Village of Jacksonville Electric Company

FINANCIAL STATEMENTS

December 31, 2025

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Village of Jacksonville Electric Company
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KBS
Kittell Branagan & Sargent
Certified Public Accountants
Vermont License # 167

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Electric Company
of the Village of Jacksonville, Vermont
(A Component Unit of the Village of Jacksonville, Vermont)
Jacksonville, Vermont

Opinions

We have audited the financial statements of the Village of Jacksonville Electric Company, a component unit of the Village of Jacksonville, Vermont, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Village of Jacksonville Electric Company's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Village of Jacksonville Electric Company, as of December 31, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 Village of Jacksonville Electric Company, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 from 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 Village of Jacksonville Electric Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 Village of Jacksonville Electric Company's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Jacksonville Electric Company's ability to continue as a going concern for a reasonable period of time.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Proportionate Share of Net Pension Liability – VMERS on page 22 and the Schedule of Contributions – VMERS on page 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Village of Jacksonville Electric Company and do not purport to, and do not present fairly, the financial position of the Village of Jacksonville, Vermont as of December 31, 2025 and 2024, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Kittell Branagan + Sargent

St. Albans, Vermont
May 18, 2026

The following is a discussion and analysis of the Village of Jacksonville Electric Company's financial performance, including an overview and analysis of the financial activities of the Jacksonville Electric Company for the fiscal year ending December 31, 2025 Readers should consider this information in conjunction with the Company's financial statements, which are located after this analysis. GASB Statement No. 34 requires the use of full accrual accounting in the Financial Statements.

FINANCIAL HIGHLIGHTS

The Village of Jacksonville Electric Company's retail operating revenues were $1,259,785 in December 31, 2025, compared to $972,047 in 2024, an increase of $287,738 or 4.4%.

The year 2025 experienced a purchased power expense increase of $124,195, and annual total operating costs increased $319,810 in 2025. The year ended December 31, 2024, experienced a purchase power increase of $1,639 and a total increase in operating costs of $126,426.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Jacksonville Electric Company is a proprietary component unit of the Village of Jacksonville, Vermont. Proprietary funds report activities that operate more like those of private sector businesses. These funds report activities that charge fees for services to the general public.

<u>Basic Components</u>

The financial section of this report consists of the following parts: management’s discussion and analysis (this section), the basic financial statements, and the notes to the financial statements. The basic financial statements consist of the statement of net position, the statement of revenues, expenses, and changes in fund balances, and the statement of cash flows. These statements provide current and long-term information about the Electric Company and its activities. This information taken collectively is designed to provide readers with an understanding of the Electric Company's finances.

The statement of net position presents information on all of Jacksonville Electric Company's assets and liabilities, with the difference between the assets and liabilities being an indicator of whether The Company is improving or deteriorating. Over time, its net position may serve as a useful indicator of the financial position of the Electric Company.

The statements of revenues, expenses and changes in net position present information showing how the Jacksonville Electric Company's nets assets changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods.

The statement of cash flows report activity of cash and cash equivalents during the fiscal year resulting from operating activities, capital and related financing activities, and investing activities. The net result of these activities is reconciled to the cash and cash equivalent balances reported at the end of the fiscal year.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the proprietary financial statements.

Basis of Accounting

The Village of Jacksonville Electric Company presents its financial statements on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated over their useful lives. See notes to the financial statements for a summary of the Electric Company's significant accounting policies.

Financial Analysis

Total assets, total liabilities, and total net position at December 31, are as follows:

	2025	2024
Utility Plant, Net	$ 661,000	$ 666,175
Current Assets	313,015	380,442
Other Assets	546,384	486,213
Total Assets	$1,520,399	$1,532,830
Current Liabilities	$ 277,053	$ 669,617
Non-Current Liabilities	614,932	62,046
Net investment in capital assets	509,623	589,456
Unrestricted	118,791	211,711
Total Liabilities and Net Position	$1,520,399	$1,532,830

The principal operating revenues of the Village of Jacksonville Electric Company are derived from electric energy sales. Major operating expenses include purchased power, distribution operating and maintenance expenses, administrative costs, and depreciation on capital assets.

Non-operating income includes interest, dividend income and gain/loss on sale of assets.

Components of operating revenues, non-operating revenues and expenses for the years ended December 31, are as follows:

	2025	2024
Operating Revenues		
Sale of Energy	$1,259,785	$ 972,047
Miscellaneous Income	107,062	56,714
Total Operating Revenue	1,366,847	1,028,761

	2025	2024
Operating Expenses		
Purchased Power	816,843	692,648
Distribution	293,529	185,314
Customer Accounting & Collection	10,135	10,294
Administrative and General	367,884	272,679
Interest	37,901	27,838
Depreciation	49,227	46,932
Property and Other Taxes	42,805	63,033
Total Operating Expenses	1,631,266	1,298,738
Non-Operating Income (Expense)		
Non-Operating Income	78,948	48,071
CHANGE IN NET POSITION	$ (172,753)	$ (221,906)

Capital Assets

At December 31, 2025 and 2024, the Electric Company had $661,000 and $666,175 respectively, invested in utility plant in service, net of depreciation.

