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Sullivan, Powers & Co.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

TOWN OF KILLINGTON, VERMONT

AUDIT REPORT

DECEMBER 31, 2009

TOWN OF KILLINGTON, VERMONT
AUDIT REPORT
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DECEMBER 31, 2009

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Sullivan, Powers & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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A PROFESSIONAL CORPORATION

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Independent Auditor's Report

Board of Selectmen
Town of Killington
P.O. Box 429
Killington, Vermont 05751

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Killington, Vermont as of and for the year ended December 31, 2009, which collectively comprise the Town of Killington, Vermont's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the Town's policy is to prepare its financial statements on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Killington, Vermont as of December 31, 2009 and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in conformity with the modified cash basis of accounting.

The Town of Killington, Vermont has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is required to supplement the basic financial statements.

December 23, 2010
Montpelier, Vermont
Vt Lic. #92-000180

Members of The American Institute and Vermont Society of Certified Public Accountants

Sullivan, Powers & Company

TOWN OF KILLINGTON, VERMONT
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 3,181,238	\$ 208,153	\$ 3,389,391
Investments	<u>4,316,273</u>	<u>0</u>	<u>4,316,273</u>
Total Assets	<u>7,497,511</u>	<u>208,153</u>	<u>7,705,664</u>
<u>LIABILITIES</u>			
Tax Sale Fees Payable	45,353	0	45,353
Short-Term Debt	0	2,000,000	2,000,000
Due to State of Vermont - Property Taxes	<u>5,696,637</u>	<u>0</u>	<u>5,696,637</u>
Total Liabilities	<u>5,741,990</u>	<u>2,000,000</u>	<u>7,741,990</u>
<u>NET ASSETS</u>			
Restricted	302,800	0	302,800
Unrestricted/(Deficit)	<u>1,452,721</u>	<u>(1,791,847)</u>	<u>(339,126)</u>
Total Net Assets/(Deficit)	<u>\$ 1,755,521</u>	<u>\$ (1,791,847)</u>	<u>\$ (36,326)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs:	Program Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 924,934	\$ 70,295	\$ 70,053	\$ 0	\$ (784,586)	\$ 0	\$ (784,586)
Highways	648,759	0	144,985	0	(503,774)	0	(503,774)
Culture and Recreation	785,429	34,208	14,405	0	(736,816)	0	(736,816)
Public Safety	303,296	4,159	0	0	(299,137)	0	(299,137)
Solid Waste	48,037	21,807	0	0	(26,230)	0	(26,230)
Principal Payments on Long-Term Debt	75,000	0	0	0	(75,000)	0	(75,000)
Interest on Long Term Debt	37,149	0	0	0	(37,149)	0	(37,149)
Capital Outlay	429,279	0	0	0	(429,279)	0	(429,279)
Total Governmental Activities	3,251,883	130,469	229,443	0	(2,891,971)	0	(2,891,971)
Business-Type Activities:							
Golf Course	1,773,862	1,236,326	0	0	0	(537,536)	(537,536)
Wastewater	227,066	159,484	0	0	0	(67,582)	(67,582)
Total Business-Type Activities	2,000,928	1,395,810	0	0	0	(605,118)	(605,118)
Total	\$ 5,252,811	\$ 1,526,279	\$ 229,443	\$ 0	(2,891,971)	(605,118)	(3,497,089)
General Receipts:							
Property Taxes					2,220,929	0	2,220,929
Payment in Lieu of Taxes					182,582	0	182,582
Local Option Sales Tax					705,689	0	705,689
Interest and Penalties on Delinquent Taxes					151,711	0	151,711
Unrestricted Investment Earnings					29,550	1,216	30,766
Equipment Sales					83,500	0	83,500
Other Revenues					2,420	0	2,420
Transfers					(82,000)	82,000	0
Total General Receipts and Transfers					3,294,381	83,216	3,377,597
Change in Net Assets					402,410	(521,902)	(119,492)
Net Assets/(Deficit) - January 1, 2009					1,353,111	(1,269,945)	83,166
Net Assets/(Deficit) - December 31, 2009					\$ 1,755,521	\$ (1,791,847)	\$ (36,326)

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
 STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 GOVERNMENTAL FUNDS
 DECEMBER 31, 2009

