

STATE OF VERMONT
**COMBINED BALANCE SHEET-ALL FUND TYPES, ACCOUNT GROUPS
 AND DISCREETLY PRESENTED COMPONENT UNITS**
 JUNE 30, 1997

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Group	Primary Government	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	Long-Term Debt	June 30, 1997	
ASSETS AND OTHER DEBITS									
Assets:									
Cash and Cash Equivalents (Note 3).....	\$ 44,038,007	\$ 65,264,777	\$ 24,736,011	\$ 2,777,479	\$ 19,324,999	\$ 268,953,256	\$ 1,907,131,316	\$ 425,094,529	\$ 1,907,131,316
Investments (Note 3).....				3,964,053		4,973,554		8,937,607	
Receivables (Net):									
Accounts.....		3,094,484		484,071	6,488,182			10,066,737	
Taxes.....	68,593,922	7,140,060				11,099,212		86,833,194	
Contributions.....						4,973,554		4,973,554	
Investment Principal and Interest.....				58,157		100,330,905		100,389,062	
Loans and Notes.....	21,336,250	39,273,125			970,913	61,580,288		142,160,576	
Other.....	1,468,101	3,451,431			27,030	4,996,837		10,913,401	
Intergovernmental Receivable-Federal Govern		67,543,474						67,543,474	
Due From Other Funds.....	2,262,465	5,597,907		251,767	588	27,206		8,139,933	
Due From Component Units.....	125,000							125,000	
Interfund Loans Receivable.....	7,120,916							7,120,916	
Advances to Other Funds.....	306,220	700,000						1,006,220	
Advances to Component Units.....	1,705,505							1,705,505	
Inventories, at cost (Note 1).....		8,764,432		4,004,284	2,253,030	15,521,746		26,513,492	
Prepaid Expenses.....				950,449	223,537	1,173,986		2,124,432	
Restricted Cash.....		1,957,425		303,120	3,100	2,263,645		4,524,270	
Fixed Assets (Net Book Value)(Note 4).....				1,027,319	17,008,671	18,035,990		35,072,000	
Other Assets.....				599,369	1,095,749	1,695,116		3,394,234	
Amount to be Provided for Retirement of General Long-Term Debt.....							677,650,346	677,650,346	
Total Assets.....	\$ 146,956,386	\$ 202,800,112	\$ 24,736,011	\$ 14,420,068	\$ 47,395,799	\$ 2,289,030,517	\$ 677,650,346	\$ 3,402,989,239	

