

Audited Financial Statements
and Other Financial Information

Town of Killington, Vermont

December 31, 2014



Proven Expertise and Integrity

TOWN OF KILLINGTON, VERMONT

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DECEMBER 31, 2014

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INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Killington
Killington, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Killington, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Killington as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Killington's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted

in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RHR Smith & Company

Buxton, Maine

Vermont Registration No. 092.0000697

January 16, 2015

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

(UNAUDITED)

The following management's discussion and analysis of the Town of Killington, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Killington's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have separate columns for the two different types of town activities. The types of activities presented for the Town of Killington are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, highways, health and sanitation, culture and recreation, social services, education, and other unclassified.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Killington include the Alpine Drive Sewer Fund, Route 4 Sewer Fund and the Golf Course.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Killington, like other local governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Killington can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the

governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Killington presents four columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, FEMA Irene Storm and the Shelburne Village Cemetery Fund. All other funds are shown as nonmajor and are combined in the "All Nonmajor Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Killington maintains three proprietary funds, the Alpine Drive Sewer Fund, the Route 4 Sewer Fund and the Golf Course. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Cash Flows – Proprietary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$396,169 from \$5,229,245 to \$5,625,414. For business-type activities, the Town's total net position increased by \$393,570 from a deficit of \$558,439 to a deficit of \$164,869.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased for the governmental activities to a balance of \$960,731 at the end of the fiscal year. For the business-type activities, unrestricted net position increased to a deficit balance of \$2,434,703.

Table 1
Town of Killington, Vermont
Net Position
December 31,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets:				
Current and Other Assets	\$ 5,910,146	\$ 5,820,871	\$ 113,064	\$ 102,847
Capital Assets	6,473,388	4,623,541	4,114,834	4,334,025
Total Assets	<u>12,383,534</u>	<u>10,444,412</u>	<u>4,227,898</u>	<u>4,436,872</u>
Liabilities:				
Current Liabilities	4,848,705	4,695,451	672,767	650,311
Long-term Debt Outstanding	1,909,415	519,716	3,720,000	4,345,000
Total Liabilities	<u>6,758,120</u>	<u>5,215,167</u>	<u>4,392,767</u>	<u>4,995,311</u>
Net Position:				
Net Investment in Capital Assets	4,210,738	3,816,997	2,269,834	1,901,111
Restricted: Special Revenue Funds	2,697	1,785	-	-
Capital Project Funds	389,446	358,334	-	-
Permanent Funds	61,802	65,709	-	-
Unrestricted (deficit)	960,731	986,420	(2,434,703)	(2,459,550)
Total Net Position	<u>\$ 5,625,414</u>	<u>\$ 5,229,245</u>	<u>\$ (164,869)</u>	<u>\$ (558,439)</u>

Table 2
Town of Killington, Vermont
Change in Net Position
For the Years Ended December 31,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 119,660	\$ 139,269	\$ 1,363,536	\$ 1,384,771
Operating grants and contributions	130,821	131,231	-	-
Capital grants and contributions	-	186,675	-	-
<i>General Revenues:</i>				
Taxes	15,696,343	13,860,545	-	-
Grants and contributions not restricted to specific programs	1,270,792	282,209	-	-
Miscellaneous	250,647	453,020	39,340	22,668
Total Revenues	<u>17,468,263</u>	<u>15,052,949</u>	<u>1,402,876</u>	<u>1,407,439</u>
Expenses				
General government	880,620	805,920	-	-
Public safety	510,033	420,891	-	-
Highways	859,234	837,502	-	-
Health and sanitation	52,979	44,494	-	-
Culture and recreation	339,566	348,960	-	-
Social services	11,430	10,905	-	-
Education	13,398,850	10,724,442	-	-
County tax	53,858	54,185	-	-
Interest on long-term debt	9,439	26,332	336,558	216,331
Capital outlay	-	390,524	-	-
Sewer	-	-	80,494	83,579
Golf course	-	-	1,197,763	1,224,034
Unclassified	350,576	189,482	-	-
Total Expenses	<u>16,466,585</u>	<u>13,853,637</u>	<u>1,614,815</u>	<u>1,523,944</u>
Change in Net Position	1,001,678	1,199,312	(211,939)	(116,505)
Transfers	(605,509)	(304,124)	605,509	304,124
Net Position - January 1	<u>5,229,245</u>	<u>4,334,057</u>	<u>(558,439)</u>	<u>(746,058)</u>
Net Position - December 31	<u>\$ 5,625,414</u>	<u>\$ 5,229,245</u>	<u>\$ (164,869)</u>	<u>\$ (558,439)</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 16.05%, while total expenses increased by 18.86%. The Town's increase in revenues was mainly due to taxes while the increase in expenditures was primarily due to education.