	General Fund	Board Special Projects Fund	Volunteer Fire Department Capital Fund	Cemetery Commission Fund	Economic Development and Tourism Fund	Total Governmental Funds
ASSETS						
Cash	\$ 1,822,549	\$ 860,090	\$ 357,050	\$ 10,925	\$ 130,624	\$ 3,181,238
Investments	<u>3,958,939</u>	<u>0</u>	<u>311,444</u>	<u>45,890</u>	<u>0</u>	<u>4,316,273</u>
Total Assets	<u>\$ 5,781,488</u>	<u>\$ 860,090</u>	<u>\$ 668,494</u>	<u>\$ 56,815</u>	<u>\$ 130,624</u>	<u>\$ 7,497,511</u>
LIABILITIES						
Liabilities:						
Tax Sale Fees Payable	\$ 0	\$ 45,353	\$ 0	\$ 0	\$ 0	\$ 45,353
Due to State of Vermont - Property Taxes	<u>5,696,637</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,696,637</u>
Total Liabilities	<u>5,696,637</u>	<u>45,353</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,741,990</u>
Fund Balances:						
Reserved	0	245,985	0	56,815	0	302,800
Unreserved, Reported In						
General Fund	84,851	0	0	0	0	84,851
Special Revenue Funds	0	568,752	0	0	130,624	699,376
Capital Projects Funds	<u>0</u>	<u>0</u>	<u>668,494</u>	<u>0</u>	<u>0</u>	<u>668,494</u>
Total Fund Balances	<u>84,851</u>	<u>814,737</u>	<u>668,494</u>	<u>56,815</u>	<u>130,624</u>	<u>1,755,521</u>
Total Liabilities and Fund Balances	<u>\$ 5,781,488</u>	<u>\$ 860,090</u>	<u>\$ 668,494</u>	<u>\$ 56,815</u>	<u>\$ 130,624</u>	<u>\$ 7,497,511</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General Fund	Board Special Projects Fund	Volunteer Fire Department Capital Fund	Cemetery Commission Fund	Economic Development and Tourism Fund	Total Governmental Funds
Cash Receipts:						
Property Taxes	\$ 2,220,929	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,220,929
Penalty and Interest on Property Taxes	151,711	0	0	0	0	151,711
Local Option Sales Tax	0	0	0	0	705,689	705,689
Intergovernmental	316,496	0	0	0	0	316,496
Investment Income	7,651	15,995	5,147	757	0	29,550
Licenses, Fees & Fines	106,520	0	0	0	0	106,520
Charges for Services	94,634	0	0	1,600	542	96,776
Contributions and Donations	22,702	0	0	0	0	22,702
Equipment Sales	0	52,000	31,500	0	0	83,500
Miscellaneous	655	1,765	0	0	0	2,420
Total Cash Receipts	<u>2,921,298</u>	<u>69,760</u>	<u>36,647</u>	<u>2,357</u>	<u>706,231</u>	<u>3,736,293</u>
Cash Disbursements:						
General Government	904,801	13,112	0	7,021	0	924,934
Highways	648,759	0	0	0	0	648,759
Culture & Recreation	305,525	0	0	0	479,904	785,429
Public Safety	303,296	0	0	0	0	303,296
Solid Waste	48,037	0	0	0	0	48,037
Principal Payments on Long-Term Debt	75,000	0	0	0	0	75,000
Interest on Long-Term Debt	37,149	0	0	0	0	37,149
Capital Outlay	324,799	104,480	0	0	0	429,279
Total Cash Disbursements	<u>2,647,366</u>	<u>117,592</u>	<u>0</u>	<u>7,021</u>	<u>479,904</u>	<u>3,251,883</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>273,932</u>	<u>(47,832)</u>	<u>36,647</u>	<u>(4,664)</u>	<u>226,327</u>	<u>484,410</u>
Other Financing Sources/(Uses):						
Transfers In	16,745	116,674	0	4,000	0	137,419
Transfers Out	(202,674)	(16,745)	0	0	0	(219,419)
Total Other Financing Sources/(Uses)	<u>(185,929)</u>	<u>99,929</u>	<u>0</u>	<u>4,000</u>	<u>0</u>	<u>(82,000)</u>
Net Change in Fund Balances	88,003	52,097	36,647	(664)	226,327	402,410
Fund Balances/(Deficit) - January 1, 2009	<u>(3,152)</u>	<u>762,640</u>	<u>631,847</u>	<u>57,479</u>	<u>(95,703)</u>	<u>1,353,111</u>
Fund Balances - December 31, 2009	<u>\$ 84,851</u>	<u>\$ 814,737</u>	<u>\$ 668,494</u>	<u>\$ 56,815</u>	<u>\$ 130,624</u>	<u>\$ 1,755,521</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 2,247,246	\$ 2,220,929	\$ (26,317)
Penalties & Interest on Taxes	90,000	151,711	61,711
Liquor Licenses	5,000	4,400	(600)
Dog Licenses	350	474	124
Town Clerk's Fees	37,000	40,833	3,833
Copying & Fax Fees	7,500	6,991	(509)
Zoning Fees	16,500	6,760	(9,740)
Recreation Revenue	44,000	32,066	(11,934)
Solid Waste User Fees	27,000	21,807	(5,193)
State Aid - Highways	73,000	78,237	5,237
Killington Agreement Payment	78,000	72,827	(5,173)
Federal & State Land Payments	75,000	109,755	34,755
Traffic Ticket Fees	10,000	4,159	(5,841)
Equipment Rentals	3,000	2,500	(500)
Computer Revenues	600	0	(600)
Miscellaneous Revenues	1,500	655	(845)
Interest Income	90,000	23,882	(66,118)
Tax Collection Fee from State	28,500	28,629	129
	2,834,196	2,806,615	(27,581)
Cash Disbursements:			
Legislating:			
Salaries & Wages	8,600	9,237	(637)
Operating Supplies	50	915	(865)
Advertising	300	51	249
Postage & Mailings	50	39	11
Dues/Subscriptions/Meetings	700	0	700
Legal Services	200	0	200
	9,900	10,242	(342)

