033	11,099
CVPH 2017 Community Bank Loan	Fixed	3.38%	2027	9,409
Other loans	(a)	(a)	(a)	41,390
				<u>\$ 314,480</u>

(a) Other loans primarily consist of fixed interest rate loans ranging from 2.20% – 3.72%, with final maturities ranging from 2027 through 2034.

Lines of Credit

As of September 30, 2025 and 2024, UVM Health Network has two available lines of credit, each in the amount of \$50,000,000. One \$50,000,000 line is with TD Bank and is available to each member of the Obligated Group and is collateralized by a joint and several obligation of UVM Health Network and each member of the Obligated Group. The interest rate is set at a floating rate equal to one-month SOFR plus 40 basis points (4.78% and 5.70% at September 30, 2025 and 2024, respectively), adjusted monthly. At September 30, 2025 and 2024, CVPH had borrowings of \$19,000,000. At September 30, 2024, UVM Medical Center had borrowings of \$15,300,000, which was repaid during 2025. The line also carries an unused fee of 0.07% per annum, payable quarterly in arrears, and the maturity date for the line of credit is May 1, 2026.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Long-Term Debt (continued)

The second \$50,000,000 line of credit is with Bank of America and is available to each member of the Obligated Group. The line of credit is collateralized by a joint and several obligation of UVM Health Network and each member of the Obligated Group. The interest rate is set (as chosen by UVM Health Network at the time of each advance) at a floating rate equal to the daily, one-month, two-month, or three-month SOFR plus 135 basis points, adjusted at the end of the chosen interest rate period. As of September 30, 2025 and 2024, there were no advances on this line of credit. The line also carries an unused fee of 0.15% per annum, payable quarterly in arrears, and the maturity date is April 19, 2026.

As of September 30, 2025, UVM Health Network is guarantor of a line of credit between OneCare Vermont and TD Bank.

Scheduled Maturities of Long-Term Debt

As of September 30, 2025, annual aggregate principal payments of long-term debt for the next five years and thereafter are as follows:

	<i>(In Thousands)</i>
Years ending September 30:	
2026	\$ 67,096
2027	54,642
2028	50,697
2029	45,311
2030	47,595
Thereafter	451,171
	<u>\$ 716,512</u>

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Interest Rate Swap Agreements

For certain variable rate debt (presently or previously outstanding), interest rate swap agreements are used to manage interest rate risk and hedge the risk of cash flow volatility. The table below summarizes UVM Health Network’s swap agreements. None of the swap agreements require collateral posting. Both UVM Health Network and the counterparties in the interest rate swap agreements are exposed to credit risk in the event of nonperformance or early termination of the agreements. In addition, each agreement may be terminated following the occurrence of certain events, at which time UVM Health Network or the counterparty may be required to make a termination payment to the other.

Swap	Bond Series	Notional Amount September 30, 2025	Notional Amount September 30, 2024	Counterparty	Expiration Date	Pay Fixed	Receive Floating
<i>(In Thousands)</i>							
SOFR Swap (Series B-1)	2008A	\$ (a)	\$ 27,595	Citibank, NA	October 28, 2032	3.76%	66.5% of SOFR + 32bps
SOFR Swap (Series B-2)	2008A	(a)	27,595	Citibank, NA	November 4, 2032	3.76%	66.5% of SOFR + 32bps
SOFR Swap	Holly Court Loan	2,520	3,276	M&T Bank Loan	October 2, 2028	2.67%	One-month SOFR
SOFR Swap	Previously outstanding Series 2007B (refinanced with Series 2016B)	8,495	8,820	Key Bank	July 1, 2042	4.06%	68.0% of SOFR
SOFR Swap	Previously outstanding Series 2007A (refinanced with Series 2016A)	13,470	13,975	Key Bank	July 1, 2042	4.00%	65.0% of SOFR

(a) The 2008A swaps were repaid during the year ending September 30, 2025.

The fair value of interest rate swap agreements, all of which are recorded as other long-term liabilities at September 30 is as of follows:

	<u>2025</u>	<u>2024</u>
	<i>(In Thousands)</i>	
2008A Swaps	\$ —	\$ (3,235)
Holly Court Loan	32	53
2007B Swap	(1,003)	(1,267)
2007A Swap	(1,617)	(2,030)
	<u>\$ (2,588)</u>	<u>\$ (6,479)</u>

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Interest Rate Swap Agreements (continued)

The amount of the change in fair value recognized in the consolidated statements of operations for swap agreements at September 30 is as follows:

	<u>2025</u>	<u>2024</u>
	<i>(In Thousands)</i>	
2008A Swaps	\$ 1,076	\$ (1,811)
Holly Court Loan	(21)	(134)
2007B Swap	264	(436)
2007A Swap	413	(671)
	<u>\$ 1,732</u>	<u>\$ (3,052)</u>

UVM Health Network also made payments on the interest rate swap agreements of \$2,465,000 and \$204,000, net of floating rate payments received from the counterparties, for the years ended September 30, 2025 and 2024, which are included in interest expense on the consolidated statements of operations.

11. Leases

UVM Health Network has operating and finance leases primarily for real estate, including medical office buildings, corporate and other administrative offices, as well as for medical and office equipment. UVM Health Network determines if an arrangement is a lease at inception of the contract. When evaluating contracts for embedded leases, UVM Health Network exercises judgment to determine if there is an explicit or implicit identified asset in the contract and if UVM Health Network controls the use of that asset. As a practical expedient, UVM Health Network made an accounting policy election for all asset classes not to separate lease components from non-lease components in the event that the agreement contains both.

Certain real estate leases have renewal options, and the lease term includes options to extend or terminate the lease when it is reasonably certain that UVM Health Network will exercise that option. Real estate lease agreements typically have initial terms of five to ten years, and equipment lease agreements typically have initial terms of three years.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Leases (continued)

The table below presents certain information related to the lease costs for finance and operating leases:

	<u>2025</u>	<u>2024</u>
	<i>(In Thousands)</i>	
Operating lease cost	\$ 18,722	\$ 17,274
Finance lease cost:		
Amortization of right-of-use assets	975	1,496
Interest on lease liabilities	134	96
Total finance lease cost	<u>1,109</u>	<u>1,592</u>
Short term lease cost	284	213
Variable lease cost	4,230	4,502
Total lease cost	<u>\$ 24,345</u>	<u>\$ 23,581</u>

Supplemental consolidated balance sheet information related to operating and finance leases is as follows:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term:		
Operating leases	6.84	4.64
Finance leases	4.51	1.84
Weighted-average discount rate:		
Operating leases	1.89%	2.01%
Finance leases	5.30%	3.92%

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Leases (continued)

The table below presents supplemental cash flow information related to leases:

	2025	2024
	<i>(In Thousands)</i>	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 18,107	\$ 17,031
Operating cash flows for finance leases	138	96
Financing cash flows for finance leases	974	1,467
Right of use assets obtained in exchange for new operating lease liabilities	7,087	8,754
Right of use assets obtained in exchange for new finance lease liabilities	4,874	2,075

Future minimum lease payments at September 30, 2025 are as follows:

	Finance	Operating	Total
	<i>(In Thousands)</i>		
2026	\$ 1,696	\$ 16,397	\$ 18,093
2027	1,655	13,522	15,177
2028	1,581	11,000	12,581
2029	1,199	8,070	9,269
2030	871	3,342	4,213
Thereafter	30	17,501	17,531
Total minimum lease payments	7,032	69,832	76,864
Less: Imputed interest	589	5,414	6,003
Total lease liabilities	<u>\$ 6,443</u>	<u>\$ 64,418</u>	<u>\$ 70,861</u>

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Net Assets

Net Assets with Donor Restrictions

At September 30, 2025 and 2024, net assets with donor restrictions are available for the following purposes:

	2025	2024
	<i>(In Thousands)</i>	
Indigent care	\$ 22,043	\$ 20,867
Education and research	51,415	46,761
Children's programs	12,059	11,113
Capital projects and other healthcare services	53,111	55,686
Long-term care services at Woodridge	8,106	2,062
	<u>\$ 146,734</u>	<u>\$ 136,489</u>

Perpetual Endowment Funds

UVM Health Network's perpetual endowment funds consist of 141 funds established for a variety of purposes. UVM Health Network does not currently have any unrestricted funds designated by the Board to function as endowments. Accordingly, for the purposes of this disclosure, endowment funds include only donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

UVM Health Network has interpreted relevant state laws for the states in which it operates as requiring realized and unrealized gains on net assets with donor restrictions, including endowments and other unexpended donor restricted net assets, to be retained as donor restricted until appropriated by the Board and expended. These state laws allow the Board to appropriate the net appreciation of net assets with donor restrictions as is prudent considering UVM Health Network's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Net Assets (continued)

For endowment funds, UVM Health Network classifies net assets with donor restrictions as (a) the original value of the gifts donated to the endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present, and (b) the original value of subsequent gifts to the endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present. The remaining portion of the donor-restricted endowment fund is comprised of accumulated gains not required to be maintained in perpetuity. These amounts are classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the donor's stipulations. UVM Health Network considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: duration and preservation of the fund, purposes of the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation or depreciation of investments, other resources of UVM Health Network, and the investment policies of UVM Health Network.