Long-Term Debt

At December 31, 2025 and 2024, the Electric Company had $669,286 and $76,719 respectively in long term debt balances due for the purchase of a bucket truck and a note payable to VPPSA in which it financed past due payables for purchase power expense.

Economic Climate

1. The Electric Company provides electric service to residents in Jacksonville and Whitingham.

2. The Service territory is very rural with very little or no growth on an annual basis.

3. The Electric Company purchases power requirements through the ISO/NE Power Pool.

4. The Village primarily uses subcontractors for line maintenance and improvements from Green Mountain Power and Riggs Distler. Under the contract the cost of labor is handled on a pay as you go basis.

Contacting the Village of Jacksonville Electric Company's Financial Management

This report is designed to provide our citizens, customers, and creditors with a general overview of the Electric Company's finances. If you have any questions about this report, or need additional information, contact the Village of Jacksonville Electric Company at 351 VT. Route 112, Jacksonville, VT 05342.

Village of Jacksonville Electric Company
STATEMENTS OF NET POSITION
December 31,

ASSETS

	2025	2024
UTILITY PLANT, at cost	$ 1,679,929	$ 1,642,382
Less Accumulated Depreciation	(1,025,658)	(976,207)
Utility plant in service, net	654,271	666,175
Construction work in progress	6,729	-
TOTAL UTILITY PLANT, net	661,000	666,175
INVESTMENTS	529,001	486,213
CURRENT ASSETS		
Cash	81,967	134,498
Accounts Receivable	91,569	131,936
Other Receivables	2,339	1,636
Unbilled Revenue	115,946	75,220
Inventories	17,205	27,427
Prepaid Expenses	3,989	9,725
TOTAL CURRENT ASSETS	313,015	380,442
DEFERRED OUTFLOWS	17,383	-
TOTAL ASSETS	$ 1,520,399	$ 1,532,830

LIABILITIES AND NET POSITION

	2025	2024
CURRENT LIABILITIES		
Accounts Payable	$ 155,748	$ 590,562
Current portion of notes payable	66,569	14,673
Accrued Salaries and Payroll Taxes	3,476	4,360
Other Accrued Expenses	13,336	25,409
Customer Deposits	37,923	34,613
TOTAL CURRENT LIABILITIES	277,052	669,617
NON-CURRENT LIABILITIES		
Notes Payable	602,717	62,046
Net Pension Liability	12,216	-
TOTAL LONG-TERM LIABILITIES, net of current portion	614,933	62,046
TOTAL LIABILIITIES	891,985	731,663
NET POSITION		
Net investment in capital assets	509,623	589,456
Unrestricted	118,791	211,711
TOTAL NET POSITION	628,414	801,167
TOTAL LIABILITIES AND NET POSITION	$ 1,520,399	$ 1,532,830

See Accompanying Notes to Financial Statements.

Village of Jacksonville Electric Company
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION
For the Years Ended December 31,

	2025	2024
OPERATING REVENUE		
Electric sales to customers	$ 1,259,785	$ 972,047
Miscellaneous income	107,062	56,714
TOTAL OPERATING REVENUES	1,366,847	1,028,761
OPERATING EXPENSES		
Purchased power	816,843	692,648
Distribution	293,529	185,314
Customer accounting and collection	10,135	10,294
Administrative and general	367,884	272,679
Depreciation	49,451	46,932
Interest expense	37,901	27,838
Taxes	42,805	63,033
TOTAL OPERATING EXPENSES	1,618,548	1,298,738
(LOSS) FROM OPERATIONS	(251,701)	(269,977)
OTHER INCOME		
Loss on sale of assets	-	(29,408)
Interest and dividend income	78,948	77,479
TOTAL OTHER INCOME	78,948	48,071
CHANGE IN NET POSITION	(172,753)	(221,906)
NET POSITION, Beginning of Year	801,167	1,023,073
NET POSITION, End of Year	$ 628,414	$ 801,167

See Accompanying Notes to Financial Statements.