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
Managing Municipality:			
Salaries & Wages	\$ 62,750	\$ 62,683	\$ 67
Office Supplies	900	278	622
Advertising	500	104	396
Postage & Telephone	5,800	5,624	176
Dues/Subscriptions/Meetings	5,500	4,008	1,492
Contracted Services	750	32	718
Legal Services	2,000	3,009	(1,009)
Total Managing Municipality	78,200	75,738	2,462
Town Meeting & Elections	1,000	413	587
Town & School Treasurer	6,000	6,000	0
Bookkeeping & Secretarial:			
Salaries & Wages	38,000	39,650	(1,650)
Office Supplies	2,200	2,592	(392)
Travel & Transportation	100	35	65
Total Bookkeeping & Secretarial	40,300	42,277	(1,977)
Auditing:			
Contracted Services	7,800	16,403	(8,603)
Print & Mail Town Report	2,500	2,217	283
Total Auditing	10,300	18,620	(8,320)
Listing:			
Salaries & Wages	23,900	24,618	(718)
Postage & Supplies	2,000	2,812	(812)
Dues/Subscriptions/Meetings	2,000	830	1,170
Contracted Services	5,500	4,927	573
Travel & Transportation	500	112	388
Total Listing	33,900	33,299	601
Tax Collecting:			
Office Supplies	1,200	2,681	(1,481)
Postage & Mailings	2,600	2,421	179
Total Tax Collecting	3,800	5,102	(1,302)