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Group	Primary Government	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	Long-Term Debt	June 30, 1997	
LIABILITIES, FUND EQUITY AND OTHER CREDITS									
Liabilities:									
Accounts Payable.....	\$ 26,534,891	\$ 52,233,861	\$ 6,601,035	\$ 5,089,795	\$ 2,166,641	\$ 94,155,944	\$	\$ 186,782,167	
Claims Payable.....				2,462,374	17,780,415	22,395,354		42,642,543	
Accrued Salaries and Benefits.....	8,021,424	12,335,983	40,259	391,834	736,666	21,528,166		42,642,543	
Tax Refunds Payable.....	29,782,590					29,782,590		59,565,180	
Accrued Interest Payable.....	101,201				156,111	257,312		414,624	
Retainage Payable.....		2,029,310				2,029,310		4,058,620	
Intergovernmental Payable - Other Government		1,141,785				1,141,785		2,283,570	
Due to Other Funds.....	5,750,580	1,320,809		222,150		837,394		8,130,933	
Due To Primary Government.....								125,000	
Interfund Loans Payable.....					4,733,075	177,446		4,910,521	
Advances From Other Funds.....	700,000		2,210,795			3,100		3,910,895	
Advances From Primary Government.....				303,120				303,120	
Deferred Revenue.....	6,554,758	63,134,601		3,136,127	123,431	72,948,917		143,767,626	
Amounts Held in Custody for Others.....				93,733		197,066,412		197,160,145	
Current Portion of Long Term Debt.....								2,743,173	
Other Liabilities.....				2,043,277		699,896		2,743,173	
Capital Lease Obligation (Note 7).....					4,213,692	26,067,882		30,281,574	
Unfunded Pension Obligation.....						113,700,018		113,700,018	
Compensated Absences (Note 1).....						19,595,865		19,595,865	
Bonds and Notes Payable (Note 8).....						518,296,581		518,296,581	
Total Liabilities.....	\$ 77,454,444	\$ 132,196,349	\$ 8,852,089	\$ 13,742,410	\$ 29,913,131	\$ 295,089,257	\$ 677,650,346	\$ 1,234,898,026	
FUND EQUITY AND OTHER CREDITS (Notes 1,2, and 10):									
Investment in General Fixed Assets.....	\$	\$	\$	\$	\$	\$	\$	\$	\$
Contributed Capital.....				761,135	13,560,176			14,321,311	
Retained Earnings (Deficit)-Unreserved Fund Balances:				(83,477)	3,922,492			3,839,015	
Reserved For:									
Encumbrances.....	655,710	279,398		4,454,995		5,390,103		6,125,403	
Budget Stabilization.....	35,120,661	7,007,748				42,128,409		49,156,818	
Debt Service (Note 1).....	5,189,678					5,189,678		10,379,356	
Endowments, Claims and Distributions.....						971,632		971,632	
Pension Benefits.....					1,759,346,581	1,759,346,581		3,518,693,162	
Unemployment Compensation Benefits.....					233,375,015	233,375,015		466,750,030	
Contingencies.....					213,696	213,696		427,392	
Advances and Notes Receivable.....	16,918,217	700,000				17,618,217		35,136,434	
Education Fund.....	7,000,000					7,000,000		14,000,000	
General Bond Fund.....	2,885,278					2,885,278		5,770,556	
Restricted.....						0		0	
Unreserved-Designated For:									
Continuing Appropriations.....			11,428,927			11,428,927		22,857,854	
Other Specific Purposes.....	787,773					787,773		1,575,546	
Unreserved-Undesignated.....	1,732,398	61,828,844				63,595,578		127,156,769	
Total Fund Equity and Other Credits.....	\$ 69,501,942	\$ 70,603,763	\$ 15,883,922	\$ 677,658	\$ 17,482,668	\$ 1,993,941,260	\$ 0	\$ 2,168,091,213	
Total Liabilities, Fund Equity, and Other Credits.....	\$ 146,956,386	\$ 202,800,112	\$ 24,736,011	\$ 14,420,068	\$ 47,395,799	\$ 2,289,030,517	\$ 677,650,346	\$ 3,402,989,239	

STATE OF VERMONT
**COMBINED BALANCE SHEET-ALL FUND TYPES, ACCOUNT GROUPS
 AND DISCREETLY PRESENTED COMPONENT UNITS**
 June 30, 1997

	Discretely Presented Component Units				Total (Memorandum Only)
	Other	Vermont State Colleges	University of Vermont	Reporting Entity (June 30, 1997)	
ASSETS AND OTHER DEBITS					
Assets:					
Cash and Cash Equivalents (Note 3).....	\$ 134,337,503	\$ 2,873,430	\$ 32,127,000	\$ 594,432,462	\$ 1,063,727,395
Investments (Note 3).....	132,173,844	17,245,928	179,231,000	2,235,782,088	2,587,432,859
Receivables (Net):					
Accounts.....		72,744	3,336,861	14,063,000	17,176,605
Tax.....				86,833,194	86,833,194
Contributions.....				4,973,554	4,973,554
Investment Principal and Interest.....		167,683	14,866	100,513,454	100,695,999
Loans and Notes.....	894,610,202	4,735,241	31,026,000	991,951,731	997,397,174
Other.....	6,913,799	4,318		7,059,544	13,887,661
Intergovernmental Receivable - Federal Go	5,567,460			73,110,934	78,678,394
Due From Other Funds.....			391,169	8,531,102	8,922,271
Due From Component Units.....				125,000	125,000
Interfund Loans Receivable.....				7,120,916	7,120,916
Advances To Other Funds.....				1,006,220	1,006,220
Advances To Component Units.....				1,705,505	1,705,505
Inventories, at cost (Note 1).....			125,413	2,062,000	2,187,413
Prepaid Expenses.....		608	769,068	5,107,000	5,876,676
Restricted Cash.....				2,263,645	2,263,645
Fixed Assets (Net Book Value)(Note 4).....	3,229,496	132,545,489	135,725,000	289,535,975	421,534,960
Other Assets.....	12,057,793	448,771	27,655,000	41,856,662	82,012,126
Amount to be Provided for Retirement of General Long-Term Debt.....				677,650,346	677,650,346
Total Assets and Other Debits.....	\$ 1,189,131,132	\$ 162,490,554	\$ 426,996,000	\$ 5,181,606,925	