Village of Jacksonville Electric Company
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 1,264,459	$ 970,542
Payments to suppliers	(1,235,236)	(1,042,134)
Payments to employees	(161,012)	(129,391)
Other receipts (payments)	101,895	56,714
NET CASH USED BY OPERATING ACTIVITIES	(29,894)	(144,269)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(44,276)	(891)
Proceeds from sale of assets	-	6,425
Purchase of Investments	(42,788)	(41,994)
Principal payments on notes payable	(14,521)	(6,881)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(101,585)	(43,341)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt of interest and dividends on investments	78,948	77,479
NET DECREASE IN CASH	(52,531)	(110,131)
CASH - Beginning of Year	134,498	244,629
CASH - End of Year	$ 81,967	$ 134,498
Reconciliation of operating income to net cash provided (used) by operating activities		
(Loss) from operations	$ (251,701)	$ (269,977)
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	49,451	46,932
(Increase)Decrease in:		
Accounts receivable & Unbilled Revenues	(1,062)	50
Inventories	10,222	(15,953)
Prepaid Expenses	5,736	(1,555)
Deferred outflows	(17,383)	-
Increase (decrease) in:		
Accounts Payable	172,274	79,102
Accrued Salaries	(884)	316
Other Accrued Expenses	(8,763)	16,816
Net Pension Liability	12,216	-
NET CASH USED BY OPERATING ACTIVITIES	$ (29,894)	$ (144,269)
SUPPLEMENTAL INFORMATION		
Assets acquired through the issuance of long-term debt	$ -	$ 83,600
VPPSA AP financed through issuance of long-term debt	$ 607,088	$ -

See Accompanying Notes to Financial Statements.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Village of Jacksonville Electric Company is a municipally owned utility providing electric power to the residents of Jacksonville, Vermont, and surrounding towns. The Company is a component unit of the Village of Jacksonville. The Village of Jacksonville elects the board of commissioners of the Company and the Village of Jacksonville is liable for the debt of the Company. The Company maintains its accounting records in the manner prescribed by the Federal Energy Regulatory Commission (FERC). The Company is regulated by the Public Service Board of Vermont (VPSB). Approval by the VPSB is required for changes in the Company's rate structure. In accordance with Statement of Financial Accounting Standards No. 71, *Accounting for the Effects of Certain Types of Regulation,* the Company records certain assets and liabilities in accordance with the economic effects of the rate making process.

Basis of Presentation

The Company's fund is an enterprise fund. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The Company applies (a) all GASB pronouncements and (b) FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins, except those that conflict with a GASB pronouncement.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales of services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, Company's policy to use restricted resources first, then unrestricted resources, as needed.

Assets, Liabilities, and Net Position

Utility Plant In Service and Depreciation – Utility plant in service is stated at cost. Major expenditures for plant and those which substantially increase useful lives are capitalized. When assets are retired or otherwise disposed of, their costs are removed from plant, and such costs, plus removal costs are charged against accumulated depreciation.

The Electric Company provides for depreciation of utility plant in service using annual rates to amortize the cost of depreciable assets over their estimated useful lives, which range from 5 to 40 years. The Company uses the straight-line method of depreciation. The depreciable lives of utility plant in service are as follows:

Distribution Plant	25 – 33 Years
General Plant	5 – 40 Years

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions in Aid of Construction – The Electric Company follows FERC accounting guidelines, except as otherwise allowed or prescribed by its state regulation, the PSB. In accordance with state regulatory requirements, contributions in aid of construction consist of amounts paid by customers of the Electric Company to construct additions to utility plant inservice. These additions provide these customers with access to the Electric Company's existing plant in service.

Cash and Cash Equivalents – The Electric Company considers cash and short-term investments with a maturity of three months or less to be cash equivalents.

Investments- The Electric Company follows the cost method of accounting for its minority ownership interest in Vermont Electric Power Company, Inc. (VELCO). VELCO owns and operates a transmission system in the State of Vermont over which bulk power is delivered to all electric utilities in the State of Vermont. Under a Power Transmission Contract with the State of Vermont, VELCO bills all costs, including amortization of its debt and a fixed return on equity, to the State of Vermont and others using the system. In addition, the Electric Company accounts for its share of Vt. Transco, LLC as described in Note 3.

Inventories – Inventories are valued at the lower of cost or market under the average cost method of valuation.

Revenues and Expenses

Operating Revenues – Revenues are based on billing rates authorized by the VPSB which are applied to customers' consumption of electricity. The Company bills on a monthly basis using a cycle billing method. The Company estimates unbilled revenues at the end of the accounting period. Unbilled revenues at December 31, 2025 and 2024 amounted to $115,946 and $75,220, respectively.

Operating Expenses – Expenses are defined as the ordinary costs and expenses of the Electric Company for the operation, maintenance and repair of the electric plant. Operating expenses includes purchased power, system control and load dispatch, maintenance of distribution systems, customer accounting and service expenses, administrative and general expenses and depreciation and amortization. All other expenses are considered non-operating.

Taxes – As a component unit of the Village of Jacksonville, the Electric Company is exempt from Federal income taxes on income pursuant to Section 115 of the Internal Revenue Code.