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Town Clerk:			
Salaries & Wages	\$ 34,300	\$ 37,568	\$ (3,268)
Office Supplies	800	517	283
Postage & Mailings	1,000	793	207
Dues/Subscriptions/Meetings	2,000	1,427	573
Printing & Binding	2,700	2,113	587
Total Town Clerk	<u>40,800</u>	<u>42,418</u>	<u>(1,618)</u>
Insurance:			
Property & Casualty	29,000	29,962	(962)
Worker's Compensation	19,000	16,730	2,270
Total Insurance	<u>48,000</u>	<u>46,692</u>	<u>1,308</u>
Pending Litigation	7,500	5,527	1,973
Planning Commission and Board of Adjustment:			
Salaries & Wages	6,500	5,482	1,018
Office Supplies	250	17	233
Advertising	1,500	748	752
Postage & Mailings	300	0	300
Legal & Contracted Services	1,000	88	912
Printing & Copying	100	0	100
Travel & Transportation	100	0	100
Total Planning Commission and Board of Adjustment	<u>9,750</u>	<u>6,335</u>	<u>3,415</u>
Town Planner & Zoning Administrator:			
Salaries & Wages	54,460	54,462	(2)
Office Supplies	50	8	42
Postage & Mailings	250	18	232
Dues/Subscriptions/Meetings	2,300	2,615	(315)
Legal Services	1,500	4,595	(3,095)
Travel & Transportation	350	183	167
Total Town Planner & Zoning Administrator	<u>58,910</u>	<u>61,881</u>	<u>(2,971)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Town Office:			
Custodial Services	\$ 4,000	\$ 4,080	\$ (80)
Operating Supplies	1,000	2,177	(1,177)
Repairs & Maintenance	2,000	3,034	(1,034)
Utilities	7,800	7,881	(81)
Teen Center Maintenance & Utilities	<u>3,150</u>	<u>1,781</u>	<u>1,369</u>
Total Town Office	<u>17,950</u>	<u>18,953</u>	<u>(1,003)</u>
Office Equipment:			
Supplies	1,500	5,239	(3,739)
Repairs & Maintenance	7,500	10,680	(3,180)
New Equipment	<u>4,000</u>	<u>6,496</u>	<u>(2,496)</u>
Total Office Equipment	<u>13,000</u>	<u>22,415</u>	<u>(9,415)</u>
Constables:			
Salaries & Wages	38,000	34,620	3,380
Operating Supplies	1,000	8,089	(7,089)
Equipment	8,000	7,749	251
Training	1,000	134	866
Repairs & Maintenance	3,000	524	2,476
Contracted Services	5,000	3,702	1,298
Travel & Transportation	<u>1,000</u>	<u>388</u>	<u>612</u>
Total Constables	<u>57,000</u>	<u>55,206</u>	<u>1,794</u>
Fire Department:			
Salaries & Wages	8,000	8,835	(835)
Operating Supplies	3,300	3,113	187
Vehicle Operation	4,500	119	4,381
Utilities	16,000	14,401	1,599
Dues & Training	7,600	3,984	3,616
Insurance	11,800	11,826	(26)
Travel & Transportation	35,000	31,421	3,579
Equipment Maintenance	25,900	27,142	(1,242)
Building Maintenance	4,050	1,391	2,659
New Equipment	8,350	9,680	(1,330)
Small Tools & Equipment	16,600	4,768	11,832
First Response	900	626	274
Grant Matching Funds	0	2,258	(2,258)
Capital Fund	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total Fire Department	<u>242,000</u>	<u>219,564</u>	<u>22,436</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Summer Roads:			
Salaries & Wages	\$ 75,000	\$ 121,763	\$ (46,763)
Operating Supplies	36,000	12,986	23,014
Rentals & Other Services	<u>20,000</u>	<u>9,186</u>	<u>10,814</u>
Total Summer Roads	<u>131,000</u>	<u>143,935</u>	<u>(12,935)</u>
Winter Roads:			
Salaries & Wages	125,000	84,180	40,820
Operating Supplies	116,000	126,600	(10,600)
Rentals & Other Services	<u>20,000</u>	<u>9,269</u>	<u>10,731</u>
Total Winter Roads	<u>261,000</u>	<u>220,049</u>	<u>40,951</u>
Bridge/Large Culvert Maintenance:			
Salaries & Wages	1,000	0	1,000
Supplies/Contracted Services/Capital Fund	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Bridge/Large Culvert Maintenance	<u>11,000</u>	<u>10,000</u>	<u>1,000</u>
Traffic Control Devices:			
Salaries & Wages	1,500	0	1,500
Operating Supplies	5,000	706	4,294
Repairs & Maintenance	5,000	2,716	2,284
New Equipment	12,000	12,000	0
Utilities	<u>2,500</u>	<u>2,101</u>	<u>399</u>
Total Traffic Control Devices	<u>26,000</u>	<u>17,523</u>	<u>8,477</u>
Walkway/Welcome Signs/Roadsides:			
Salaries & Wages	3,000	4,404	(1,404)
Repairs & Maintenance	5,000	7,322	(2,322)
Contracted Services	23,000	19,902	3,098
Utilities	<u>12,000</u>	<u>9,848</u>	<u>2,152</u>
Total Walkway/Welcome Signs/Roadsides	<u>43,000</u>	<u>41,476</u>	<u>1,524</u>
Street Lights	<u>23,500</u>	<u>23,003</u>	<u>497</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Town Garage:			
Salaries & Wages	\$ 3,300	\$ 0	\$ 3,300
Operating Supplies	2,000	2,434	(434)
Small Tools & Equipment	2,500	1,371	1,129
Repairs & Maintenance	6,000	6,843	(843)
Utilities	18,500	23,058	(4,558)
Total Town Garage	<u>32,300</u>	<u>33,706</u>	<u>(1,406)</u>
Vehicles:			
Salaries & Wages	46,000	24,259	21,741
Operating Supplies	120,000	98,368	21,632
Radios - Repairs & Contracted Services	4,200	3,744	456
Repair Supplies	11,000	8,148	2,852
Repairs & Maintenance	35,000	21,775	13,225
Total Vehicles	<u>216,200</u>	<u>156,294</u>	<u>59,906</u>
Solid Waste Disposal:			
Salaries & Wages	14,500	14,646	(146)
Operating Supplies	250	0	250
Repairs & Maintenance	250	0	250
Contracted Services - Solid Waste	30,000	24,563	5,437
Contracted Services - Recycling	4,500	8,230	(3,730)
Utilities - Electric	700	598	102
Total Solid Waste Disposal	<u>50,200</u>	<u>48,037</u>	<u>2,163</u>
Recreation:			
Salaries & Wages	93,000	89,477	3,523
Dues/Subscriptions/Meetings	1,120	1,004	116
Pool Supplies & Chemicals	2,900	2,266	634
Facilities Repairs & Maintenance	4,000	3,550	450
Programs & Special Events	21,090	20,939	151
Small Tools & Equipment	400	642	(242)
Advertising, Mailings & Supplies	2,400	2,792	(392)
Utilities	10,090	7,133	2,957
Total Recreation	<u>135,000</u>	<u>127,803</u>	<u>7,197</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Library:			
Salaries & Wages	\$ 92,700	\$ 98,540	\$ (5,840)
Supplies & Postage	4,500	4,475	25
Books	16,000	16,459	(459)
Magazines & AV Materials	9,000	7,782	1,218
Dues, Workshops & Travel	5,500	6,235	(735)
Programs & Special Events	2,500	2,493	7
Building Maintenance	15,000	13,329	1,671
Equipment Maintenance & Repair	6,500	6,012	488
Telephone & Telecom	2,400	2,209	191
Utilities	20,000	13,664	6,336
Total Library	<u>174,100</u>	<u>171,198</u>	<u>2,902</u>
Employee Benefits:			
Health Insurance	194,000	192,504	1,496
Social Security	61,000	63,762	(2,762)
Vacation/Holiday/Sick	57,500	54,953	2,547
Unemployment Insurance	10,586	55,822	(45,236)
Municipal Retirement System	57,000	10,336	46,664
Uniforms	2,500	2,272	228
Total Employee Benefits	<u>382,586</u>	<u>379,649</u>	<u>2,937</u>
Bonded Indebtedness:			
Golf Course Land	82,000	82,000	0
Library	64,210	64,210	0
Town Garage	47,940	47,940	0
Total Bonded Indebtedness	<u>194,150</u>	<u>194,150</u>	<u>0</u>
Appropriations:			
Rutland County Tax	74,000	73,078	922
Cemeteries	4,000	4,000	0
Ambulance Service	4,670	4,654	16
Visiting Nurses & Hospice	2,530	2,530	0
Rutland Mental Health Services	1,250	1,250	0
Southwestern VT Council on Aging	800	800	0
Rutland Regional Planning Commission	750	750	0
Ottauquechee Community Partnership	500	500	0
Killington Teen Center	500	500	0
Shining Light Mentoring	500	500	0