	LIABILITIES, FUND EQUITY AND OTHER CREDITS				Total (Memorandum Only)
	Other	Vermont State Colleges	University of Vermont	Reporting Entity (June 30, 1997)	
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts Payable.....	\$ 1,883,283	\$ 971,443	\$ 10,899,000	\$ 200,535,893	\$ 203,289,620
Claims Payable.....				22,395,354	22,395,354
Accrued Salaries and Benefits.....	81,216	4,737,363	15,920,000	42,642,543	60,577,122
Tax Refunds Payable.....				29,782,590	29,782,590
Accrued Interest Payable.....	3,572,288	325,886		4,155,486	4,155,486
Retainage Payable.....				2,029,310	2,029,310
Intergovernmental Payable - Other Government		11,550,324		12,692,109	12,692,109
Due to Other Funds.....			391,169	8,531,102	8,922,271
Due To Primary Government.....				125,000	125,000
Interfund Loans Payable.....				7,120,916	7,120,916
Advances From Other Funds.....				1,006,220	1,006,220
Advances From Primary Government.....				1,705,505	1,705,505
Deferred Revenue.....	24,585,101	3,749,837	11,747,000	113,030,855	152,112,793
Amounts Held in Custody for Others.....				197,160,145	197,160,145
Current Portion of Long Term Debt.....	41,503,445			41,503,445	41,503,445
Other Liabilities.....	6,550,980			9,294,153	15,845,133
Capital Lease Obligation (Note 7).....		11,060	458,556	30,281,574	31,741,190
Unfunded Pension Obligation.....				113,700,018	113,700,018
Compensated Absences (Note 1).....				19,595,865	19,595,865
Bonds and Notes Payable.....	1,014,737,211	17,144,413	23,402,000	1,573,570,205	1,595,753,829
Total Liabilities.....	\$ 1,106,305,413	\$ 27,778,667	\$ 61,968,000	\$ 2,430,950,106	
FUND EQUITY AND OTHER CREDITS (Notes 1,2, and 10):					
Investment in General Fixed Assets.....	\$ 3,149,874	\$ 114,942,520	\$ 112,741,000	\$ 230,833,394	\$ 461,666,788
Contributed Capital.....				14,321,311	14,321,311
Retained Earnings (Deficit)-Unreserved Fund Balances:	20,982,042			24,821,057	45,803,099
Reserved For:					
Encumbrances.....	7,940,325		1,838,000	15,168,428	24,946,753
Budget Stabilization.....				42,128,409	42,128,409
Debt Service (Note 1).....				8,033,678	8,033,678
Endowments, Claims, and Distributions.....		4,767,602	160,184,000	165,923,234	170,753,436
Pension Benefits.....				1,759,346,581	1,759,346,581
Unemployment Compensation Benefits.....				233,375,015	233,375,015
Contingencies.....		563,477		177,173	740,6