Endowment Asset Composition and Changes in Endowment Assets

Changes in donor endowment funds consisted of the following:

	Without Donor Restrictions	Time Restricted	Perpetual Endowments
	<i>(In Thousands)</i>		
Balance at September 30, 2023	\$ —	\$ 27,630	\$ 30,226
Investment return on donor restricted assets	1,999	(4,986)	25
Transfers	—	(205)	205
Contributions	—	305	1,944
Appropriations	(1,999)	(1,677)	—
Balance at September 30, 2024	—	21,067	32,400
Investment return on donor restricted assets	863	7,493	—
Transfers	—	(177)	177
Contributions	—	266	2,220
Appropriations	(863)	(1,763)	(162)
Balance at September 30, 2025	\$ —	\$ 26,886	\$ 34,635

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Net Assets (continued)

Beneficial Interest in Perpetual Trusts

The above amounts exclude UVM Health Network's beneficial interest in perpetual trusts, which are not within management's investment control. Such beneficial interests totaled \$22,006,000 and \$20,882,000 at September 30, 2025 and 2024, respectively.

Charitable Remainder Trust

UVM Health Network has received an irrevocable charitable remainder trust for which UVM Health Network does not serve as trustee. For this trust, UVM Health Network recorded its beneficial interest in those assets as contribution revenue and other assets at the present value of the expected future cash inflows. Trusts are recorded at the date UVM Health Network has been notified of the trust's existence and sufficient information regarding the trust has been accumulated to form the basis for an accrual. Changes in the value of these assets are recorded in net assets with donor restrictions.

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires UVM Health Network to retain as a fund of perpetual duration. UVM Health Network has a policy that does not allow spending from underwater endowments. At September 30, 2025 and 2024, there were no funds with deficiencies.

Investment Return Objectives and Spending Policy

UVM Health Network has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period. Under this policy, the endowment assets are invested in a manner to generate returns at least equal to and preferably greater than the consumer price index. To satisfy its return objective, UVM Health Network targets a diversified asset allocation that provides for a balanced portfolio.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Professional Liability and Other Contingencies

Professional Liability

UVM Health Network is insured against professional liability under a claims-made insurance policy with VMCIC, its wholly owned subsidiary. VMCIC has reinsurance with commercial carriers for coverage above self-insured per claim retainage levels; retainage amounts for covered entities in effect for fiscal year 2025 are as follows:

UVM Medical Center	\$	5,000,000	per occurrence limit
CVMC		3,000,000	per occurrence limit
CVPH		3,000,000	per occurrence limit
ECH		3,000,000	per occurrence limit
PMC		3,000,000	per occurrence limit
AHMC		3,000,000	per occurrence limit
HH&H		3,000,000	per occurrence limit

The annual aggregate limit is \$20,000,000 for Professional Liability.

VMCIC has a Commercial General Liability policy with coverage limits per claim retainage amounts of:

UVM Medical Center	\$	2,000,000	per occurrence limit
CVMC		1,000,000	per occurrence limit
CVPH		1,000,000	per occurrence limit
ECH		1,000,000	per occurrence limit
PMC		1,000,000	per occurrence limit
AHMC		1,000,000	per occurrence limit
HH&H		1,000,000	per occurrence limit

The annual aggregate limit is \$10,000,000 for Commercial General Liability.

The reserves for outstanding professional liability losses at UVM Health Network have been discounted at a rate of 3.0% at both September 30, 2025 and 2024, resulting in a decrease in the reserve for professional liability of approximately \$3,035,000 and \$2,867,000 at September 30, 2025 and 2024, respectively. The reserves for outstanding professional liability losses, including incurred but not reported liabilities, is \$57,294,000 and \$53,087,000 at September 30, 2025 and 2024, respectively.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Professional Liability and Other Contingencies (continued)

As a result of changes in estimates for incurred events in prior years, primarily for professional liability, the estimate of incurred losses related to prior years decreased by approximately \$1,393,000 and \$4,442,000 for the years ended September 30, 2025 and 2024, respectively.

Workers' Compensation

UVM Medical Center, PMC, CVMC and HH&H are self-insured for workers' compensation claims and maintain an excess insurance policy to limit exposure on claims up to \$1,000,000 with a \$50,000,000 annual aggregate limit. The reserves for outstanding losses have been discounted at a rate of 4.13% and 4.71%, for the years ended September 30, 2025 and 2024, respectively. The reserves for outstanding workers' compensation losses, including incurred but not reported liabilities, is \$13,295,000 and \$9,229,000 at September 30, 2025 and 2024, respectively.

CVPH is self-insured for workers' compensation claims and maintains an excess insurance policy to limit its exposure on claims up to \$750,000. CVPH workers' compensation claim reserve is secured by a Surety Bond in the amount of \$10,511,000, which has an expiration date of August 31, 2026. The reserves for outstanding workers' compensation losses, including incurred but not reported liabilities, is \$9,908,000 and \$9,299,000 at September 30, 2025 and 2024, respectively.

The workers' compensation insurance policy year for AHMC renews September 1 each year. AHMC's potential workers' compensation exposure covers the period from September 1, 2012 to September 30, 2026. The per occurrence deductible is \$250,000. A related liability of approximately \$957,000 has been recorded at September 30, 2025 and 2024, respectively.

Employee Health and Dental Insurance

UVM Health Network maintains a self-insured plan for employee health and dental insurance. Under the terms of the plans, employees and their dependents are eligible for participation and, as such, UVM Medical Center, PMC, HH&H, CVPH, AHMC, ECH and CVMC are responsible for paying claims and third-party administrator costs. UVM Health Network maintains a stop-loss insurance policy for its medical plan to limit its exposure on nondomestic claims to the first \$650,000 per member per plan year, of which \$100,000 is covered by VMCIC with an annual aggregate for VMCIC of \$500,000.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Professional Liability and Other Contingencies (continued)

Other Contingencies

UVM Health Network and its subsidiaries are parties in various legal proceedings and potential claims arising in the ordinary course of business. In addition, the health care industry as a whole is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to government review and interpretation, as well as regulatory actions, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenue from patient services.

Management does not believe that the resolution of these matters will have a material adverse effect on UVM Health Network's consolidated balance sheets or statements of operations.

Collective Bargaining Agreements

At September 30, 2025, approximately 59% of UVM Health Network's employees are union employees who are covered under the terms of various collective bargaining agreements. Agreements representing approximately 61% of union employees (36% of total employees) will expire within the next year.