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
Appropriations/(Cont'd):			
Rutland County - A.R.C.	\$ 300	\$ 300	\$ 0
Rutland County Women's Shelter	350	350	0
Rutland County Humane Society	300	300	0
Retired Senior Volunteer Program	200	200	0
Fire Warden	200	200	0
Total Appropriations	90,850	89,912	938
Capital Projects:			
Bituminous Resurfacing	230,000	230,000	0
Gravel Resurfacing	28,000	28,000	0
Equipment Replacement Fund	90,000	90,000	0
Recreation Capital Fund	20,000	20,000	0
Library Capital Fund	5,000	5,000	0
Constable Capital Fund	4,000	4,000	0
Killington Road Walkway	8,000	8,000	0
Total Capital Projects	385,000	385,000	0
Total Cash Disbursements	2,834,196	2,712,417	121,779
Excess of Cash Receipts Over Cash Disbursements	\$ 0	\$ 94,198	\$ 94,198

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
 STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
 PROPRIETARY FUNDS
 DECEMBER 31, 2009

	<u>Golf Course Fund</u>	<u>Alpine Drive Sewer Fund</u>	<u>Killington Road/Route 4 Sewer Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 70,230	\$ 15,937	\$ 121,986	\$ 208,153
Total Assets	<u>\$ 70,230</u>	<u>\$ 15,937</u>	<u>\$ 121,986</u>	<u>\$ 208,153</u>
<u>LIABILITIES</u>				
Short-Term Debt	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000
Total Liabilities	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>2,000,000</u>
<u>NET ASSETS</u>				
Unrestricted/(Deficit)	<u>(1,929,770)</u>	<u>15,937</u>	<u>121,986</u>	<u>(1,791,847)</u>
Total Net Assets/(Deficit)	<u>(1,929,770)</u>	<u>15,937</u>	<u>121,986</u>	<u>(1,791,847)</u>
Total Liabilities and Net Assets	<u>\$ 70,230</u>	<u>\$ 15,937</u>	<u>\$ 121,986</u>	<u>\$ 208,153</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN MODIFIED CASH BASIS NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Golf Course Fund	Alpine Drive Sewer Fund	Killington Road/Route 4 Sewer Fund	Total
OPERATING RECEIPTS:				
Sales/Charges for Services	\$ 1,236,326	\$ 5,121	\$ 154,363	\$ 1,395,810
Total Operating Receipts	<u>1,236,326</u>	<u>5,121</u>	<u>154,363</u>	<u>1,395,810</u>
OPERATING DISBURSEMENTS:				
Sewer Expenses	0	3,418	14,345	17,763
Golf Course Expenses	1,200,567	0	0	1,200,567
Total Operating Disbursements	<u>1,200,567</u>	<u>3,418</u>	<u>14,345</u>	<u>1,218,330</u>
Operating Income	<u>35,759</u>	<u>1,703</u>	<u>140,018</u>	<u>177,480</u>
NONOPERATING RECEIPTS/ (DISBURSEMENTS):				
Interest Income	843	43	330	1,216
Principal Payments on Long-term Debt	(405,173)	0	(120,000)	(525,173)
Interest Expense	(168,122)	0	(89,303)	(257,425)
Total Nonoperating Receipts/ (Disbursements)	<u>(572,452)</u>	<u>43</u>	<u>(208,973)</u>	<u>(781,382)</u>
Income/(Loss) Before Transfers	(536,693)	1,746	(68,955)	(603,902)
Transfer In	<u>82,000</u>	<u>0</u>	<u>0</u>	<u>82,000</u>
Change in Modified Cash Basis Net Assets	(454,693)	1,746	(68,955)	(521,902)
Net Assets/(Deficit) - January 1, 2009	<u>(1,475,077)</u>	<u>14,191</u>	<u>190,941</u>	<u>(1,269,945)</u>
Net Assets/(Deficit) - December 31, 2009	\$ <u>(1,929,770)</u>	\$ <u>15,937</u>	\$ <u>121,986</u>	\$ <u>(1,791,847)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF KILLINGTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

The Town of Killington, Vermont operates under a Selectboard/Town Manager/Town Treasurer form of government and provides the following services: public safety, highways and streets, sewage disposal, recreation, public improvements, planning and zoning, culture and recreation and general administrative services.

The Town, for financial reporting purposes, includes all of the funds relevant to the operations of the Town of Killington. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Town of Killington.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.D., these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

This report includes all of the funds of the Town of Killington, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Based on these criteria, there are no agencies or entities which should be combined with the financial statements of the Town.

B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, receipts, and disbursements. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town.

TOWN OF KILLINGTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and enterprise– are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the Town except those required to be accounted for in another fund.

Board Special Projects Fund – This fund accounts for specific projects designated by the Selectboard.

Volunteer Fire Department Capital Fund – This fund accounts for the acquisition of capital items for the Fire Department.

Cemetery Commission Fund – This Fund is used to account for principal trust amounts received and related interest income. The interest portion of the Trust can be used to maintain the community cemetery.

Economic Development and Tourism Fund – This fund accounts for the one percent (1%) local option tax that will be used to contribute to economic development projects as the Town determines appropriate.

TOWN OF KILLINGTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

The Town reports on the following major proprietary funds:

Golf Course Fund – This fund accounts for the operations of the golf course.

Alpine Drive Sewer Fund – This fund accounts for the operations of the sewer system of Alpine Drive.