**STATE OF VERMONT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>Governmental Fund Types</u>		<u>Capital Projects</u>	<u>Fiduciary Fund Types</u>	<u>Total Primary Government (Memorandum Only)</u>	<u>Governmental Fund Types</u>	<u>Total Reporting Entity (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>		<u>Expendable Trust</u>	<u>1997</u>	<u>Component Units</u>	<u>1997</u>
REVENUES:							
Earnings of Departments:							
Fees.....	\$ 8,149,868	\$ 27,006,760	\$	\$	\$ 35,156,628	\$ 122,749	\$ 35,279,377
Rents and Leases.....		150,188			150,188		150,188
Sales of Service.....	1,515,970	16,232,860			17,748,830		17,748,830
Federal Grants.....		599,698,610			599,698,610	6,346,078	606,044,688
Fines, Forfeits and Penalties.....	1,686,182	6,103,208			7,789,390		7,789,390
Interest.....	4,994,239	4,530,003			9,524,242	17,172,552	26,696,794
Investment Income.....				15,015,740	15,015,740	5,791,803	20,807,543
Licenses:							
Business.....	3,028,250	9,997,904			13,026,154		13,026,154
Non-Business.....		38,737,365			38,737,365		38,737,365
Special Assessments.....	666,825	32,449,405			33,116,230		33,116,230
Taxes.....	731,717,520	136,126,854		49,117,196	916,961,570		916,961,570
Other Revenues.....	692,584	29,484,593		2,273,025	32,450,202	2,956,618	35,406,820
Total Revenues.....	\$ 752,451,438	\$ 900,517,750	\$	\$ 66,405,961	\$ 1,719,375,149	\$ 32,389,800	\$ 1,751,764,949
EXPENDITURES:							
General Government.....	\$ 31,947,608	\$ 42,602,041	\$ 7,658,746	\$	\$ 82,208,395	\$	\$ 82,208,395
Protection to Persons and Property.....	37,513,642	64,143,716	961,395		102,618,753		102,618,753
Human Services.....	258,876,616	458,523,337	1,109,039		718,508,992		718,508,992
Employment and Training.....	266,941	18,926,170			19,193,111		19,193,111
Education.....	232,373,019	56,642,640	21,458,543		310,474,202		310,474,202
Natural Resources.....	10,376,779	38,464,970	11,914,559		60,756,308		60,756,308
Commerce and Community Development	9,179,847	15,094,054	582,084		24,855,985		24,855,985
Transportation.....		189,366,097	454,989		189,821,086		189,821,086
Public Service Enterprises.....		1,334,119			1,334,119		1,334,119
Debt Service.....	63,912,626	4,422,889			68,335,515		68,335,515
Benefit Payments.....				50,880,425	50,880,425		50,880,425
Other Expenditures.....		14,275,580		846,230	15,121,810	35,844,772	50,966,582
Total Expenditures.....	\$ 644,447,078	\$ 903,795,613	\$ 44,139,355	\$ 51,726,655	\$ 1,644,108,701	\$ 35,844,772	\$ 1,679,953,473
Excess of Revenues Over(Under)							
Expenditures.....	\$ 108,004,360	\$ (3,277,863)	\$ (44,139,355)	\$ 14,679,306	\$ 75,266,448	\$ (3,454,972)	\$ 71,811,476
Other Financing Sources (Uses):							
Proceeds from Sale of Bonds and							
Notes.....	\$	\$ 116,074	\$ 40,359,653	\$	\$ 40,475,727	\$	\$ 40,475,727
Operating Transfers In.....	49,349,387	59,935,177	645,519	725,843	110,655,926		110,655,926
Operating Transfers In- Component Units	16,850				16,850		16,850
Operating Transfers In-Primary Governm					0	1,090,330	1,090,330
Operating Transfers Out.....	(47,073,057)	(34,680,072)	(1,526,960)	(3,236,032)	(86,516,121)		(86,516,121)
Operating Transfers Out-Component Unit	(55,586,453)	(256,073)			(55,842,526)		(55,842,526)
Operating Transfers Out-Primary Govern					0	(16,850)	(16,850)
Other Sources (Uses).....	581,958	183,160			765,118		765,118
Total Other Financing Sources (Uses).....	\$ (52,711,315)	\$ 25,298,266	\$ 39,478,212	\$ (2,510,189)	\$ 9,554,974	\$ 1,073,480	\$ 10,628,454
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses.....							
	\$ 55,293,045	\$ 22,020,403	\$ (4,661,143)	\$ 12,169,117	\$ 84,821,422	\$ (2,381,492)	\$ 82,439,930
Fund Balances, July 1.....	14,208,897	48,583,360	20,545,065	221,974,772	305,312,094	17,212,352	322,524,446
Fund Balances, June 30.....	\$ 69,501,942	\$ 70,603,763	\$ 15,883,922	\$ 234,143,889	\$ 390,133,516	\$ 14,830,860	\$ 404,964,376

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

**STATE OF VERMONT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES GENERAL AND SPECIAL REVENUE FUNDS
BUDGET AND ACTUAL (BUDGETARY BASED)
FOR THE YEAR ENDED JUNE 30, 1997**