The Department pays both property and weatherization taxes each year. Property taxes present amounts paid by the Electric Company to towns based upon the assessed value of the land owned by the Electric Company in each town the Company services. Weatherization taxes are paid directly to the State of Vermont on a monthly basis as a percentage of sales to assist in weatherization needs of low-income Vermonters.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates – The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expensed. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 UTILITY PLANT

An analysis of utility plant at December 31, is as follows:

	2024	Additions	Disposals	2025
Utility Plant in Service:				
CIP - Non-depreciable	$ -	$ 6,729	$ -	$ 6,729
Distribution Plant	1,182,689	37,547	-	1,220,236
General Plant	459,693	-	-	459,693
Depreciable Operating	1,642,382	37,547	-	1,679,929
Total	1,642,382	44,276	-	1,686,658
Accumulated Depreciation				
Distribution Plant	918,476	31,399	-	949,875
General Plant	57,731	18,052	-	75,783
Total	976,207	49,451	-	1,025,658
Net Utility Plant in Service	$ 666,175	$ (5,175)	$ -	$ 661,000

Depreciation expense for the years ended December 31, 2025 and 2023 was $49,451 and $46,932, respectively.

NOTE 3 CASH AND INVESTMENTS

As of December 31, 2025, the carrying amount of the Company's deposits with two financial institutions was $81,967, all of which was covered by the FDIC at December 31, 2025.

Investment in Associated Company

The Electric Company accounts for investment in the associated company on the cost method.

NOTE 3 CASH AND INVESTMENTS (continued)

An analysis of investment in the associated company for the years ended December 31, 2025 and 2024 is as follows:

	Shares/Units	2025	2024
Vermont Electric Power Company, Inc.:			
Class C Common Stock	113	$ 11,300	$ 11,300
Class B Common Stock (2004)	196	19,200	19,200
Vermont Transco, LLC Class A & B Units		498,501	455,713
TOTAL		$ 529,001	$ 486,213

NOTE 4 ACCOUNTS RECEIVABLE

An analysis of accounts receivable are as follows at December 31,:

	2025	2024
Electric Customers Receivable	$ 106,569	$ 146,936
Less: Reserve for Uncollectable Accounts	(15,000)	(15,000)
Net Accounts Receivable	$ 91,569	$ 131,936

NOTE 5 NOTES PAYABLE

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Note Payable to Community Bank N.A., requiring monthly payments of $1,722 including fixed interest at 8.55%, Matures in June, 2029. Secured by vehicle.	$ 76,719	$ -	$ 14,521	$ 62,198	$ 15,978
Note Payable to VPPSA, requiring fluctuating monthly payments with a fixed principal payment of $8,432 beginning July 1, 2026 with interest only payments at 5.50% beginning September 2025. Matures in June, 2032.	-	607,088	-	607,088	50,591
	$ 76,719	$ 607,088	$ 14,521	$ 669,286	$ 66,569

NOTE 5 NOTES PAYABLE (continued)

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2025, are as follows:

For the Years then Ended	Principal	Interest	Total
2026	$ 66,569	$ 37,679	$ 104,248
2027	118,580	31,725	150,305
2028	120,128	24,535	144,663
2029	111,056	17,401	128,457
2030	101,181	11,531	112,712
2031-2032	151,772	6,719	158,491
	$ 669,286	$ 129,590	$ 798,876

NOTE 6 COMMITMENTS AND CONTINGENCIES

Village of Jacksonville Electric Department (the Electric Department) is a member of the Vermont Public Power Supply Authority (“VPPSA”). The Electric Department pays a proportionate share of VPPSA’s operating costs and holds a seat on the VPPSA Board of Directors.

Central Dispatch Agreement
The Electric Department has entered into a Central Dispatch Agreement (CDA) with VPPSA for the economic dispatch of its generating sources. Under the CDA, the Electric Department authorizes VPPSA to act as its billing agent with regard to its generating sources and transmission providers. VPPSA continues to provide dispatch services to the Electric Department under the terms of the CDA between the Electric Department and VPPSA dated 8/9/2001.

Power Supply Resources
The energy sold through the Electric Department is obtained from a combination of sources. A summary of the major power agreements as of December 31, 2025, follows:

Brookfield Hydro 2023-2027

- Size: 10 MW On Peak, 7 MW Off Peak
- Fuel: Hydro
- Location: Varies
- Entitlement: 0.3 MW On Peak, 0.2 MW Off Peak
- Products: Energy, VT Tier I renewable energy credits
- End Date: 12/31/27

NOTE 6 COMMITMENTS AND CONTINGENCIES (continued)

Fitchburg Landfill

- Size: 4.8 MW
- Fuel: Landfill Gas
- Location: Westminster, MA
- Entitlement: 1.9%, PPA
- Products: Energy, capacity, renewable energy credits (MA I)
- End Date: 12/31/31

Hydro Quebec US (HQUS)

- Size: 6.067 MW
- Fuel: Hydro
- Location: Quebec
- Entitlement: 0.79% (0.049) MW, PPA
- Products: Energy, renewable energy credits (Quebec system mix)
- End Date: 10/31/38

Kruger Hydro

- Size: 6.7 MW
- Fuel: Hydro
- Location: Maine and Rhode Island
- Entitlement: 2.03%, PPA
- Products: Energy, capacity
- End Date: 12/31/37
- Notes: The Electric Department has an agreement with VPPSA to purchase unit contingent energy and capacity from six hydroelectric generators. The contract does not include the environmental attributes.