14. Pension Plans

Substantially all employees of UVM Health Network are covered under various noncontributory defined benefit pension plans, various defined contribution pension plans, or combinations thereof. Total expense for these plans consists of the following:

	Year Ended September 30,	
	2025	2024
	<i>(In Thousands)</i>	
Defined benefit plans	\$ (617)	\$ 14,012
Defined contribution plans	81,302	60,615
	<u>\$ 80,685</u>	<u>\$ 74,627</u>

Information regarding UVM Health Network's benefit obligations, plan assets, funded status, expected cash flows and net periodic cost for the defined benefit plans follows.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Pension Plans (continued)

Benefit Obligations

	<u>2025</u>	<u>2024</u>
	<i>(In Thousands)</i>	
Changes in benefit obligations		
Projected benefit obligations – beginning of year	\$ (107,073)	\$ (226,112)
Interest cost	(5,221)	(9,070)
Benefits paid	6,529	10,966
Settlements	–	126,374
Actuarial loss	5,284	(9,231)
Projected benefit obligation – end of year	<u>\$ (100,481)</u>	<u>\$ (107,073)</u>
Accumulated benefit obligation	<u>\$ (100,690)</u>	<u>\$ (106,890)</u>
Changes in plan assets		
Fair value of plan assets – beginning of year	\$ 100,414	\$ 206,511
Actual gain on plan assets	2,313	21,440
Employer contributions	1,399	9,803
Benefits paid	(6,529)	(10,966)
Settlements	–	(126,374)
Fair value of plan assets – end of year	<u>97,597</u>	<u>100,414</u>
Funded status of the plan (long-term)	(2,884)	(6,659)
Funded status of plans – asset	–	188
Funded status of plans – (liability)	<u>\$ (2,884)</u>	<u>\$ (6,847)</u>

During the year ended September 30, 2024, settlements were recognized in conjunction with lump sum payments made to CVMC plan participants and with a retiree annuity purchase as part of the plan termination for the CVMC plan. CVPH maintains the remaining defined benefit plan at September 30, 2025 and 2024, subsequent to the final distribution of assets remaining within the CVMC pension trust after the plan's termination and final settlement during the year ended September 30, 2024. Other actuarial gains and losses were driven by changes in the discount rate for the years ended September 30, 2025 and 2024.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Pension Plans (continued)

The reconciliation of the unrecognized actuarial gains and losses for the years ended September 30, 2025 and 2024 is as follows:

	2025	2024
	<i>(In Thousands)</i>	
Unrecognized actuarial (gains) losses – beginning of year	\$ (13,762)	\$ (3,389)
Net amortized during year	221	(2,623)
Settlements	–	(11,504)
Net prior service cost amortized during year	(26)	(26)
Net gain during year	(1,498)	(2,998)
Unrecognized actuarial gains – end of year	<u>\$ (15,065)</u>	<u>\$ (13,762)</u>

The components of the net periodic (benefit) cost for the years ended September 30, 2025 and 2024 are as follows:

	2025	2024
	<i>(In Thousands)</i>	
Interest cost	\$ 5,221	\$ 9,070
Settlements	–	11,636
Expected return on plan assets	(5,643)	(6,686)
Amortization of unrecognized net gain	(195)	(8)
Net periodic (benefit) cost	<u>\$ (617)</u>	<u>\$ 14,012</u>

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Pension Plans (continued)

The assumptions used in accounting for the defined benefit pension plan at September 30 are as follows:

	<u>2025</u>	<u>2024</u>
Weighted-average assumptions used to determine the benefit liability		
Discount rates	5.5%	5.0 – 5.25%
Weighted-average assumptions used to determine expense		
Discount rates	5.5	6.0
Rates of increase in future compensation levels	2.5	3.0
Expected long-term rate of return on plan assets	5.5	7.0

The expected long-term rate of return for UVM Health Network plan’s total assets is based on the expected return of each of its asset categories, weighted based on the median of the allocation for each class. Equity securities are expected to return 6% to 14% over the long-term, while fixed income are expected to return between 5% and 6%. Based on historical experience, UVM Health Network expects that the plan’s asset managers will provide a modest (0.5% to 1.0% per annum) premium to their respective market benchmark indices. Assumptions were updated based on termination accounting for the CVMC plan.

Plan Assets

UVM Health Network’s pension plan’s weighted-average asset allocations as of September 30, 2025 and 2024, by asset category, are as follows:

	<u>2025</u>		<u>2024</u>	
	Target Allocation	Actual Allocation	Target Allocation	Actual Allocation
Cash & Equivalents	–%	2%	–%	1%
Fixed Income	80	78	60	59
Domestic Equity	10	10	20	20
International Equity	8	8	16	16
Real Estate	2	2	4	4

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Pension Plans (continued)

The following table presents information, as of September 30, 2025 and 2024, about UVM Health Network's pension assets that are measured at fair value on a recurring basis:

	2025		
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Fair Value
	<i>(In Thousands)</i>		
Money market	\$ 1,545	\$ –	\$ 1,545
Mutual funds			
International equity funds	7,791	–	7,791
Domestic equity funds	9,758	–	9,758
Real estate funds	1,925	–	1,925
Total mutual funds	<u>19,474</u>	<u>–</u>	<u>19,474</u>
United States Treasury notes	14,497	–	14,497
Bonds and notes	–	62,081	62,081
	<u>\$ 35,516</u>	<u>\$ 62,081</u>	<u>\$ 97,597</u>

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Pension Plans (continued)

	2024		
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Fair Value
	<i>(In Thousands)</i>		
Money market	\$ 1,363	\$ –	\$ 1,363
Mutual funds			
International equity funds	15,826	–	15,826
Domestic equity funds	20,561	–	20,561
Real estate funds	4,336	–	4,336
Total mutual funds	<u>40,723</u>	<u>–</u>	<u>40,723</u>
United States Treasury notes	13,406	–	13,406
Bonds and notes	–	44,922	44,922
	<u>\$ 55,492</u>	<u>\$ 44,922</u>	<u>\$ 100,414</u>

As of September 30, 2025, and 2024, there were no Level 3 investments. There were no transfers between levels for the years ended September 30, 2025 and 2024.

The investment strategy established for pension plan assets is to meet present and future benefit obligations to all participants and beneficiaries, cover reasonable expenses incurred to provide such benefits, and provide a total return that maximizes the ratio of assets to liabilities by maximizing investment return at the appropriate level of risk.

Cash Flows – Contributions

UVM Health Network expects to contribute \$2,094,000 to its pension plan in the year ending September 30, 2026.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Pension Plans (continued)

Cash Flows – Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service as appropriate, are expected to be paid:

Years ending September 30:	(In Thousands)
2026	\$ 6,804
2027	7,024
2028	7,228
2029	7,414
2030	7,565
2031–2033	30,027

Multi-Employer Defined Benefit Plan

UVM Health Network participates in multi-employer defined benefit pension plans. UVM Health Network makes cash contributions to these plans under the terms of collective-bargaining agreements that cover its union employees based on a fixed rate and hours of service per week worked by the covered employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects: (1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers; (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and (3) if UVM Health Network chooses to stop participating in some of its multi-employer plans, UVM Health Network may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The measurement dates for the following plans are as of June 30 and December 31, as applicable.

As required by collective bargaining agreements, UVM Health Network is obligated to contribute to the 1199 SEIU multi-employer plan on behalf of union employees at a contribution rate required by the plan's Trustees for participation in the fund, in the amounts and on the dates determined by the Trustees.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Pension Plans (continued)

UVM Health Network has contributed cash and recorded expenses of \$10,739,000 and \$7,440,000 for the multi-employer defined benefit plans for the years ended September 30, 2025 and 2024, respectively.

The following table includes additional disclosure information related to the following multi-employer pension funds:

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration date of Collective-Bargaining Agreement
		September 30, 2025	September 30, 2024			
1199 SEIU Health Care Employees Pension Fund	13-3604862-001	Green	Green	N/A	No	September 30, 2026
1199 SEIU Regional Pension Fund	16-1112391	Green	Green	N/A	No	June 30, 2028

Members of UVM Health Network were not listed on the Plans' Forms 5500 as providing more than 5 percent of the total contributions.

Postretirement Health Benefits

In addition to providing pension benefits, UVM Medical Center sponsors a defined benefit postretirement health care plan for retired employees. Substantially all of UVM Medical Center's employees who are at least age 55 with 15 years of service and all employees who are eligible for retirement may become eligible for such benefits. The postretirement health care plan is contributory with retiree contributions adjusted annually. The marginal cost method is used for accounting purposes for postretirement healthcare benefits.