Proprietary fund revenues decreased by .32%, while total expenses increased by 5.96%. The proprietary fund revenues were fairly consistent with the prior year while the increase in expenditures was mainly due to interest on long-term debt.

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Town of Killington, Vermont
Fund Balances - Governmental Funds
December 31,

	2014	2013
General Fund:		
Nonspendable	\$ -	\$ 12,506
Unassigned	585,562	653,046
Total General Fund	\$ 585,562	\$ 665,552
FEMA Irene Storm:		
Unassigned	\$ (815,491)	\$ (997,780)
Total FEMA Irene Storm	\$ (815,491)	\$ (997,780)
Sherburne Village Cemetery Fund		
Restricted	\$ 61,802	\$ 65,709
Total Shelburne Village Cemetery Fund	\$ 61,802	\$ 65,709
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 2,697	\$ 1,785
Capital Project Funds:		
Restricted	389,446	358,334
Committed	775,676	853,609
Assigned	25,577	15,880
Unassigned	(42,144)	(77,025)
Total Nonmajor Funds	\$ 1,151,252	\$ 1,152,583

The general fund total fund balance decreased by \$79,990 from the prior fiscal year. The FEMA Irene Storm increased by \$182,289 from the prior fiscal year. The Sherburne Village Cemetery Fund decreased by \$3,907 from the prior fiscal year. The non-major fund balances decreased by \$1,331 from the prior fiscal year.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Alpine Drive Sewer Fund had an increase in the net position for the year of \$3,253 versus last year of \$993. The Route 4 Sewer Fund also had an increase in net position this year of \$110,085 versus last year of \$90,650. Likewise, the Golf Course had an increase in net position this year of \$280,232 versus last year of \$95,976.

Budgetary Highlights

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues were over budget by \$1,086. This was primarily the result of most revenue categories being receipted in excess of budget.

The general fund actual expenditures were under budget by \$74,120. All expenditure categories were under budget with the exception of highways, health and sanitation, social services and transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2014, the net book value of capital assets recorded by the Town increased by \$1,630,656 from the prior year. The increase is the result of capital additions of \$2,127,423 less current year depreciation of \$496,767.

**Table 4
Town of Killington, Vermont
Capital Assets (Net of Depreciation)
December 31,**

	2014	2013
Construction in progress	\$ 2,268,753	\$ 2,268,753
Buildings, building improvements and land improvements	3,432,383	3,632,734
Machinery, equipment and vehicles	3,135,124	2,719,306
Infrastructure	1,751,962	336,773
Total	\$ 10,588,222	\$ 8,957,566

Debt

At December 31, 2014, the Town had \$6.61 million in bonds, notes and capital leases outstanding versus \$5.75 million last year, an increase of 14.93%. Refer to Note 6 of the Notes to the Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town's unassigned fund balance has fallen below a level sufficient to sustain government operations for a period of approximately two months. However, the Town continues to maintain significant reserves for future operations, capital and program needs. The current year's increase was due to revenues received in excess of budget.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office at P.O. Box 429, Killington, Vermont 05751.