Killington Road/Route 4 Sewer Fund – This fund accounts for the operations of the sewer system of Killington Road/Route 4

Proprietary fund operating receipts, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating receipts, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Fund equity (i.e., modified cash basis net assets) is segregated into restricted modified cash basis net assets and unrestricted modified cash basis net assets. Operating statements present increases (i.e., receipts) and decreases (i.e., disbursements) in modified cash basis net assets.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Their reported fund balances (modified cash basis fund balances) are considered a measure of available spendable resources, and are segregated into reserved and unreserved fund balances. Operating statements of these funds present increases (i.e., receipts and other financing sources) and decreases (i.e., disbursements and other financing uses) in modified cash basis fund balances.

D. Basis of Accounting

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Town's policy is to prepare its financial statements generally on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned, and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred. The exceptions to this are that investments are recorded as assets at cost and tax sale fees collected in excess of the amount required, short-term debt and property taxes due to the State of Vermont are recorded as liabilities.

TOWN OF KILLINGTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

General capital asset acquisitions are reported as expenditures. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

E. Assets, Liabilities and Equity

1. Cash

Cash balances of most Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of ninety (90) days or less to be cash equivalents.

2. Investments

The Town invests in investments as allowed by State Statute. Investments are reported at cost.

3. Fund Equity

Fund balances are classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Reservations of fund balances represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Designations of fund balance represent tentative management plans that are subject to change. Undesignated fund balances are available for future appropriations.

4. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget changes during the year.

TOWN OF KILLINGTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009

B. Reconciliation of Budgetary Statements

The "budget versus actual" statement of the General Fund has been prepared to conform to its budget. Therefore, to conform with the modified cash basis of accounting, certain adjustments are necessary. The following are the adjustments which reconcile the budgetary statement with the modified cash basis statement.

The Town does not budget for certain receipts and disbursements as follows:

Excess of Cash Receipts over Cash Disbursements - Exhibit E - Budgetary Basis	<u>\$ 94,198</u>
 Unbudgeted Receipts:	
Zoning Deposits	508
Fish/Wildlife Fees	956
Recreation Donations	8,931
Zoning Deposit Pre-08	474
Land Record Restoration Fees	6,399
Leggett Fund Donations	8,297
Lister Education Grant	417
State Reappraisal Grant	28,577
Wellness Revenue	4,133
State Paving Grant	66,748
Teen Center Donations	3,286
Fireworks Donations	2,188
Transfer from Special Board Projects – Reappraisal	<u>514</u>
Total Unbudgeted Receipts	<u>131,428</u>
 Unbudgeted Disbursements:	
Zoning Deposit Refunds	508
Recreation Expenses	8,931
Teen Center Expenses	3,286
Land Records Expenses	6,399
Leggett Fund Expenses	8,297
Fish/Wildlife Fees to State	956
Zoning Deposit Refunds – Pre 08	474
Miscellaneous Reimbursable Expenses	2,981
State Reappraisal Grant Expenses	31,059
Wellness Expenses	4,345
State Paving Grant Expenses	66,748
Tax Refunds	<u>3,639</u>
Total Unbudgeted Disbursements	<u>137,623</u>
Net Change in Fund Balance – Exhibit D	<u>\$ 88,003</u>

TOWN OF KILLINGTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash received by the Town is placed in the custody of the Town Treasurer who is elected. The cash and certificates deposit in the Town accounts as of December 31, 2009 consisted of the following:

Cash	\$3,389,391
Investments - Certificates of Deposit	<u>4,316,273</u>
Total	<u>\$7,705,664</u>

Certificates of deposits with a maturity date more than three (3) months from the date acquired are classified as investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. All of the Town's certificates of deposits mature within one year and, therefore, are not subject to interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have any policy to limit the exposure to credit risk. The Town has no investments that are subject to credit risk.

Concentration of Credit Risk

The Town does not have a policy regarding limitations on the amount that can be invested in any one issuer. There are no investments subject to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town's cash deposits and certificates of deposit are exposed to custodial credit risk as outlined in the following deposit analysis:

TOWN OF KILLINGTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 306,815	\$ 423,650
Insured/(Private)	<u>7,398,849</u>	<u>8,009,015</u>
Total	<u>\$7,705,664</u>	<u>\$8,432,665</u>

The difference between the book balance and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

B. Interfund Activity

Interfund transfers during the year ended December 31, 2009 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Board Special Projects Fund	General Fund	\$ 514	Fund Expenses
Board Special Projects Fund	General Fund	16,231	Transfer Interest Earned
General Fund	Golf Course Fund	82,000	Fund Debt Service
General Fund	Board Special Projects Fund	34,473	Reserve Unspent Funds
General Fund	Board Special Projects Fund	82,201	Special Capital Projects
General Fund	Cemetery Commission Fund	<u>4,000</u>	Budgetary Authorization
		<u>\$ 219,419</u>	

C. Reserved and Designated Fund Balances/Net Assets

The Reserved Fund Balances of the Town's Governmental Funds as of December 31, 2009 consisted of the following:

Governmental Funds:

Board Special Projects Fund:	
Reserved for Library Expenses by Donation	\$ 5,286 ✓
Reserved for Recreation Expenses by Donation	23,209 ✓
Reserved for Land Records Restoration by State Statute	45,248 ✓
Reserved for Reappraisal Expenses by Grant Agreement	158,793 ✓
Reserved for Paving Expenses by Grant Agreement <i>state school fund</i>	<u>13,449</u>
Total Board Special Projects Fund	<u>245,985</u>