Market Contracts

- Size: Varies
- Fuel: New England System Mix
- Location: New England
- Entitlement: Varies (PPA)
- Products: Energy, renewable energy credits
- End Date: Varies, less than 5 years.
- Notes: In addition to the above resources, the Electric Department purchases system power from various other entities under short-term (5 year or less) agreements. These contracts are described as Planned and Market Purchases in the tables below.

NOTE 6 COMMITMENTS AND CONTINGENCIES (continued)

New York Power Authority (NYPA)

- Size: 2,675 MW (Niagara), 1,957 MW (St. Lawrence)
- Fuel: Hydro
- Location: New York State
- Entitlement: 0.0874 MW (Niagara PPA), 0.0049 MW (St. Lawrence PPA)
- Products: Energy, capacity, renewable energy credits (New York System Mix)
- End Date: 4/30/32 (Niagara), 4/30/2032 (St. Lawrence)
- Notes: NYPA provides hydro power to the Electric Department under two contracts, which will be extended at the end of their term.

Project 10

- Size: 40 MW
- Fuel: Oil
- Location: Swanton, VT
- Entitlement: 2.4%, joint-owned through VPPSA
- Products: Energy, capacity, reserves
- End Date: Life of unit
- Notes: As the joint-owner, VPPSA has agreements with the Electric Department pay for and purchase 2.4% of the unit's output.

Ryegate

- Size: 20.5 MW
- Fuel: Wood
- Location: East Ryegate, VT
- Entitlement: 0.103%, PPA
- Products: Energy, capacity, renewable energy credits (CT Class I)
- End Date: 10/31/2032

Standard Offer Program

- Size: Small renewables, primarily solar < 2.2 MW
- Fuel: Mostly solar, but also some wind, biogas and micro-hydro
- Location: Vermont
- Entitlement: 0.11% (Statutory)
- Products: Energy, capacity, renewable energy credits
- End Date: Varies
- Notes: The Electric Department is required to purchase power from small power producers through the Vermont Standard Offer Program in 2024, in accordance with PUC Rule #4.300. The entitlement percentage fluctuates slightly each year with the Electric Department's pro rata share of Vermont's retail energy sales.

NOTE 6 COMMITMENTS AND CONTINGENCIES (continued)

Stetson Wind 2023-2027

- Size: 57 MW
- Fuel: Wind
- Location: Maine
- Entitlement: 1.2768% (PPA)
- Products: Energy, VT Tier I renewable energy credits
- End Date: 12/31/27

The percentage of energy (MWH) acquired from the above sources for the year ended December 31, 2025, appears in Table 1.

Table 1: 2025 Electricity Supply Resources (MWH)

Resource	2025 mWh	%	Fuel	Exp. Date
Brookfield 2023-2027	2,160	32.2%	Hydro	12/31/2027
Fitchburg Landfill	593	8.8%	Landfill Gas	12/31/2031
HQUS Contract	280	4.2%	Hydro	10/31/2038
Kruger Hydro	370	5.5%	System	12/31/2037
Market Contracts	390	5.8%	System	Varies
NYPA Niagra Contract	666	9.9%	Hydro	4/30/2032
NYPA St. Lawrence Contract	19	0.3%	Hydro	4/30/2032
Porject #10	30	0.4%	Oil	Life of Unit
Ryegate Facility	169	2.5%	Wood	10/31/2032
Stetson Wind 2023-2027	1,856	27.7%	Wind	12/31/2027
Standard Offer Program	172	2.6%	Solar	Varies
Total Resources Available	6,705	100.00%		
Total Load Including Losses	6,455			
ISO Exchange (+ Purchase/-Sale)	3,767	56.18%		

NOTE 6 COMMITMENTS AND CONTINGENCIES (continued)

The cost of power from all power vendor sources for the year ended December 31, 2025, appears in Table 2.

Power Supply Cost	Cost
Brookfield 2023-2027	$ (54,480)
Fitchburg Landfill	(14,061)
HQUS Contract	(487)
Kruger Hydro	(2,259)
Market Contracts	(8,021)
NYPA Niagara Contract	(26,804)
NYPA St. Lawrence Contract	(1,246)
Project #10	(25,897)
Ryegate Facility	(1,043)
Stetson Wind 2023-2027	59,486
Standard Offer Program	27,246
Subtotal Power Supply	(47,566)
Transmission Costs	
VELCO & St Lawrence Transmission	384
1991 VTA - Common Facilities	31,402
GMP Transmission	52,398
Open Access Transmission Tariff	184,273
Subtotal Transmission	268,457
VPPSA and Other Costs	
Energy Market	489,488
Capacity Market	42,320
Reserve Market	36,565
NCPC	1,290
Regulation Services	959
Marginal Loss Revenues	(1,093)
Auction Revenue Rights	(1,238)
Other Load Settlement	200
VPPSA Fees - Power Supply	7,011
ISONE Self Funding Tariff	19,357
VELCO Tariff Allocation	491
VELCO Market Settlement	195
VELCO Service Fees	330
GIS Costs	77
Total VPPSA & Other Costs	595,952
TOTAL POWER SUPPLY AND TRANSMISSION	$ 816,843