As of September 30, 2025 and 2024, the premiums paid by retirees did not exceed the costs and the accumulated postretirement benefit obligation totaled \$0. The plan does not have any assets as of September 30, 2025 and 2024. Net assets without donor restrictions at September 30, 2025 and 2024 include an unrecognized actuarial gain of \$0 and \$1,700,000, respectively. Assumptions used in accounting for the plan at September 30, 2025 include a discount rate of 5.25%, a current health care cost trend rate of 6.75%, an ultimate health care cost trend rate of 4.75%, the year of ultimate trend rate of 2031, and census data as of January 1, 2025. These amounts are included within the pension plan disclosures.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

15. Concentrations of Credit Risk

UVM Health Network grants credit without collateral to its patients, most of whom are local residents and are insured under third-party agreements. The mix of net receivables from patients and third-party payors at September 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Medicare*	28%	26%
Medicaid*	6	7
Contracted Commercial	40	36
Noncontracted Insurers	16	18
Patients	10	13
	<u>100%</u>	<u>100%</u>

* Amounts are inclusive of Medicare and Medicaid program activity administrated by managed care organizations.

16. Transactions with the University

UVM Health Network’s Affiliation Agreement with the University was renewed as of September 1, 2022 and extends through August 31, 2032. The Affiliation Agreement expresses the shared goals of the University and UVM Medical Center for teaching, clinical care and research, documents the many points of close collaboration between the two organizations, provides the underpinnings for UVM Medical Center’s status as an academic medical center, and obligates UVM Medical Center to provide substantial, annual financial support to the University. The current Affiliation Agreement provides for three components of financial support to the University: (1) payments by UVM Medical Center, known as the “commitment,” to fund two costs: (a) a portion of the salary, benefits and related expenses paid through the University to physician-faculty who are jointly employed by both the University and UVMHN Medical Group and, (b) a portion of the cost of the University’s facilities, utilities and other campus operating expenses that are not paid or reimbursed by any form of federal funding; (2) an academic support payment paid by UVM Medical Center, and (3) a Dean’s Tax paid by UVM Medical Group. The amounts of the commitment approximated \$71,015,000 and \$74,513,000 in the years ended September 30, 2025 and 2024, respectively. In addition, UVM Medical Center reimburses the University for equipment rental, research, and certain other administrative expenses through the commitment.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

16. Transactions with the University (continued)

UVM Medical Center made academic support payments to the University in monthly installments. The annual amount of the academic support payment was \$10,555,000 and \$10,228,000 in the years ended September 30, 2025 and 2024, respectively. Under the current Affiliation Agreement, the base amount for academic support payments increased by \$327,000 in fiscal year 2025, with an inflationary increase in the years thereafter. Additionally, UVM Health Network made cancer center support payments to the University of \$1,200,000 in the year ended September 30, 2025.

Under the Affiliation Agreement, the Dean's Tax is paid to the University by UVM Medical Center in an amount equal to 2.3% of UVMHN Medical Group's net patient service revenue exclusive of UVMHN Medical Group's Medicaid revenue for that fiscal year. The amount of the Dean's Tax was \$7,269,000 and \$7,452,000 in the years ended September 30, 2025 and 2024, respectively. Additionally, a guaranteed payment of \$1,689,000 and \$1,246,000 in Dean's Taxes on UVMHN Medical Group's patient service revenue of community-based physicians was recorded in the years ended September 30, 2025 and 2024, respectively.

17. Functional Expenses

UVM Health Network provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2025 and 2024 are as follows:

	2025		
	Healthcare Service	Administrative Support	Total
	<i>(In Thousands)</i>		
Salary, payroll taxes and fringe benefits	\$ 1,771,703	\$ 359,791	\$ 2,131,494
Supplies and other	864,292	223,725	1,088,017
Purchased services	75,375	51,865	127,240
Provider tax	140,411	–	140,411
Depreciation and amortization	49,331	50,147	99,478
Interest expense	9,095	16,730	25,825
	<u>\$ 2,910,207</u>	<u>\$ 702,258</u>	<u>\$ 3,612,465</u>

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Functional Expenses (continued)

	2024		
	Healthcare Service	Administrative Support	Total
	<i>(In Thousands)</i>		
Salary, payroll taxes and fringe benefits	\$ 1,635,450	\$ 354,536	\$ 1,989,986
Supplies and other	654,359	315,942	970,301
Purchased services	67,911	55,453	123,364
Provider tax	136,792	–	136,792
Depreciation and amortization	48,526	49,011	97,537
Interest expense	9,439	19,283	28,722
	<u>\$ 2,552,477</u>	<u>\$ 794,225</u>	<u>\$ 3,346,702</u>

Expenses are presented by functional classification in accordance with the overall service mission of the organization. Each functional classification displays all expenses related to the underlying operations by natural classification. Depreciation expense is allocated based on square footage occupancy. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt.

18. COVID-19

In response to Coronavirus Disease 2019 (COVID-19), the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) was signed into law on March 27, 2020.

Under the CARES Act, UVM Health Network is eligible to receive an employee retention credit (ERC), which is a credit against the employer portion of Social Security taxes for certain wages between March 13, 2020 and December 31, 2021. UVM Health Network submitted their final ERC application in January 2025. UVM Health Network recognized \$22,654,000 and \$22,852,000, related to the ERC within other revenue for the years ended September 30, 2025 and 2024, respectively.

The University of Vermont Health Network Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

18. COVID-19 (continued)

UVM Health Network applied for reimbursement for qualifying expenses under the Federal Emergency Management Agency (FEMA) Disaster Relief Fund. UVM Health Network recognized approximately \$4,600,000 and \$14,900,000 within net assets released from restrictions for the years ended September 30, 2025 and 2024, respectively.

19. Subsequent Events

UVM Health Network has assessed the impact of subsequent events through January 20, 2026, the date the consolidated financial statements were issued and has concluded that there were no such events that require disclosure in or adjustment to the consolidated financial statements outside of those disclosures included in Note 1 and Note 4.

Supplementary Information

The University of Vermont Health Network –
Central Vermont Medical Center Inc. and Subsidiaries

Consolidating Balance Sheet

September 30, 2025

	Central Vermont Hospital and Medical Group Practice	Woodridge Rehabilitation and Nursing	CVMC Eliminations	Total CVMC
	<i>(In Thousands)</i>			
Assets				
Current assets:				
Cash and cash equivalents	\$ 18,031	\$ 102	\$ –	\$ 18,133
Short-term investments	16,237	–	–	16,237
Current portion of assets whose use is limited or restricted	–	–	–	–
Patient and other trade accounts receivable	21,229	2,512	–	23,741
Due from related parties	20,427	–	(20,427)	–
Inventories	5,022	–	–	5,022
Receivables from third-party payors	–	–	–	–
Prepaid and other current assets	3,113	–	–	3,113
Total current assets	84,059	2,614	(20,427)	66,246
Assets whose use is limited or restricted:				
Board-designated assets	34,481	3,738	–	38,219
Assets held by trustee under bond indenture agreements	–	–	–	–
Restricted assets	2,119	–	–	2,119
Donor-restricted assets for specific purposes	6,609	–	–	6,609
Donor-restricted assets for perpetual endowment	3,771	–	–	3,771
Total assets whose use is limited or restricted	46,980	3,738	–	50,718
Property and equipment, net	55,879	4,078	–	59,957
Operating lease right of use assets, net	12,576	27	–	12,603
Finance lease right of use assets, net	–	–	–	–
Other	–	–	–	–
Total assets	\$ 199,494	\$ 10,457	\$ (20,427)	\$ 189,524
Liabilities and net assets				
Current liabilities:				
Accounts payable	\$ 6,220	\$ 40	\$ –	\$ 6,260
Accrued expenses and other liabilities	8,142	515	–	8,657
Accrued payroll and related benefits	15,340	1,190	–	16,530
Current installments of long-term debt	1,639	–	–	1,639
Current portion of third-party payor settlements	12,901	–	–	12,901
Due to related parties	29,250	21,363	(20,427)	30,186
Current portion of incurred but not reported claims	1,803	272	–	2,075
Current portion of operating lease right of use obligations	2,759	14	–	2,773
Current portion of finance lease right of use obligations	–	–	–	–
Total current liabilities	78,054	23,394	(20,427)	81,021
Long-term liabilities				
Long-term debt, net of current installments	5,817	–	–	5,817
Malpractice and workers' compensation claims, net of current portion	–	–	–	–
Pension and other postretirement benefit obligations	–	–	–	–
Third-party payor settlements, net of current portion	–	–	–	–
Due to related parties, long term	–	–	–	–
Operating lease right of use obligations, net of current portion	9,809	16	–	9,825
Finance lease right of use obligations, net of current portion	–	–	–	–
Other	–	–	–	–
Total liabilities	93,680	23,410	(20,427)	96,663
Net assets:				
Without donor restrictions	95,152	(12,883)	–	82,269
With donor restrictions:				
Time or purpose	6,704	(70)	–	6,634
Perpetual	3,958	–	–	3,958
Total with donor restrictions	10,662	(70)	–	10,592
Total net assets	105,814	(12,953)	–	92,861
Total liabilities and net assets	\$ 199,494	\$ 10,457	\$ (20,427)	\$ 189,524