TOWN OF KILLINGTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009

Cemetery Commission Fund:	
Reserved for Cemetery by Agreement	\$ <u>56,815</u>
Total Governmental Funds Reserved Fund Balances	\$ <u>302,800</u>

The Designated Fund Balances of the Town's Governmental Funds as of December 31, 2009 consisted of the following:

Governmental Funds:			
<i>Used to</i>	Designated for SVFD Capital Fund	<i>various 2459.26</i>	\$ 668,494 <i>668,034.61</i>
	Designated for Killington Road Walkway		25,537 ✓
	Designated for Equipment Replacement		229,580 ✓
	Designated for Gravel Resurfacing		69,517 ✓
	Designated for Bituminous Resurfacing		33,433 ✓
	Designated for Winter Sand Pile Building		70,000 ✓
	Designated for Bridge Capital Fund		25,427 ✓
	Designated for Town Office Capital		14,766 ✓
	Designated for Zoning Deposit Refunds		1,492 ✓
	Designated for Library Capital		7,866 ✓
	Designated for Recreation Capital Fund		45,595 ✓
	Designated for Teen Center Expenses		1,997 ✓
	Designated for Planning Commission Technical Services		5,356 ✓
	Designated for Wellness Expenses		6,680 ✓
	Designated for Traffic Control Devices		12,000 ✓
	Designated for Extra Tax Sale Receipts		4,055 ✓ <i>49407.80</i>
	Designated for Health Insurance Reserve		15,228 ✓
	Designated for Economic Development and Tourism		<u>130,624</u> ✓
	Total Governmental Funds Designated Fund Balances		\$ <u>1,367,647</u>

TOWN OF KILLINGTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009

The Designated Net Assets of the Town as of December 31, 2009 consisted of the following:

Proprietary Funds:

Designated for Alpine Drive Sewer Expenses	\$ 15,937
Designated for Killington Road/Route 4 Sewer Expenses	<u>121,986</u>
Total Designated Net Assets	<u>\$137,923</u>

It is the intent of the Town that the negative undesignated net assets in the Golf Course Fund of \$1,929,770 will be funded by refinancing the note payable to long-term debt.

D. Short-Term Debt

Short-Term Debt in the Golf Course Fund consisted of the following:

Note Payable, T.D. Banknorth, Current Expense Note, Interest Rate at 1.112%, Principal and Interest Due and Paid in Full August 15, 2010	<u>\$2,000,000</u>
Total Short-Term Debt	<u>\$2,000,000</u>

<u>Balance</u> <u>December 31, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2009</u>
<u>\$ 1,500,000</u>	<u>\$2,000,000</u>	<u>\$ 1,500,000</u>	<u>\$ 2,000,000</u>

IV. OTHER INFORMATION

A. BENEFIT PLANS

All applicable employees of the Town of Killington are covered under the State of Vermont Municipal Employees' Retirement Plan. The Town participates in Plans B and DC.

Employees in Plan B, a defined benefit plan, contribute 4.5% of gross wages and the Town contributes 5.0% to the plan. The Town of Killington pays all costs accrued each year for the plan. The premise of the Plan is to provide a retirement plan covering municipal employees at a uniform state wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. Due to the nature of this pension plan, net assets available for benefits as well as present value of vested and nonvested plan benefits by municipality are not determinable.

Employees in Plan DC, a defined contribution plan, contribute 5% of their gross salary and the Town also contributes 5%. The Town of Killington pays all costs accrued each year for the plan. The premise of Plan DC is to allow employees to have a choice in investing their retirement assets. Each employee will receive the value of their account upon retirement.

TOWN OF KILLINGTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009

Total payroll for the year was \$1,366,521. Total payroll covered was \$571,805. The Town's contribution to the plan for the year ending December 31, 2009 was \$28,590.

Additional information regarding the State of Vermont Municipal Employees Retirement Plan is available upon request from the State of Vermont.

B. PROPERTY TAXES

Property taxes are due August and November 1st. Interest is assessed at 1% per month and a penalty of 8% is assessed when the taxes become delinquent on November 11th. The Town of Killington bills and collects its own property taxes and also for the education taxes for the State of Vermont. Town tax revenue is recognized when cash is received. For the year ended December 31, 2009, the tax rate is as follows:

	<u>Non-Residential</u>	<u>Residential</u>
Education	1.9728	2.0654
Municipal	<u>0.3106</u>	<u>0.3106</u>
Total	<u>2.2834</u>	<u>2.3760</u>

C. RISK MANAGEMENT

The Town of Killington is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town of Killington maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town of Killington. Settled claims have not exceeded this coverage in any of the past three years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

In addition, the Town of Killington is a member of Vermont League of Cities and Towns Health Trust. The Health Trust is a nonprofit corporation formed to provide health insurance and wellness programs for Vermont municipalities and is owned by the participating members. The agreement does not permit the Health Trust to make additional assessments to its members unless the member leaves the Trust during the calendar year. An exit fee equivalent to the final monthly premium paid by that member will be assessed.

The Town of Killington is also a member of the Vermont League of Cities and Towns Unemployment Insurance Trust. The Unemployment Trust is a nonprofit corporation formed to provide unemployment coverage for Vermont municipalities and is owned by the participating members. The agreement does not permit the Unemployment Trust to make additional assessments to its members.