	General Fund			Budgeted Special Revenue Funds			Totals (Memorandum Only)		
	Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)	Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)	Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:									
Taxes.....	\$ 712,000,000	\$ 716,927,488	\$ 4,927,488	\$ 107,507,000	\$ 105,896,096	\$ (1,610,904)	\$ 819,507,000	\$ 822,823,584	\$ 3,316,584
Licenses.....	3,000,000	3,028,013	28,013	43,350,000	38,035,181	(5,314,819)	46,350,000	41,063,194	(5,286,806)
Fines, Forfeits and Penalties.....	1,500,000	1,789,568	289,568		6,127,338	6,127,338	1,500,000	7,916,906	6,416,906
Earnings of Departments.....	9,200,000	9,395,536	195,536	10,200,000	13,885,504	3,685,504	19,400,000	23,281,040	3,881,040
Federal.....				624,424,678	567,455,590	(56,969,088)	624,424,678	567,455,590	(56,969,088)
Interest and Premiums.....	5,100,000	4,892,589	(207,411)		232,878	232,878	5,100,000	5,125,467	25,467
Lottery Transfer.....	23,000,000	23,433,161	433,161				23,000,000	23,433,161	433,161
Other.....	900,000	1,443,162	543,162	2,970,705	2,152,091	(818,614)	3,870,705	3,595,253	(275,452)
Special Fund Revenues.....				126,514,246	137,979,900	11,465,654	126,514,246	137,979,900	11,465,654
Total Revenues.....	\$ 754,700,000	\$ 760,909,517	\$ 6,209,517	\$ 914,966,629	\$ 871,764,579	\$ (43,202,051)	\$ 1,669,666,629	\$ 1,632,674,095	\$ (36,992,534)
Expenditures:									
General Government.....	\$ 31,961,503	\$ 30,889,972	\$ 1,071,531	\$ 43,143,161	\$ 41,010,817	\$ 2,132,344	\$ 75,104,664	\$ 71,900,789	\$ 3,203,875
Protection to Persons and Property.....	38,631,097	37,714,699	916,398	71,431,497	63,635,687	7,795,810	110,062,594	101,350,386	8,712,208
Human Services.....	262,250,523	255,429,722	6,820,801	455,498,403	423,147,633	32,350,770	717,748,926	678,577,355	39,171,571
Employment and Training.....	266,941	266,941		25,029,759	20,714,579	4,315,180	25,296,700	20,981,520	4,315,180
General Education.....	282,762,113	282,233,861	528,252	57,939,034	55,504,453	2,434,581	340,701,147	337,738,314	2,962,833
Natural Resources.....	10,598,781	10,415,397	183,384	37,569,348	35,675,338	1,894,010	48,168,129	46,090,735	2,077,394
Commerce and Community Development.....	9,541,677	9,214,927	326,750	17,255,133	15,142,003	2,113,130	26,796,810	24,356,930	2,439,880
Transportation.....				235,731,125	195,334,796	40,396,329	235,731,125	195,334,796	40,396,329
Public Service Enterprises.....				7,262	(3,165)	10,427	7,262	(3,165)	10,427
Debt Service.....	64,204,061	64,049,337	154,724	7,108,300	7,076,895	31,405	71,312,361	71,126,232	186,129
Total Expenditures.....	\$ 700,216,696	\$ 690,214,856	\$ 10,001,840	\$ 950,713,022	\$ 857,239,036	\$ 93,473,986	\$ 1,650,929,718	\$ 1,547,453,892	\$ 103,475,826
Excess of Revenues Over (Under) Expenditures.....	\$ 54,483,304	\$ 70,694,661	\$ 16,211,357	\$ (35,746,393)	\$ 14,525,543	\$ 50,271,936	\$ 18,736,911	\$ 85,220,203	\$ 66,483,292
Other Financing Sources (Uses):									
Operating Transfers in.....	\$ 24,873,092	\$ 24,873,092	\$ 0	\$ 54,164,009	\$ 54,164,009	\$ 0	\$ 79,037,101	\$ 79,037,101	\$ 0
Operating Transfers Out.....	(41,131,921)	(41,131,921)	0	(34,524,230)	(34,524,230)	0	(75,656,151)	(75,656,151)	0
Other Sources.....	581,958	581,958	0	4,857,866	4,857,866	0	5,439,824	5,439,824	0
Total Other Financing Sources (Uses).....	\$ (15,676,871)	\$ (15,676,871)	\$ 0	\$ 24,497,645	\$ 24,497,645	\$ 0	\$ 8,820,774	\$ 8,820,774	\$ 0
Excess of Revenues and Other Sources Over(Under) Expenditures and Other Uses.....	\$ 38,806,433	\$ 55,017,790	\$ 16,211,357	\$ (11,248,748)	\$ 39,023,188	\$ 50,271,936	\$ 27,557,685	\$ 94,040,977	\$ 66,483,292
Fund Balances, July 1, as restated.....	13,059,350	13,059,350	0	43,350,621	43,350,621	0	56,409,971	56,409,971	0
Fund Balances, June 30.....	\$ 51,865,783	\$ 68,077,140	\$ 16,211,357	\$ 32,101,873	\$ 82,373,809	\$ 50,271,936	\$ 83,967,656	\$ 150,450,948	\$ 66,483,292