The University of Vermont Health Network –
Champlain Valley Physicians Hospital and Subsidiaries

Consolidating Balance Sheet

September 30, 2025

	Champlain Valley Physicians Hospital		CVPH		Total CVPH
	Medical Center	LCPS	Foundation		
	<i>(In Thousands)</i>				
Assets					
Current assets:					
Cash and cash equivalents	\$ 18,000	\$ 20	\$ 254	\$	18,274
Short-term investments	6,149	–	–	–	6,149
Current portion of assets whose use is limited or restricted	–	–	–	–	–
Patient and other trade accounts receivable	64,346	–	–	–	64,346
Due from related parties	–	–	–	–	–
Inventories	9,027	–	–	–	9,027
Receivables from third-party payors	7,364	–	–	–	7,364
Prepaid and other current assets	13,051	–	130	–	13,181
Total current assets	117,937	20	384	–	118,341
Assets whose use is limited or restricted:					
Board-designated assets	–	–	5,798	–	5,798
Assets held by trustee under bond indenture agreements	19	–	–	–	19
Restricted assets	2,244	–	–	–	2,244
Donor-restricted assets for specific purposes	–	–	4,130	–	4,130
Donor-restricted assets for perpetual endowment	1,344	–	444	–	1,788
Total assets whose use is limited or restricted	3,607	–	10,372	–	13,979
Property and equipment, net	79,893	–	–	–	79,893
Operating lease right of use assets, net	14,487	–	–	–	14,487
Finance lease right of use assets, net	1,506	–	–	–	1,506
Other	1,905	–	927	–	2,832
Total assets	\$ 219,335	\$ 20	\$ 11,683	\$	231,038
Liabilities and net assets					
Current liabilities:					
Accounts payable	\$ 5,122	\$ –	\$ 41	\$	5,163
Accrued expenses and other liabilities	8,575	–	367	–	8,942
Accrued payroll and related benefits	26,825	–	2	–	26,827
Current installments of long-term debt	20,790	–	–	–	20,790
Current portion of third-party payor settlements	4,097	–	–	–	4,097
Due to related parties	85,745	236	448	–	86,429
Current portion of incurred but not reported claims	2,099	–	–	–	2,099
Current portion of operating lease right of use obligations	2,796	–	–	–	2,796
Current portion of finance lease right of use obligations	353	–	–	–	353
Total current liabilities	156,402	236	858	–	157,496
Long-term liabilities:					
Long-term debt, net of current installments	31,325	–	–	–	31,325
Malpractice and workers' compensation claims, net of current portion	7,809	–	–	–	7,809
Pension and other postretirement benefit obligations	2,884	–	–	–	2,884
Third-party payor settlements, net of current portion	3,877	–	–	–	3,877
Due to related parties, long term	–	–	–	–	–
Operating lease right of use obligations, net of current portion	12,213	–	–	–	12,213
Finance lease right of use obligations, net of current portion	1,150	–	–	–	1,150
Other	3,347	–	–	–	3,347
Total liabilities	219,007	236	858	–	220,101
Net assets:					
Without donor restrictions	(1,016)	(216)	5,483	–	4,251
With donor restrictions:					
Time or purpose	–	–	4,864	–	4,864
Perpetual	1,344	–	478	–	1,822
Total with donor restrictions	1,344	–	5,342	–	6,686
Total net assets	328	(216)	10,825	–	10,937
Total liabilities and net assets	\$ 219,335	\$ 20	\$ 11,683	\$	231,038

The University of Vermont Health Network –
Porter Medical Center Inc. and Subsidiaries

Consolidating Balance Sheet

September 30, 2025

	Porter Hospital	Helen Porter Nursing Home	Other Porter Entities	Porter Medical Center Eliminations	Total Porter Medical Center
	<i>(In Thousands)</i>				
Assets					
Current assets:					
Cash and cash equivalents	\$ 13,658	\$ 1,712	\$ 2,177	\$ –	\$ 17,547
Short-term investments	4,960	–	–	–	4,960
Current portion of assets whose use is limited or restricted	–	57	–	–	57
Patient and other trade accounts receivable	12,646	2,253	–	–	14,899
Due from related parties	27,991	–	2,077	(30,068)	–
Inventories	3,052	35	–	–	3,087
Receivables from third-party payors	526	–	–	–	526
Prepaid and other current assets	852	215	27	–	1,094
Total current assets	63,685	4,272	4,281	(30,068)	42,170
Assets whose use is limited or restricted:					
Board-designated assets	29,551	–	1,069	–	30,620
Assets held by trustee under bond indenture agreements	–	–	–	–	–
Restricted assets	779	–	–	–	779
Donor-restricted assets for specific purposes	774	38	–	–	812
Donor-restricted assets for perpetual endowment	5,281	–	–	–	5,281
Total assets whose use is limited or restricted	36,385	38	1,069	–	37,492
Property and equipment, net	12,192	7,614	1,499	(58)	21,247
Operating lease right of use assets, net	707	–	–	–	707
Finance lease right of use assets, net	301	–	–	–	301
Other	–	46	1,741	(1,739)	48
Total assets	\$ 113,270	\$ 11,970	\$ 8,590	\$ (31,865)	\$ 101,965
Liabilities and net assets					
Current liabilities:					
Accounts payable	\$ 3,689	\$ 65	\$ –	\$ –	\$ 3,754
Accrued expenses and other liabilities	1,700	270	30	–	2,000
Accrued payroll and related benefits	6,824	793	333	–	7,950
Current installments of long-term debt	635	155	–	–	790
Current portion of third-party payor settlements	350	–	–	–	350
Due to related parties	2,522	30,387	80	(30,069)	2,920
Current portion of incurred but not reported claims	262	–	–	–	262
Current portion of operating lease right of use obligations	355	–	–	–	355
Current portion of finance lease right of use obligations	56	–	–	–	56
Total current liabilities	16,393	31,670	443	(30,069)	18,437
Long-term liabilities:					
Long-term debt, net of current installments	6,478	1,587	–	–	8,065
Malpractice and workers' compensation claims, net of current portion	353	–	–	–	353
Pension and other postretirement benefit obligations	–	–	–	–	–
Third-party payor settlements, net of current portion	2,015	–	–	–	2,015
Due to related parties, long term	–	–	–	–	–
Operating lease right of use obligations, net of current portion	354	–	–	–	354
Finance lease right of use obligations, net of current portion	244	–	–	–	244
Other	–	–	–	–	–
Total liabilities	25,837	33,257	443	(30,069)	29,468
Net assets:					
Without donor restrictions	81,230	(21,495)	8,144	(1,796)	66,083
With donor restrictions:					
Time or purpose	922	208	3	–	1,133
Perpetual	5,281	–	–	–	5,281
Total with donor restrictions	6,203	208	3	–	6,414
Total net assets	87,433	(21,287)	8,147	(1,796)	72,497
Total liabilities and net assets	\$ 113,270	\$ 11,970	\$ 8,590	\$ (31,865)	\$ 101,965