NOTE 6 COMMITMENTS AND CONTINGENCIES (continued)

For many years, VELCO offered stock to the Vermont distribution companies when it undertook a financing. The distribution companies were encouraged to acquire VELCO stock for several reasons. First, the FERC approved dividend rate substantially exceeds the cost of money used to purchase the stock. Second, as shareholders of VELCO, the municipalities have a voice in the operation of VELCO through the “municipal representative” director who has historically been elected to the VELCO Board. Finally, if each of VELCO’s Vermont customers own its’ load ratio share of stock, then VELCO and its’ customers can avoid disputes at FERC over the rate of return on equity of VELCO. In 2006, VELCO created Vt. Transco, a Limited Liability Company. Whereas VELCO previously offered stock, all future financings would be funded by the offer of membership units in Vt. Transco, LLC.

In 2007, Vt. Transco, LLC offered $113.5 Million of equity in the form of membership units to the Vermont Distribution companies. At the time of the offer, each member had the opportunity to purchase Transco units. As an alternative to purchasing the equity itself, a member of the Vermont Public Power Supply Authority (“VPPSA”) had the authority to elect to have VPPSA acquire the units as allowed by the Vt. Transco, LLC operating agreement and a separate TRANSCO equity agreement between the member and VPPSA. Between 2006 and 2010 VPPSA purchased $304,250 of these units for the benefit of the Village of Jacksonville Electric Company.

The latter agreement does not eliminate the municipality’s right to purchase equity in Vt. Transco; it simply provides the option to have VPPSA purchase the units for the benefit of the member and defines the terms should it be advantageous to do so. In 2011 VPPSA increased the utilities Investment in Transco by $54,640. On December 28, 2012, the Public Service Board approved a new issuance and are to complete issuance within 30 days. During 2014 VPPSA purchased an additional $48,450 of units for the benefit of Village of Jacksonville Electric Company. This amount represents units valued at $28,500 that were previously assigned to VELCO in 2013 and units valued at $28,500 that were offered to the Village in 2014. Between 2016 and 2025 VPPSA purchased an additional $44,710 (2016), $28,170 (2018), $11,220 (2019), $19,130 (2020), $41,250 (2021) $33,460 (2023), $173,940 (2024) and $4,580 (2025) of these units for the benefit of the Village of Jacksonville Electric Company.

The units are owned by VPPSA, the associated debt is an obligation of VPPSA and VPPSA will receive the distributions related to the units. However, as outlined in the Transco Equity Agreement and further recognized by the Vt. Public Service Board in Docket 7340, the Village of Jacksonville Electric Company will receive all the benefits of the units related to their load share. The distributions received by VPPSA related to these units shall be used first, to cover VPPSA’s debt service costs related to those units, and second, all net earnings from the investment will be recorded as investment income in the Village of Jacksonville Electric Company’s financial statements.

In addition, as principal payments are made on this debt, the member will record an investment in others with an offsetting credit to miscellaneous income. At December 31, 2025 the investment in others is $529,001.

During 2017 VPPSA purchased an additional $45,000 of units for the benefit of the Village of Jacksonville Electric Company. The Village also purchased $250 of units in 2020 and another $1,080 in 2023. These units were purchased outright by the Electric Department and were not financed through VPPSA.

NOTE 6 COMMITMENTS AND CONTINGENCIES (continued)

The Company has an annual contract with Green Mountain Power to provide emergency services on off hours for the convenience of the Company's customers where services are billed as the expenses are incurred. All other contracted services are agreed upon as they occur.

NOTE 7 RISK MANAGEMENT

The Company is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; stray voltage; and natural causes. The Company manages these risks through commercial insurance packages purchased in the name of the Company. The Company has transferred the risk of loss to the commercial insurance carrier. Insurance settlements have not exceeded insurance coverage in any of the past three years.

NOTE 8 RETIREMENT – VMERS

Information Required Under GASB Statement No. 68
Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The schedules below have been prepared to provide the Village of Jacksonville Electric Department's proportional share of the overall amounts of the VMERS plan. The Village of Jacksonville Electric Department's portion has been allocated based on the Department's proportional share of employer contributions to the total contributions to VMERS during the fiscal year.

Reporting Date, Measurement Date, and Valuation Date
Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the Village of Jacksonville Electric Department's reporting date December 31, 2025 and for the Village of Jacksonville Electric Department's reporting period (the year ended December 31, 2025). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than the end of the employer's prior fiscal year. For the reporting date of December 31, 2025, the State has chosen to use the end of the prior fiscal year June 30, 2024 as the measurement date, and the year ended June 30, 2024 as the measurement period.