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

**STATE OF VERMONT
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS/FUND BALANCES-ALL PROPRIETARY FUND TYPES,
NON-EXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	Fiduciary Fund Types			Total Primary Government (Memorandum Only) 1997	Component Units Proprietary Fund Type	Total Reporting Entity (Memorandum Only) 1997
	Proprietary Fund Types		Non - Expendable Trust			
	Enterprise	Internal Service				
Operating Revenues:						
Charges For Sales and Services.....	\$ 28,353,719	\$ 69,539,784	\$	\$ 97,893,503	\$	\$ 97,893,503
Lottery Ticket Sales.....	77,323,313			77,323,313		77,323,313
Fees.....	793,464			793,464	5,666,313	6,459,777
Investment Income.....			22,069	22,069	51,694,156	51,716,225
Other Operating Revenues.....	1,267,874	4,965,153		6,233,027	13,110,572	19,343,599
Total Operating Revenues.....	\$ 107,738,370	\$ 74,504,937	\$ 22,069	\$ 182,265,376	\$ 70,471,041	\$ 252,736,417
Operating Expenses:						
Cost of Sales and Services.....	\$ 22,181,224	\$ 14,954,310	\$	\$ 37,135,534	\$	\$ 37,135,534
Lottery Prizes.....	45,593,894			45,593,894		45,593,894
Lottery Tickets, Commissions and Fees.....	6,643,781			6,643,781		6,643,781
Claims Expense.....		30,297,754		30,297,754		30,297,754
Salaries, Wages and Benefits.....	1,555,672	4,949,584		6,505,256	9,591,846	16,097,102
Supplies and Parts.....	64,351	401,648		465,999		465,999
Depreciation and Amortization.....	101,406	3,716,176		3,817,582	569,108	4,386,690
Rentals.....	96,957	4,563,272		4,660,229		4,660,229
Stores and Agencies.....	2,697,185			2,697,185		2,697,185
Administrative Expenses.....	1,371,728	3,304,650		4,676,378	7,082,083	11,758,461
Inspection and Enforcement Expense.....	1,170,423			1,170,423		1,170,423
Equipment Purchased for Agencies.....		986,841		986,841		986,841
Repairs and Maintenance.....		1,889,916		1,889,916		1,889,916
Interest Expense.....		32,090		32,090	34,674,768	34,706,858
Insurance Premium Expense.....		11,177,650		11,177,650		11,177,650
Education Grants & Scholarships.....				0	12,483,527	12,483,527
Purchase of Defaulted Loans.....				0	7,878,075	7,878,075
Loss on Bad Debts and Guarantees.....	1,067,643	56,046		1,123,689	217,127	1,340,816
Other Operating Expenses.....	1,813,622	2,276,698	25,954	4,116,274	6,438,834	10,555,108
Total Operating Expenses.....	\$ 84,357,886	\$ 78,606,635	\$ 25,954	\$ 162,990,475	\$ 78,935,368	\$ 241,925,843
Operating Income(Loss).....	\$ 23,380,484	\$ (4,101,698)	\$ (3,885)	\$ 19,274,901	\$ (8,464,327)	\$ 10,810,574
Non-Operating Revenues(Expenses):						
Gain(Loss) on Disposal of Fixed Assets.....	\$ (34,669)	\$ 282,940	\$	\$ 248,271	\$	\$ 248,271
Gain (Loss) on Investments.....	361			361		361
Investment Income.....	439,917	1,062,552		1,502,469		1,502,469
Interest Expense.....		(156,111)		(156,111)		(156,111)
Other Non-Operating Revenues(Expenses).....				0	20,620	20,620
Total Non-Operating Revenues(Expenses).....	\$ 405,609	\$ 1,189,381	\$ 0	\$ 1,594,990	\$ 20,620	\$ 1,615,610
Income(Loss) Before Operating Transfers and Accounting Changes.....	\$ 23,786,093	\$ (2,912,317)	\$ (3,885)	\$ 20,869,891	\$ (8,443,707)	\$ 12,426,184
Operating Transfers In.....	168,026	132,343		300,369		300,369
Operating Transfers In - Primary Government.....				0	12,446,963	12,446,963
Operating Transfers Out.....	(24,440,174)			(24,440,174)		(24,440,174)
Net Income(Loss).....	\$ (486,055)	\$ (2,779,974)	\$ (3,885)	\$ (3,269,914)	\$ 4,003,256	\$ 733,342
Retained Earnings/Fund Balances, July 1,.....	402,578	6,702,466	454,675	7,559,719	63,818,390	71,378,109
Retained Earnings/Fund Balances, June 30.....	\$ (83,477)	\$ 3,922,492	\$ 450,790	\$ 4,289,805	\$ 67,821,646	\$ 72,111,451