TOWN OF KILLINGTON, VERMONT

STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,989,466	\$ 46,014	\$ 5,035,480
Investments	49,675	-	49,675
Accounts receivable (net of allowance for uncollectibles):			
Taxes	621,309	-	621,309
Other	201,929	67,050	268,979
Internal balances	47,767	(47,767)	-
Total current assets	<u>5,910,146</u>	<u>65,297</u>	<u>5,975,443</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	2,268,753	-	2,268,753
Depreciable assets, net of accumulated depreciation	4,204,635	4,114,834	8,319,469
Total noncurrent assets	<u>6,473,388</u>	<u>4,114,834</u>	<u>10,588,222</u>
TOTAL ASSETS	<u><u>\$ 12,383,534</u></u>	<u><u>\$ 4,180,131</u></u>	<u><u>\$ 16,563,665</u></u>
LIABILITIES			
Current liabilities:			
Due to other governments	\$ 4,461,152	\$ -	\$ 4,461,152
Accrued expenses	34,318	-	34,318
Current portion of long-term obligations	353,235	625,000	978,235
Total current liabilities	<u>4,848,705</u>	<u>625,000</u>	<u>5,473,705</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	1,654,500	3,720,000	5,374,500
Notes payable	25,107	-	25,107
Capital leases payable	229,808	-	229,808
Total noncurrent liabilities	<u>1,909,415</u>	<u>3,720,000</u>	<u>5,629,415</u>
TOTAL LIABILITIES	<u>6,758,120</u>	<u>4,345,000</u>	<u>11,103,120</u>
NET POSITION			
Net investment in capital assets	4,210,738	2,269,834	6,480,572
Restricted	453,945	-	453,945
Unrestricted	960,731	(2,434,703)	(1,473,972)
TOTAL NET POSITION	<u>5,625,414</u>	<u>(164,869)</u>	<u>5,460,545</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 12,383,534</u></u>	<u><u>\$ 4,180,131</u></u>	<u><u>\$ 16,563,665</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Totals
Governmental activities:							
General government	\$ 880,620	\$ 62,958	\$ -	\$ -	\$ (817,662)	\$ -	\$ (817,662)
Public safety	510,033	-	-	-	(510,033)	-	(510,033)
Highways	859,234	-	84,143	-	(775,091)	-	(775,091)
Health and sanitation	52,979	25,989	-	-	(26,990)	-	(26,990)
Culture and recreation	339,566	30,713	-	-	(308,853)	-	(308,853)
Social services	11,430	-	-	-	(11,430)	-	(11,430)
Education	13,398,850	-	-	-	(13,398,850)	-	(13,398,850)
County tax	53,858	-	-	-	(53,858)	-	(53,858)
Interest on long-term debt	9,439	-	-	-	(9,439)	-	(9,439)
Unclassified	350,576	-	46,678	-	(303,898)	-	(303,898)
Total governmental activities	<u>16,466,585</u>	<u>119,660</u>	<u>130,821</u>	<u>-</u>	<u>(16,216,104)</u>	<u>-</u>	<u>(16,216,104)</u>
Business-type activities:							
Alpine Drive Sewer Fund	3,659	6,912	-	-	-	3,253	3,253
Rt. 4 Sewer Fund	105,342	215,427	-	-	-	110,085	110,085
Golf Course	1,505,814	1,141,197	-	-	-	(364,617)	(364,617)
Total business-type activities	<u>1,614,815</u>	<u>1,363,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(251,279)</u>	<u>(251,279)</u>
Total government	<u>\$ 18,081,400</u>	<u>\$ 1,483,196</u>	<u>\$ 130,821</u>	<u>\$ -</u>	<u>(16,216,104)</u>	<u>(251,279)</u>	<u>(16,467,383)</u>

STATEMENT B (CONTINUED)

TOWN OF KILLINGTON, VERMONT

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Governmental Activities	Business- type Activities	Totals
Changes in net position:			
Net (expense) revenue	<u>(16,216,104)</u>	<u>(251,279)</u>	<u>(16,467,383)</u>
General revenues:			
Taxes, levied for general purposes	15,696,343	-	15,696,343
Grants and contributions not restricted to specific programs	1,270,792	-	1,270,792
Miscellaneous	250,647	39,340	289,987
Transfers	<u>(605,509)</u>	<u>605,509</u>	<u>-</u>
Total general revenues and transfers	<u>16,612,273</u>	<u>644,849</u>	<u>17,257,122</u>
Change in net position	396,169	393,570	789,739
NET POSITION - JANUARY 1	<u>5,229,245</u>	<u>(558,439)</u>	<u>4,670,806</u>
NET POSITION - DECEMBER 31	<u>\$ 5,625,414</u>	<u>\$ (164,869)</u>	<u>\$ 5,460,545</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General Fund	FEMA Irene Storm	Sherburne Village Cemetery Fund	All Nonmajor Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 4,541,748	\$ -	\$ 12,127	\$ 435,591	\$ 4,989,466
Investments	-	-	49,675	-	49,675
Accounts receivable (net of allowance for uncollectibles):					
Taxes	621,309	-	-	-	621,309
Other	201,929	-	-	-	201,929
Due from other funds	1,135,713	-	-	931,225	2,066,938
TOTAL ASSETS	\$ 6,500,699	\$ -	\$ 61,802	\$ 1,366,816	\$ 7,929,317
LIABILITIES					
Due to other funds	\$ 988,116	\$ 815,491	\$ -	\$ 215,564	\$ 2,019,171
Accrued expenses	34,318	-	-	-	34,318
Due to other governments	4,461,152	-	-	-	4,461,152
TOTAL LIABILITIES	5,483,586	815,491	-	215,564	6,514,641
DEFERRED INFLOWS OF RESOURCES					
Deferred tax revenues	431,551	-	-	-	431,551
TOTAL DEFERRED INFLOWS OF RESOURCES	431,551	-	-	-	431,551
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	61,802	392,143	453,945
Committed	-	-	-	775,676	775,676
Assigned	-	-	-	25,577	25,577
Unassigned	585,562	(815,491)	-	(42,144)	(272,073)
TOTAL FUND BALANCES	585,562	(815,491)	61,802	1,151,252	983,125
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,500,699	\$ -	\$ 61,802	\$ 1,366,816	\$ 7,929,317