TOWN OF KILLINGTON, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

D. LONG-TERM DEBT

Long-Term liabilities outstanding as of December 31, 2009 were as follows:

Governmental Activities:

Bond Payable – Vermont Municipal Bond Bank, Library Construction, Annual Principal Payments Ranging from \$45,000 to \$50,000 Due on December 1, Semi-Annual Interest Payments Due on June and December 1, Interest Ranging from 4.355% to 5.155%, Due December 1, 2018 \$ 405,000

Bond Payable – Vermont Municipal Bond Bank, Town Garage Construction, Annual Principal Payments Ranging from \$30,000 to \$35,000 Due on December 1, Semi-Annual Interest Payments Due on June and December 1, Interest Ranging from 1.19% to 4.69%, Due December 1, 2023 420,000

Total Governmental Activities \$ 825,000

Business-Type Activities:

Bond Payable – Vermont Municipal Bond Bank, Golf Course Construction, Annual Principal Payments of \$320,000, Due on December 1, Semi-Annual Interest Payments Due on June and December 1, Interest Rates Ranging from 5.15% to 5.95%, Due December 1, 2025 \$2,120,000

Bond Payable – Vermont Municipal Bond Bank, Golf Course Construction, Annual Principal Payments Ranging from \$30,000 to \$35,000, Due on December 1, Semi-Annual Interest Payments Due on June and December 1, Interest Rates Ranging from 3.555% to 5.155%, Due December 1, 2018 290,000

Bond Payable – Vermont Municipal Bond Bank, Golf Course Operations, Annual Principal Payments Ranging from \$35,000 to \$40,000 Beginning December 1, 2009, Semi-Annual Interest Payments Due on June and December 1, Interest Rates Ranging from 2.83% to 4.69%, Due December 1, 2023 505,000

TOWN OF KILLINGTON, VERMONT
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 DECEMBER 31, 2009

Bond Payable – Vermont Municipal Bond Bank,
 Construction of Sewer Lines, Annual Principal Payments
 Ranging from \$100,000 to \$195,000 Due December 1,
 Semi-Annual Interest Payments Due June and December
 1, Interest Ranging from 4.475% to 5.145%, Due
 December 1, 2019 \$1,590,000

Capital Lease – Wells Fargo, Golf Carts, Interest at 5.69%
 Monthly Installment of Principal and Interest of
 \$8,274 Due from May to October until October, 2014 214,547

Total Business-Type Activities \$4,719,547

Changes in Long-Term Liabilities During the Year were as follows:

Governmental Activities:

	Balance January 1, 2009	Additions	Deletions	Ending December 31, 2009	Due Within One Year
General Obligation Bonds	\$ <u>900,000</u>	\$ <u>0</u>	\$ <u>75,000</u>	\$ <u>825,000</u>	\$ <u>75,000</u>

Business-Type Activities:

	Balance January 1, 2009	Additions	Deletions	Ending December 31, 2009	Due Within One Year
General Obligation Bonds	\$ 5,020,000	\$ 0	\$ 515,000	\$ 4,505,000	\$ 520,000
Capital Leases	<u>0</u>	<u>224,720</u>	<u>10,173</u>	<u>214,547</u>	<u>49,643</u>
	<u>\$ 5,020,000</u>	<u>\$ 224,720</u>	<u>\$ 525,173</u>	<u>\$ 4,719,547</u>	<u>\$ 569,643</u>

The Town anticipates the maturities to be as follows:

Governmental Activities:

	Principal	Interest	Total
2010	\$ 75,000	\$ 37,411	\$ 112,411
2011	75,000	34,316	109,316
2012	75,000	31,100	106,100
2013	75,000	27,809	102,809
2014	75,000	24,455	99,455
2015-2019	330,000	69,858	399,858
2020-2024	<u>120,000</u>	<u>13,872</u>	<u>133,872</u>
Total	<u>\$ 825,000</u>	<u>\$ 238,821</u>	<u>\$ 1,063,821</u>

TOWN OF KILLINGTON, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009

Business-Type Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Capital Leases</u>	<u>Total</u>
2010	\$ 520,000	\$ 242,004	\$ 49,643	\$ 811,647
2011	530,000	214,762	49,643	794,405
2012	535,000	186,138	49,643	770,781
2013	535,000	157,116	49,643	741,759
2014	540,000	127,852	49,643	717,495
2015-2019	1,585,000	289,040	0	1,874,040
2020-2024	240,000	39,984	0	279,984
2025-2029	20,000	1,190	0	21,190
Less: Amounts Representing Interest	<u>0</u>	<u>0</u>	<u>(33,668)</u>	<u>(33,668)</u>
Total	\$ <u>4,505,000</u>	\$ <u>1,258,086</u>	\$ <u>214,547</u>	\$ <u>5,977,633</u>

E. MAJOR TAXPAYERS

The Town receives a major portion of its tax revenue from Killington, Pico Ski Resort Partners. For the year ended December 31, 2009, the Town received 6.5% of total property taxes from this entity. The Town also receives a major portion of its tax revenue from the Grand Summit Resort Hotel. For the year ended December 31, 2009, the Town received 6% of total property taxes from this entity.