The University of Vermont Medical Center Obligated Group

Consolidating Balance Sheet

September 30, 2025

	UVM Medical Center	Central Vermont Medical Center	Champlain Valley Physicians Hospital Medical Center	Elizabethtown Community Hospital	UVM Health Network	Alice Hyde Medical Center	Porter Medical Center	Home Health & Hospice	Other Entities	Obligated Group Eliminations	Total UVM Medical Center Obligated Group
	<i>(In Thousands)</i>										
Assets											
Current assets:											
Cash and cash equivalents	\$ 254,425	\$ 18,133	\$ 18,000	\$ 13,503	\$ 76,783	\$ 8,398	\$ 17,547	\$ 1,648	\$ -	\$ -	\$ 408,437
Short-term investments	165,896	16,237	6,149	2,821	91,964	-	4,960	1,821	-	-	289,848
Current portion of assets whose use is limited or restricted	-	-	-	-	-	-	57	-	-	-	57
Patient and other trade accounts receivable	225,012	23,741	64,346	10,042	-	13,564	14,899	3,138	-	-	354,742
Due from related parties	95,393	-	-	-	42,706	-	-	205	-	(136,646)	1,658
Inventories	54,547	5,022	9,027	1,313	-	1,435	3,087	-	-	-	74,431
Receivables from third-party payors	4,072	-	7,364	-	-	908	526	-	-	-	12,870
Prepaid and other current assets	54,538	3,113	13,051	6,158	12,577	1,939	1,094	1,511	-	-	93,981
Total current assets	853,883	66,246	117,937	33,837	224,030	26,244	42,170	8,323	-	(136,646)	1,236,024
Assets whose use is limited or restricted:											
Board-designated assets	517,018	38,219	-	56,021	127,147	3,601	30,620	6,817	-	-	779,443
Assets held by trustee under bond indenture agreements	381	-	19	-	-	-	-	-	-	-	400
Restricted assets	23,978	2,119	2,244	19	950,006	368	779	41	-	(939,537)	40,017
Donor-restricted assets for specific purposes	55,744	6,609	-	548	102	1,182	812	5,445	-	-	70,442
Donor-restricted assets for perpetual endowment	37,692	3,771	1,344	351	796	184	5,281	6,554	-	-	55,973
Total assets whose use is limited or restricted	634,813	50,718	3,607	56,939	1,078,051	5,335	37,492	18,857	-	(939,537)	946,275
Property and equipment, net	573,974	59,957	79,893	33,940	7,652	28,603	21,247	5,061	-	-	810,327
Operating lease right of use assets, net	34,429	12,603	14,487	45	-	474	707	-	-	-	62,745
Finance lease right of use assets, net	3,942	-	1,506	256	-	393	301	-	-	-	6,398
Other	29,523	-	1,905	300	61,178	-	48	839	12,548	-	106,341
Total assets	\$ 2,130,564	\$ 189,524	\$ 219,335	\$ 125,317	\$ 1,370,911	\$ 61,049	\$ 101,965	\$ 33,080	\$ 12,548	\$ (1,076,183)	\$ 3,168,110

The University of Vermont Medical Center Obligated Group

Consolidating Balance Sheet (continued)

September 30, 2025

	UVM Medical Center	Central Vermont Medical Center	Champlain Valley Physicians Hospital Medical Center	Elizabethtown Community Hospital	UVM Health Network	Alice Hyde Medical Center	Porter Medical Center	Home Health & Hospice	Other Entities	Obligated Group Eliminations	Total UVM Medical Center Obligated Group
Liabilities and net assets											
Current liabilities:											
Accounts payable	\$ 35,397	\$ 6,260	\$ 5,122	\$ 701	\$ 80	\$ 1,229	\$ 3,754	\$ 132	\$ –	\$ –	\$ 52,675
Accrued expenses and other liabilities	81,355	8,657	8,575	392	15,831	1,230	2,000	833	–	–	118,873
Accrued payroll and related benefits	133,179	16,530	26,825	4,034	1,351	5,302	7,950	2,199	–	–	197,370
Current installments of long-term debt	19,119	1,639	20,790	4,206	18,500	2,052	790	–	–	–	67,096
Current portion of third-party payor settlements	42,483	12,901	4,097	1,194	–	11,289	350	291	–	–	72,605
Due to related parties	–	30,186	85,745	1,949	–	15,191	2,920	–	653	(136,644)	–
Current portion of incurred but not reported claims	677	2,075	2,099	263	11,453	957	262	754	–	–	18,540
Current portion of operating lease right of use obligations	8,966	2,773	2,796	28	–	165	355	–	–	–	15,083
Current portion of finance lease right of use obligations	931	–	353	48	–	73	56	–	–	–	1,461
Total current liabilities	322,107	81,021	156,402	12,815	47,215	37,488	18,437	4,209	653	(136,644)	543,703
Long-term liabilities:											
Long-term debt, net of current installments	392,871	5,817	31,325	6,484	204,625	21,630	8,065	–	–	–	670,817
Malpractice and workers' compensation claims, net of current portion	9,175	–	7,809	–	–	–	353	–	–	–	17,337
Pension and other postretirement benefit obligations	–	–	2,884	–	–	–	–	–	–	–	2,884
Third-party payor settlements, net of current portion	30,634	–	3,877	4,270	–	–	2,015	–	–	–	40,796
Due to related parties, long term	–	–	–	–	–	–	–	–	–	–	–
Operating lease right of use obligations, net of current portion	26,617	9,825	12,213	17	–	309	354	–	–	–	49,335
Finance lease right of use obligations, net of current portion	3,058	–	1,150	208	–	322	244	–	–	–	4,982
Other	1,985	–	3,347	–	–	297	–	–	–	–	5,629
Total liabilities	786,447	96,663	219,007	23,794	251,840	60,046	29,468	4,209	653	(136,644)	1,335,483
Net assets:											
Without donor restrictions	1,239,683	82,269	(1,016)	100,316	1,117,160	(584)	66,083	14,969	11,895	(939,539)	1,691,236
With donor restrictions:											
Time or purpose	66,752	6,634	–	856	1,115	1,403	1,133	7,335	–	–	85,228
Perpetual	37,682	3,958	1,344	351	796	184	5,281	6,567	–	–	56,163
Total with donor restrictions	104,434	10,592	1,344	1,207	1,911	1,587	6,414	13,902	–	–	141,391
Total net assets	1,344,117	92,861	328	101,523	1,119,071	1,003	72,497	28,871	11,895	(939,539)	1,832,627
Total liabilities and net assets	\$ 2,130,564	\$ 189,524	\$ 219,335	\$ 125,317	\$ 1,370,911	\$ 61,049	\$ 101,965	\$ 33,080	\$ 12,548	\$ (1,076,183)	\$ 3,168,110

The University of Vermont Health Network Inc. and Subsidiaries

Consolidating Balance Sheet

September 30, 2025

	Total UVM Medical Center Obligated Group		Other Entities	Eliminations	Total UVM Health Network			
	<i>(In Thousands)</i>							
Assets								
Current assets								
Cash and cash equivalents	\$	408,437	\$	3,465	\$	–	\$	411,902
Short-term investments		289,848		–		–		289,848
Current portion of assets whose use is limited or restricted		57		7,585		–		7,642
Patient and other trade accounts receivable		354,742		701		–		355,443
Due from related parties		1,658		1,053		(2,711)		–
Inventories		74,431		–		–		74,431
Receivables from third-party payors		12,870		–		–		12,870
Prepaid and other current assets		93,981		15,921		23		109,925
Total current assets		1,236,024		28,725		(2,688)		1,262,061
Assets whose use is limited or restricted:								
Board-designated assets		779,443		5,799		–		785,242
Assets held by trustee under bond indenture agreements		400		–		–		400
Restricted assets		40,017		116,768		(10,468)		146,317
Donor-restricted assets for specific purposes		70,442		4,131		–		74,573
Donor-restricted assets for perpetual endowment		55,973		444		–		56,417
Total assets whose use is limited or restricted		946,275		127,142		(10,468)		1,062,949
Property and equipment, net		810,327		420		–		810,747
Operating lease right of use assets, net		62,745		–		–		62,745
Finance lease right of use assets, net		6,398		–		–		6,398
Other		106,341		2,972		(48,165)		61,148
Total assets	\$	3,168,110	\$	159,259	\$	(61,321)	\$	3,266,048
Liabilities and net assets								
Current liabilities:								
Accounts payable	\$	52,675	\$	1,209	\$	–	\$	53,884
Accrued expenses and other liabilities		118,873		1,076		–		119,949
Accrued payroll and related benefits		197,370		188		–		197,558
Current installments of long-term debt		67,096		–		–		67,096
Current portion of third-party payor settlements		72,605		–		–		72,605
Due to related parties		–		2,687		(2,687)		–
Current portion of incurred but not reported claims		18,540		7,816		–		26,356
Current portion of operating lease right of use obligations		15,083		–		–		15,083
Current portion of finance lease right of use obligations		1,461		–		–		1,461
Total current liabilities		543,703		12,976		(2,687)		553,992
Long-term liabilities:								
Long-term debt, net of current installments		670,817		–		–		670,817
Malpractice and workers' compensation claims, net of current portion		17,337		49,479		–		66,816
Pension and other postretirement benefit obligations		2,884		–		–		2,884
Third-party payor settlements, net of current portion		40,796		–		–		40,796
Due to related parties, long term		–		1,731		(1,731)		–
Operating lease right of use obligations, net of current portion		49,335		–		–		49,335
Finance lease right of use obligations, net of current portion		4,982		–		–		4,982
Other		5,629		–		–		5,629
Total liabilities		1,335,483		64,186		(4,418)		1,395,251
Net assets:								
Without donor restrictions		1,691,236		89,730		(56,903)		1,724,063
With donor restrictions:								
Time or purpose		85,228		4,865		–		90,093
Perpetual		56,163		478		–		56,641
Total with donor restrictions		141,391		5,343		–		146,734
Total net assets		1,832,627		95,073		(56,903)		1,870,797
Total liabilities and net assets	\$	3,168,110	\$	159,259	\$	(61,321)	\$	3,266,048