The accompanying notes are an integral part of the financial statements

STATE OF VERMONT
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Proprietary Fund Types		Fiduciary Fund Types	Total Primary Government (Memorandum Only)	Component Unit	Total Reporting Entity (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	1997	Proprietary Fund Types	1997
Cash Flows from Operating Activities:						
Cash Received from Customers.....	\$ 116,513,272	\$ 74,673,056	\$	\$ 191,186,328	\$	\$ 191,186,328
Loan Repayments Received.....		1,119,111		1,119,111		1,119,111
Cash Paid to Suppliers For Goods and Services.....	(26,853,400)	(38,765,458)		(65,618,858)		(65,618,858)
Loans Made.....		(1,027,672)		(1,027,672)		(1,027,672)
Cash Paid to Employees For Services.....	(2,926,983)	(6,632,274)		(9,559,257)		(9,559,257)
Cash Paid for Prizes and Commissions.....	(49,600,186)			(49,600,186)		(49,600,186)
Cash Paid to Claimants.....	(563,981)	(28,776,412)		(29,340,393)		(29,340,393)
Liquor Taxes and Licenses Paid.....	(9,296,839)			(9,296,839)		(9,296,839)
Interest Received.....			22,069	22,069		22,069
Cash Paid for Fees, Operations and Other.....	(3,995,173)			(3,995,173)		(3,995,173)
Other Operating Revenues(Expenses).....	578,044	(378,212)	(25,954)	173,878	(58,678,462)	(58,504,584)
Net Cash Provided (Used) by						
Operating Activities.....	\$ 23,854,754	\$ 212,139	\$ (3,885)	\$ 24,063,008	\$ (58,678,462)	\$ (34,615,454)
Cash Flows from Noncapital						
Financing Activities:						
Proceeds from Sale of Notes.....	\$	\$	\$	\$ 0	\$ 23,626,000	\$ 23,626,000
Proceeds from Sale of Notes Receivable.....					3,497,170	3,497,170
Payments on Notes.....				0	(19,381,038)	(19,381,038)
Collection on Notes/Mortgages Receivable.....						0
Operating Transfers in (Out).....	(23,733,161)	132,343		(23,600,818)	49,456	(23,551,362)
Issuance of Notes/Mortgages Receivable.....				0		0
Proceeds from Sale of Foreclosed Property.....						0
Interfund Loans.....		4,733,075		4,733,075		4,733,075
Contributions and Grants.....				0	(30,041)	(30,041)
Legislative Appropriations.....	(707,013)			(707,013)	585,063	(121,950)
Net Cash Provided (Used) by Noncapital						
Financing Activities.....	\$ (24,440,174)	\$ 4,865,418	\$ 0	\$ (19,574,756)	\$ 8,346,610	\$ (11,228,146)
Cash Flows from Capital and Related						
Financing Activities:						
Acquisition and Construction of Fixed Assets.....	\$ (270,041)	\$ (2,385,488)	\$	\$ (2,655,529)	\$ (1,801,514)	\$ (4,457,043)
Proceeds from Sale of Fixed Assets.....	21,526	576,939		598,465		598,465
Capital Lease Obligation.....					2,827	2,827
Principal and Interest Paid on Capital Leases.....		(1,341,642)		(1,341,642)	(6,312)	(1,347,954)
Net Cash Provided (Used) by Capital						
and Related Financing Activities.....	\$ (248,515)	\$ (3,150,191)	\$ 0	\$ (3,398,706)	\$ (1,804,999)	\$ (5,203,705)
Cash Flows From Investing Activities:						
Interest and Dividends on Investments.....	\$ 427,138	\$ 1,062,678	\$	\$ 1,489,816	\$	\$ 1,489,816
Proceeds from Sales/Maturities of Investments.....	1,049,003	2,969		1,051,972		1,051,972
Purchase of Investments.....	(893,548)			(893,548)	107,415,443	106,521,895
Net Cash Provided (Used) by						
Investing Activities.....	\$ 582,593	\$ 1,065,647	\$ 0	\$ 1,648,240	\$ 107,415,443	\$ 109,063,683
Net Increase(Decrease) in Cash and						
Cash Equivalents.....	\$ (251,342)	\$ 2,993,013	\$ (3,885)	\$ 2,737,786	\$ 55,278,592	\$ 58,016,378
Cash and Cash Equivalents at July 1.....	3,896,769	16,331,986	454,675	20,683,430	70,501,117	91,184,547
Cash and Cash Equivalents at June 30.....	\$ 3,645,427	\$ 19,324,999	\$ 450,790	\$ 23,421,216	\$ 125,779,709	\$ 149,200,925