The total pension liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end. The State has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of June 30, 2024, to the measurement date of June 30, 2024.

NOTE 8 RETIREMENT – VMERS (continued)

Schedule B – Employers' Allocation as of June 30, 2024

Fiscal Year Ended June 30, 2024						
Employer Contributions	Employer Proportion	Net Pension Liability	Total Deferred Outflows	Total Deferred Inflows	Net Pension Liability 1% Decrease (6.00% Disc Rate)	Net Pension Liability 1% Decrease (8.00% Disc Rate)
$ 1,212	0.00368%	$ 12,216	$ 8,677	$ -	$ 18,677	$ 6,914

Schedule C – Employers' Allocation of Pension Amounts as of June 30, 2024

Deferred Outflows of Resources							
Employer Proportion	Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportional Share of Contributions and Proportionate Share of Contributions	Total Deferred Outflows
0.00368%	$ 12,216	$ 1,323	$ 66	$ -	$ 301	$ 6,987	$ 8,677

Pension Expense Recognized		
Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
$ 2,420	$ 2,330	$ 4,750

Schedule D – Employers' Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2024

Fiscal Year Ending June 30,					
2025	2026	2027	2028	2029	Thereafter
$ 2,803	$ 3,665	$ 2,407	$ (198)	$ -	$ -

For entities with a reporting date in 2025, the amounts shown will be recognized in the expense for plan years ending 2026, 2027, 2028, and 2029.

The full report containing the schedules of all employers in the VMERS plan will be available on the State of Vermont Treasurer's website at:

http://www.vermonttreasurer.gov/content/retirement/vmers/financial-reports

NOTE 8 RETIREMENT – VMERS (continued)

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of the Vermont Municipal Employees' Retirement System (VMERS) or its participating employers. VMERS does not issue stand-alone financial reports but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report (ACFR). The ACFR can be viewed on the State's Department of Finance & Management website at:

http://finance.vermont.gov/reports-and-publications/annual-compenhensive-financial-report

Plan Description

The Vermont Municipal Employees' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2024, the retirement system consisted of 362 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of VMERS for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives—one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

Summary of System Provisions

Membership	Full-time employees of participating municipalities. Municipality elect's coverage under Groups A, B, C or D provisions.
Creditable service	Service as a member plus purchased service.

NOTE 8 RETIREMENT – VMERS (continued)

Average Final Compensation (AFC)	Group A – Average annual compensation during highest 5 consecutive years. Groups B and C – average annual compensation during highest 3 consecutive years. Group D – average annual compensation during highest 2 consecutive years.
Service Retirement Allowance	
Eligibility	Group A – The earlier of age 65 with 5 years of service or age 55 with 35 years of service. Group B – The earlier of age 62 with 5 years of service or age 55 with 30 years of service. Groups C and D – Age 55 with 5 years of service.
Amount	Group A – 1.4% of AFC x service Group B – 1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC Group C – 2.5% of AFC x service as a Group C member plus percentage earned as a Group A or B member x AFC Group D – 2.5% of AFC x service as a Group D member plus percentage earned as a Group A, B or C member x AFC Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The above amounts include the portion of the allowance provided by member contributions.
Early Retirement Allowance	
Eligibility	Age 55 with 5 years of service for Groups A and B; age 50 with 20 years of service for Group D.
Amount	Normal retirement allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age for Group A and B member, payable without reduction to Group D members

NOTE 8 RETIREMENT – VMERS (continued)

Vested Retirement Allowance

Eligibility	5 years of service.
Amount	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments" described below.

Disability Retirement Allowance

Eligibility	5 years of service and disability as determined by Retirement Board.
Amount	Immediate allowance based on AFC and service to date of disability; children's benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit

Eligibility	Death after 5 years of service.
Amount	For Groups A, B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as a date of death. For Group D, 70% of the unreduced accrued benefit plus children's benefit.

Optional Benefit and Death after retirement	For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint or survivor allowance with refund of contribution guarantee. For Group D, lifetime allowance or 70% contingent annuitant option with no reduction.
Refund of Contribution	Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.
Post-Retirement Adjustments	Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in consumer price index but not more than 2% for Group A and 3% for Groups B, C and D.

NOTE 8 RETIREMENT – VMERS (continued)

Retirement Stipend	$25 per month payable at the option of the Board of retirees.

Member Contributions	Group	Effective 7/1/2024	For Fiscal Year Ended 6/30/2024
	Group A	4.00%	3.75%
	Group B	6.375%	6.125%
	Group C	11.50%	11.25%
	Group D	12.85%	12.60%

Member Contributions	Group	Effective 7/1/2024	For Fiscal Year Ended 6/30/2024
	Group A	5.50%	5.25%
	Group B	7.00%	6.75%
	Group C	8.75%	8.50%
	Group D	11.35%	11.10%

Significant Actuarial Assumptions and Methods

Interest Rate: 7.00%, net of pension plan investment expenses, including inflation.