The University of Vermont Health Network –
Central Vermont Medical Center Inc. and Subsidiaries

Consolidating Statement of Operations

Year Ended September 30, 2025

	Central Vermont Hospital and Medical Group Practice	Woodridge Rehabilitation and Nursing	Total CVMC
	<i>(In Thousands)</i>		
Revenue and other support without donor restrictions			
Net patient service revenue before Enhanced Medicaid Graduate Medical Education revenues			
Enhanced Medicaid Graduate Medical Education revenues – Hospital	\$ 211,661	\$ 23,876	\$ 235,537
Enhanced Medicaid Graduate Medical Education revenues – Professional	–	–	–
Net patient service revenue	211,661	23,876	235,537
Fixed prospective payment revenue	65,638	2,847	68,485
Premium revenue	2,308	–	2,308
Outpatient and specialty pharmacy revenue	15,247	–	15,247
Net assets released from restrictions	250	96	346
Other revenue	7,818	22	7,840
Total revenue and other support without donor restrictions	302,922	26,841	329,763
Expenses			
Salaries, payroll taxes, and fringe benefits	181,158	20,942	202,100
Supplies and other	59,725	3,235	62,960
Purchased services	40,268	2,012	42,280
Provider tax	16,597	753	17,350
Depreciation and amortization	6,953	475	7,428
Interest expense	67	–	67
Total expenses	304,768	27,417	332,185
Loss from operations	(1,846)	(576)	(2,422)
Nonoperating gains (losses)			
Investment income, net	2,807	14	2,821
Change in interest in investment pool	675	345	1,020
Change in fair value of interest rate swap agreements	–	–	–
Other components of pension expense	–	–	–
Net change in unrealized gains and losses on investments	1,655	–	1,655
Other	1,014	–	1,014
Total nonoperating gains, net	6,151	359	6,510
Excess (deficiency) of revenue over expenses	4,305	(217)	4,088
Net change in unrealized gains and losses on fixed-income investments	–	–	–
Net assets released from restrictions for capital purchases	–	–	–
Pension related adjustments	(61)	–	(61)
Transfers and other	(1,216)	–	(1,216)
Increase (decrease) in net assets without donor restrictions	\$ 3,028	\$ (217)	\$ 2,811

The University of Vermont Health Network –
Champlain Valley Physicians Hospital and Subsidiaries

Consolidating Statement of Operations

Year Ended September 30, 2025

	Champlain Valley Physicians			Total CVPH
	Hospital Medical Center	LCPS	CVPH Foundation	
	<i>(In Thousands)</i>			
Revenue and other support without donor restrictions				
Net patient service revenue before Enhanced Medicaid Graduate Medical Education revenues				
Medical Education revenues	\$ 464,355	\$ –	\$ –	\$ 464,355
Enhanced Medicaid Graduate Medical Education revenues – Hospital	–	–	–	–
Enhanced Medicaid Graduate Medical Education revenues – Professional	–	–	–	–
Net patient service revenue	<u>464,355</u>	<u>–</u>	<u>–</u>	<u>464,355</u>
Fixed prospective payment revenue	–	–	–	–
Premium revenue	335	–	–	335
Outpatient and specialty pharmacy revenue	29,840	–	–	29,840
Net assets released from restrictions	4,654	–	804	5,458
Other revenue	10,463	–	515	10,978
Total revenue and other support without donor restrictions	<u>509,647</u>	<u>–</u>	<u>1,319</u>	<u>510,966</u>
Expenses				
Salaries, payroll taxes, and fringe benefits	347,705	–	579	348,284
Supplies and other	111,539	1	1,150	112,690
Purchased services	40,734	5	161	40,900
Provider tax	1,779	–	–	1,779
Depreciation and amortization	9,761	–	–	9,761
Interest expense	2,448	–	–	2,448
Total expenses	<u>513,966</u>	<u>6</u>	<u>1,890</u>	<u>515,862</u>
Loss from operations	<u>(4,319)</u>	<u>(6)</u>	<u>(571)</u>	<u>(4,896)</u>
Nonoperating gains (losses)				
Investment income, net	2,324	–	85	2,409
Change in interest in investment pool	–	–	–	–
Change in fair value of interest rate swap agreements	677	–	–	677
Other components of pension expense	396	–	–	396
Net change in unrealized gains and losses on investments	431	–	692	1,123
Other	1,147	–	(60)	1,087
Total nonoperating gains (net)	<u>4,975</u>	<u>–</u>	<u>717</u>	<u>5,692</u>
Excess (deficiency) of revenue over expenses	<u>656</u>	<u>(6)</u>	<u>146</u>	<u>796</u>
Net change in unrealized gains and losses on fixed-income investments	–	–	–	–
Net assets released from restrictions for capital purchases	–	–	–	–
Pension related adjustments	1,588	–	–	1,588
Transfers and other	(2,920)	–	422	(2,498)
(Decrease) increase in net assets without donor restrictions	<u>\$ (676)</u>	<u>\$ (6)</u>	<u>\$ 568</u>	<u>\$ (114)</u>

The University of Vermont Health Network –
Porter Medical Center Inc. and Subsidiaries

Consolidating Statement of Operations

Year Ended September 30, 2025

	Porter Hospital	Helen Porter Nursing Home	Other Porter Entities	Porter Medical Center Eliminations	Total Porter Medical Center
	<i>(In Thousands)</i>				
Revenue and other support without donor restrictions					
Net patient service revenue before Enhanced Medicaid Graduate Medical Education revenues	\$102,925	\$ 18,145	\$ –	\$ –	\$ 121,070
Enhanced Medicaid Graduate Medical Education revenues – Hospital	–	–	–	–	–
Enhanced Medicaid Graduate Medical Education revenues – Professional	–	–	–	–	–
Net patient service revenue	102,925	18,145	–	–	121,070
Fixed prospective payment revenue	25,696	–	–	–	25,696
Premium revenue	1,284	–	–	–	1,284
Outpatient and specialty pharmacy revenue	2,858	–	–	–	2,858
Net assets released from restrictions	121	6	1	–	128
Other revenue	2,697	2	314	(208)	2,805
Total revenue and other support without donor restrictions	135,581	18,153	315	(208)	153,841
Expenses					
Salaries, payroll taxes, and fringe benefits	79,017	15,035	3,551	(86)	97,517
Supplies and other	19,968	1,889	(22)	–	21,835
Purchased services	19,912	4,334	(3,730)	(122)	20,394
Provider tax	7,547	482	–	–	8,029
Depreciation and amortization	2,315	418	63	–	2,796
Interest expense	226	51	–	–	277
Total expenses	128,985	22,209	(138)	(208)	150,848
Gain (loss) from operations	6,596	(4,056)	453	–	2,993
Nonoperating gains (losses)					
Investment income, net	272	95	70	–	437
Change in interest in investment pool	2,928	–	–	–	2,928
Change in fair value of interest rate swap agreements	–	–	–	–	–
Other components of pension expense	(3)	–	–	–	(3)
Net change in unrealized gains and losses on investments	–	–	–	–	–
Other	332	–	138	(138)	332
Total nonoperating gains (losses), net	3,529	95	208	(138)	3,694
Excess (deficiency) excess of revenue over expenses	10,125	(3,961)	661	(138)	6,687
Net change in unrealized gains and losses on fixed-income investments	–	–	–	–	–
Net assets released from restrictions for capital purchases	–	1,317	–	–	1,317
Pension related adjustments	–	–	–	–	–
Transfers and other	(331)	(103)	–	–	(434)
Increase (decrease) in net assets without donor restrictions	\$ 9,794	\$ (2,747)	\$ 661	\$ (138)	\$ 7,570