The accompanying notes are an integral part of the financial statements

**STATE OF VERMONT
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENT COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals Primary Government (Memorandum Only)</u>	<u>Component Units</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	<u>1997</u>	<u>Proprietary Fund Types</u>	<u>1997</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating Income(Loss).....	\$ 23,380,484	\$ (4,101,698)	\$ (3,885)	\$ 19,274,901	\$ 3,397,573	\$ 22,672,474
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation and Amortization.....	\$ 249,658	\$ 3,716,176	\$	\$ 3,965,834	\$ 997,913	\$ 4,963,747
(Increase)Decrease in Accounts Receivable.....	277,501	(686,343)	\$	(408,842)	(34,520)	(443,362)
(Increase) Decrease in Loans Receivable.....		92,039		92,039	(64,708,295)	(64,616,256)
Increase(Decrease) in Allowance for Uncollectible Acco					190,643	190,643
(Increase)Decrease in Accrued Interest Receivable.....					425,474	425,474
(Increase)Decrease in Due from Other Funds.....		154,833		154,833		154,833
(Increase) Decrease in Other Receivables.....					(551,355)	(551,355)
(Increase)Decrease in Inventory.....	(146,873)	170,214		23,341		23,341
(Increase)Decrease in Prepaid Expenses.....	(65,850)	49,091		(16,759)	187	(16,572)
(Increase)Decrease in Other Assets.....					10,793	10,793
Increase(Decrease) in Accounts Payable.....	(497,244)	(712,679)		(1,209,923)	(1,758,156)	(2,968,079)
(Increase)Decrease in Accrued Interest Payable..					(359,179)	(359,179)
Increase(Decrease) in Accrued Salaries and Benefits.....	(29,014)	54,309		25,295	(897)	24,398
Increase (Decrease) in Claims Payable.....	455,092	1,521,342		1,976,434		1,976,434
Increase(Decrease) in Due to Agents.....	9,411			9,411		9,411
Increase(Decrease) in Future and Unclaimed Prizes Payable.....	(104,332)			(104,332)		(104,332)
Increase in Deferred Income.....	78,015	93,703		171,718	32,002	203,720
Increase(Decrease) in Due to Other Funds.....	222,150	(155,421)		66,729	3,738,896	3,805,625
(Decrease)Increase in Other Liabilities.....		16,573		16,573	(59,541)	(42,968)
Increase(Decrease) in Subscription Reserves.....	25,756			25,756		25,756
Total Adjustments.....	\$ 474,270	\$ 4,313,837	\$	\$ 4,788,107	\$ (62,076,035)	\$ (57,287,928)
Net Cash Provided (Used) by Operating Activities.....	\$ 23,854,754	\$ 212,139	\$ (3,885)	\$ 24,063,008	\$ (58,678,462)	\$ (34,615,454)

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

**STATE OF VERMONT
PENSION TRUST FUNDS
COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
For the Year Ended June 30, 1997**

	Totals
Additions :	
<u>Contributions</u>	
Employer.....	\$ 45,520,176
Plan Member.....	24,278,325
Pension Accumulation Fund.....	224,593
Other Contributions.....	321,846
Total Contributions.....	\$ <u>70,344,940</u>
 <u>Investment Income:</u>	
Net Appreciation (Depreciation) in Fair value of Investments.....	\$ 280,589,833
Dividends.....	24,030,271
Interest Income.....	25,659,706
Securities Lending Income.....	395,524
Other Income.....	85,032
Total Investment Income.....	\$ <u>330,760,366</u>
Less Securities Lending Expense.....	<u>184,485</u>
 Net Investment Income.....	\$ <u>330,575,881</u>
 Total Additions.....	\$ <u>400,920,821</u>
 Deductions:	
Retirement Allowances.....	\$ 61,005,060
Refunds of Contributions.....	1,935,573
Transfer to Municipal/State.....	311,257
Death Claims.....	220,230
Operating Expenses.....	15,443,880
Total Deductions.....	\$ <u>78,916,000</u>
 Net Increase.....	\$ 322,004,821
 Net Assets Held In Trust For Pension Benefits:	
 Beginning of Year.....	<u>1,437,341,760</u>
 End of Year.....	\$ <u><u>1,759,346,581</u></u>

The accompanying notes are an integral part of the financial statements