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 983,125
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	6,473,388
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	431,551
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(1,869,500)
Notes payable	(50,215)
Capital leases payable	<u>(342,935)</u>
Net position of governmental activities	<u>\$ 5,625,414</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT E

TOWN OF KILLINGTON, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	FEMA Irene Storm	Sherburne Village Cemetery Fund	All Nonmajor Funds	Totals Governmental Funds
REVENUES					
Taxes	\$ 15,790,976	\$ -	\$ -	\$ -	\$ 15,790,976
Intergovernmental	1,155,388	199,547	-	46,678	1,401,613
Charges for services	119,660	-	-	-	119,660
Miscellaneous revenues	227,468	-	179	23,000	250,647
TOTAL REVENUES	17,293,492	199,547	179	69,678	17,562,896
EXPENDITURES					
Current:					
General government	880,620	-	-	-	880,620
Public safety	434,876	-	-	-	434,876
Highways	755,872	-	-	-	755,872
Health and sanitation	52,979	-	-	-	52,979
Culture and recreation	309,838	-	-	-	309,838
Social services	11,430	-	-	-	11,430
Education	13,393,530	-	-	-	13,393,530
County tax	53,858	-	-	-	53,858
Unclassified	323,517	-	8,086	71,342	402,945
Debt service:					
Principal	75,000	-	-	-	75,000
Interest	9,439	-	-	-	9,439
Capital outlay	-	17,258	-	1,862,681	1,879,939
TOTAL EXPENDITURES	16,300,959	17,258	8,086	1,934,023	18,260,326
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	992,533	182,289	(7,907)	(1,864,345)	(697,430)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	-	1,400,000	1,400,000
Transfers in	50,000	-	4,000	718,420	772,420
Transfers (out)	(1,122,523)	-	-	(255,406)	(1,377,929)
TOTAL OTHER FINANCING SOURCES (USES)	(1,072,523)	-	4,000	1,863,014	794,491
NET CHANGE IN FUND BALANCES	(79,990)	182,289	(3,907)	(1,331)	97,061
FUND BALANCES - JANUARY 1	665,552	(997,780)	65,709	1,152,583	886,064
FUND BALANCES - DECEMBER 31	\$ 585,562	\$ (815,491)	\$ 61,802	\$ 1,151,252	\$ 983,125

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2014

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 97,061</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset purchases	2,064,308
Capital asset disposals	-
Depreciation expense	<u>(214,461)</u>
	<u>1,849,847</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>(94,633)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	
	<u>487,158</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	
	<u>(1,943,264)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 396,169</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