Salary Increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.5% (individuals assumed inflation rate of 2.3%) for all subsequent year.

Mortality:
Pre-Retirement:
Groups A, B – 60% PubG-2010 General Employee Amount-Weighted below-median and 40% of PubG-2010 General Employee, with generational projection using scale MP-2021.

Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP 2021.

Group D – PubS-2010 Public Safety Employee Amount-Weighted below-median, with generational projection using scale MP-2021.

Healthy Post-Retirement - Retirees:

Groups A, B – 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below median table with credibility adjustments of 90% to 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021.

Group C – PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021.

NOTE 8 RETIREMENT – VMERS (continued)

Group D - PubS-2010 Public Safety Retiree Amount-Weighted Below-Median Table, with generational projection using Scale MP-2021.

Healthy Post-Retirement – Beneficiaries:

Groups A, B, C, D – Pub-2010 Contingent Survivor Amount-Weighted Below-Median Table, with generational projection using scale MP-2021.

Disabled Post-Retirement:
Groups A, B, C – PubNS-2010 Non-Safety Disable Retiree Amount-Weighted Table with generational projection using Scale MP-2021.

Group D – PubS-2010 Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021.

Spouse's Age: Females three years younger than males.

Cost-of-Living Adjustments: 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members. The January 1, 2025, COLA is expected to be 1.90% for Group A and 1.90% for Groups B, C and D. The January 1, 2024, COLAs were 1.10% for Group A members and 1.10% for Groups B, C and D members.

Actuarial Cost Method: Entry Age Actuarial Cost Method. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

Assets: The valuation is based on the market value of assets as of valuation date, as provided by the System. The System uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.

Inflation: 2.30% per year

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2024, is summarized in the following table:

NOTE 8 RETIREMENT – VMERS (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Agg Fixed Income	19.00%	1.70%
TIPS	2.00%	1.70%
Large/Mid Cap US Security	4.00%	4.20%
Small Cap US Equity	3.00%	4.70%
Developed Large/Mid Cap International Equity	5.00%	5.95%
Global Equity	32.00%	5.25%
Core Real Estate	3.00%	3.45%
Non-Core Real Estate	4.00%	5.70%
Private Credit	11.00%	5.70%
Private Equity	11.00%	7.45%
Private Core Infrastructure	4.00%	4.95%
Agriculture/Farmland	2.00%	3.95%

Discount rate

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the rates set by the Board (employers) and statute (members). For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2024.

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%) than the current rate:

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
$ 18,677	$ 12,216	$ 6,914

NOTE 9 SUBSEQUENT EVENTS

In accordance with Accounting Standards, the Company has evaluated subsequent events through May 18, 2026, which is the date these basic financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2025, have been incorporated into these basic financial statements herein.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Jacksonville Electric Company
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - VMERS
For the Year Ended December 31, 2025

	2024
District's proportion of the net pension liability (asset)	0.0037%
District's proportionate share of the net pension liability (asset)	$ 12,216
District's covered-employee payroll	$ 18,750
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	65.15%
Plan fiduciary net position as a percentage of the total pension liability	75.22%

Significant Actuarial Assumptions and methods are described in Note 8 to the financial statements. The following were changes in methods or assumptions during the year ended June 30, 2024:

Benefit Changes:
At the May 2024 Board meeting, the Board voted unanimously to authorize employer contribution rate increases of 0.25% each year for a period of four years, beginning July 1, 2026. Also in May 2024, the Legislature passed H.883, which included an increase in the member rate of 0.25% for each group for four years, beginning July 1, 2026. A summary of plan provisions is in Section 3, Exhibit E.

Change of Assumptions:
There have ben no changes in assumptions since the last measurement date.

See Accompanying Notes to Financial Statements.

Village of Jacksonville Electric Company
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - VMERS
For the Year Ended December 31, 2025

		2024
Contractually Required Contributions (Actuarially Determined)	$	1,212
Contributions in Relation to the Actuarially Determined Contributions		1,212
Contribution Excess/(Deficiency)		
Covered Employee Payroll	$	18,750
Contributions as a Percentage of Covered Employee Payroll		6.46%

Significant Actuarial Assumptions and methods are described in Note 8 to the financial statements. The following were changes in methods or assumptions during the year ended June 30, 2024:

Benefit Changes:
At the May 2024 Board meeting, the Board voted unanimously to authorize employer contribution rate increases of 0.25% each year for a period of four years, beginning July 1, 2026. Also in May 2024, the Legislature passed H. 883, which included an increase in the member rate of 0.25% for each group for four years, beginning July 1, 2026. A summary of plan provisions is in Section 3, Exhibit E.

Change of Assumptions:
There have ben no changes in assumptions since the last measurement date.