The University of Vermont Medical Center Obligated Group

Consolidating Statement of Operations

Year Ended September 30, 2025

	UVM Medical Center	Central Vermont Medical Center	Champlain Valley Physicians Hospital Center	Elizabethtown Community Hospital	UVM Health Network	Alice Hyde Medical Center	Porter Medical Center	Home Health & Hospice	Other Entities	Obligated Group Eliminations	Total UVM Medical Center Obligated Group
<i>(In Thousands)</i>											
Revenue and other support without donor restrictions											
Net patient service revenue before Enhanced Medicaid Graduate Medical Education revenues	\$ 1,618,637	\$ 235,537	\$ 464,355	\$ 74,925	\$ –	\$ 116,682	\$ 121,070	\$ 25,693	\$ –	\$ (2,637)	\$ 2,654,262
Enhanced Medicaid Graduate Medical Education revenues – Hospital	25,241	–	–	–	–	–	–	–	–	–	25,241
Enhanced Medicaid Graduate Medical Education revenues – Professional	40,383	–	–	–	–	–	–	–	–	–	40,383
Net patient service revenue	1,684,261	235,537	464,355	74,925	–	116,682	121,070	25,693	–	(2,637)	2,719,886
Fixed prospective payment revenue	264,303	68,485	–	–	–	–	25,696	–	–	–	358,484
Premium revenue	5,885	2,308	335	1,191	–	498	1,284	–	–	–	11,501
Outpatient and specialty pharmacy revenue	377,307	15,247	29,840	1,958	–	3,467	2,858	–	–	–	430,677
Net assets released from restrictions	4,149	346	4,654	50	213	16	128	510	–	–	10,066
Other revenue	84,163	7,840	10,463	1,884	1,212	4,381	2,805	4,485	–	(7,137)	110,096
Total revenue and other support without donor restrictions	2,420,068	329,763	509,647	80,008	1,425	125,044	153,841	30,688	–	(9,774)	3,640,710
Expenses											
Salaries, payroll taxes, and fringe benefit	1,315,281	202,100	347,705	43,582	389	88,790	97,517	30,438	–	1,019	2,126,821
Supplies and other	843,892	62,960	111,539	13,842	20,993	22,898	21,835	2,907	–	(7,480)	1,093,386
Purchased services	30,219	42,280	40,734	10,692	(27,228)	12,265	20,394	(1,309)	–	(3,473)	124,574
Provider tax	111,724	17,350	1,779	282	–	1,247	8,029	–	–	–	140,411
Depreciation and amortization	70,929	7,428	9,761	3,359	1,458	3,182	2,796	461	–	–	99,374
Interest expense	16,069	67	2,448	336	5,899	887	277	(159)	1	–	25,825
Total expenses	2,388,114	332,185	513,966	72,093	1,511	129,269	150,848	32,338	1	(9,934)	3,610,391
Gain (loss) from operations	31,954	(2,422)	(4,319)	7,915	(86)	(4,225)	2,993	(1,650)	(1)	160	30,319
Nonoperating gains (losses)											
Investment income, net	12,168	2,821	2,324	370	46,930	525	437	(414)	–	5,701	70,862
Change in interest in investment pool	53,546	1,020	–	5,271	16,039	331	2,928	1,032	–	(80,167)	–
Change in fair value of interest rate swap agreements	1,055	–	677	–	–	–	–	–	–	–	1,732
Other components of pension expense	224	–	396	–	–	–	(3)	–	–	–	617
Net change in unrealized gains and losses on investments	853	1,655	431	32	31,210	–	–	–	–	(1,463)	32,718
Other	3,956	1,014	1,147	6,319	(183)	(27)	332	6	(99)	(165)	12,300
Total nonoperating gains (losses), net	71,802	6,510	4,975	11,992	93,996	829	3,694	624	(99)	(76,094)	118,229
Excess (deficiency) of revenue over expenses	103,756	4,088	656	19,907	93,910	(3,396)	6,687	(1,026)	(100)	(75,934)	148,548
Net change in unrealized gains and losses on fixed-income investments	–	–	–	–	–	–	–	–	–	–	–
Net assets released from restrictions for capital purchases	1,124	–	–	–	–	16	1,317	–	–	–	2,457
Pension related adjustments	(224)	(61)	1,588	–	–	–	–	–	–	–	1,303
Transfers and other	(10,352)	(1,216)	(2,920)	(295)	57,985	(402)	(434)	5,396	1,179	(98,680)	(49,739)
Increase (decrease) in net assets without donor restrictions	\$ 94,304	\$ 2,811	\$ (676)	\$ 19,612	\$ 151,895	\$ (3,782)	\$ 7,570	\$ 4,370	\$ 1,079	\$ (174,614)	\$ 102,569

The University of Vermont Health Network Inc. and Subsidiaries

Consolidating Statement of Operations

Year Ended September 30, 2025

	Total UVM Medical Center Obligated Group	Other Entities	Eliminations	Total UVM Health Network
	<i>(In Thousands)</i>			
Revenue and other support without donor restrictions				
Net patient service revenue before Enhanced Medicaid Graduate Medical Education revenues	\$ 2,654,262	\$ 3,245	\$ –	\$ 2,657,507
Enhanced Medicaid Graduate Medical Education revenues – Hospital	25,241	–	–	25,241
Enhanced Medicaid Graduate Medical Education revenues – Professional	40,383	–	–	40,383
Net patient service revenue	2,719,886	3,245	–	2,723,131
Fixed prospective payment revenue	358,484	–	–	358,484
Premium revenue	11,501	–	–	11,501
Outpatient and specialty pharmacy revenue	430,677	–	–	430,677
Net assets released from restrictions	10,066	804	–	10,870
Other revenue	110,096	17,616	(17,490)	110,222
Total revenue and other support without donor restrictions	3,640,710	21,665	(17,490)	3,644,885
Expenses				
Salaries, payroll taxes, and fringe benefits	2,126,821	4,673	–	2,131,494
Supplies and other	1,093,386	12,064	(17,433)	1,088,017
Purchased services	124,574	2,723	(57)	127,240
Provider tax	140,411	–	–	140,411
Depreciation and amortization	99,374	104	–	99,478
Interest expense	25,825	–	–	25,825
Total expenses	3,610,391	19,564	(17,490)	3,612,465
Gain from operations	30,319	2,101	–	32,420
Nonoperating gains (losses)				
Investment income, net	70,862	(3,393)	–	67,469
Change in fair value of interest rate swap agreements	1,732	–	–	1,732
Other components of pension expense	617	–	–	617
Net change in unrealized gains and losses on investments	32,718	12,068	(1,028)	43,758
Other	12,300	(379)	590	12,511
Total nonoperating gains, net	118,229	8,296	(438)	126,087
Excess of revenue over expenses	148,548	10,397	(438)	158,507
Net change in unrealized gains and losses on fixed-income investments	–	250	–	250
Net assets released from restrictions for capital purchases	2,457	–	–	2,457
Pension related adjustments	1,303	–	–	1,303
Transfers and other	(49,739)	427	48,433	(881)
Increase in net assets without donor restrictions	\$ 102,569	\$ 11,074	\$ 47,995	\$ 161,636

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