BALANCE SHEET – PROPRIETARY FUNDS
DECEMBER 31, 2014

	Enterprise Funds			Total
	Alpine Drive Sewer Fund	Route 4 Sewer Fund	Golf Course	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 46,014	\$ 46,014
Accounts receivable (net of allowance for uncollectibles)	450	54,753	11,847	67,050
Due from other funds	27,656	29,235	-	56,891
Total current assets	<u>28,106</u>	<u>83,988</u>	<u>57,861</u>	<u>169,955</u>
Noncurrent assets:				
Capital assets:				
Land improvements	-	-	5,940,000	5,940,000
Equipment	-	1,710,000	70,177	1,780,177
Vehicles	-	-	258,940	258,940
Less: accumulated depreciation	-	(285,000)	(3,579,283)	(3,864,283)
Total noncurrent assets	<u>-</u>	<u>1,425,000</u>	<u>2,689,834</u>	<u>4,114,834</u>
TOTAL ASSETS	<u>\$ 28,106</u>	<u>\$ 1,508,988</u>	<u>\$ 2,747,695</u>	<u>\$ 4,284,789</u>
LIABILITIES				
Current liabilities:				
Due to other funds	\$ -	\$ -	\$ 104,658	\$ 104,658
Current portion of long-term liabilities	-	160,000	465,000	625,000
Total current liabilities	<u>-</u>	<u>160,000</u>	<u>569,658</u>	<u>729,658</u>
Long-term liabilities:				
Bonds payable	-	730,000	2,990,000	3,720,000
Total long-term liabilities	<u>-</u>	<u>730,000</u>	<u>2,990,000</u>	<u>3,720,000</u>
TOTAL LIABILITIES	<u>-</u>	<u>890,000</u>	<u>3,559,658</u>	<u>4,449,658</u>
NET POSITION				
Net investment in capital assets	-	535,000	1,734,834	2,269,834
Unrestricted (deficit)	28,106	83,988	(2,546,797)	(2,434,703)
TOTAL NET POSITION	<u>28,106</u>	<u>618,988</u>	<u>(811,963)</u>	<u>(164,869)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 28,106</u>	<u>\$ 1,508,988</u>	<u>\$ 2,747,695</u>	<u>\$ 4,284,789</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Enterprise Funds			Total
	Alpine Drive Sewer Fund	Route 4 Sewer Fund	Golf Course	
OPERATING REVENUES				
Charges for services	\$ 6,912	\$ 215,427	\$ 1,141,197	\$ 1,363,536
Other	-	-	39,340	39,340
TOTAL OPERATING REVENUES	6,912	215,427	1,180,537	1,402,876
OPERATING EXPENSES				
Sewer	3,659	19,835	-	23,494
Golf course	-	-	972,457	972,457
Depreciation	-	57,000	225,306	282,306
TOTAL OPERATING EXPENSES	3,659	76,835	1,197,763	1,278,257
OPERATING INCOME (LOSS)	3,253	138,592	(17,226)	124,619
NON-OPERATING INCOME (EXPENSE)				
Interest expense	-	(28,507)	(308,051)	(336,558)
Transfers in	-	-	728,738	728,738
Transfers (out)	-	-	(123,229)	(123,229)
TOTAL NON-OPERATING INCOME (EXPENSE)	-	(28,507)	297,458	268,951
CHANGE IN NET POSITION	3,253	110,085	280,232	393,570
NET POSITION - JANUARY 1	24,853	508,903	(1,092,195)	(558,439)
NET POSITION - DECEMBER 31	<u>\$ 28,106</u>	<u>\$ 618,988</u>	<u>\$ (811,963)</u>	<u>\$ (164,869)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Enterprise Funds			Total
	Alpine Drive Sewer Fund	Route 4 Sewer Fund	Golf Course	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 6,462	\$ 232,735	\$ 1,185,285	\$ 1,424,482
Internal activity - receipts (payments) from/to other funds	(2,803)	(29,393)	27,566	(4,630)
Payments to suppliers	(3,659)	(19,835)	(972,457)	(995,951)
Net cash provided (used) by operating activities	-	183,507	240,394	423,901
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	-	728,738	728,738
Transfers (out)	-	-	(123,229)	(123,229)
Net cash provided (used) by noncapital financing activities	-	-	605,509	605,509
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest paid on long-term debt	-	(28,507)	(308,051)	(336,558)
Capital asset additions	-	-	(63,115)	(63,115)
Principal payments on long-term debt	-	(155,000)	(442,914)	(597,914)
Net cash provided (used) by capital and related financing activities	-	(183,507)	(814,080)	(997,587)
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	31,823	31,823
CASH AND CASH EQUIVALENTS - JANUARY 1	-	-	14,191	14,191
CASH AND CASH EQUIVALENTS - DECEMBER 31	\$ -	\$ -	\$ 46,014	\$ 46,014
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
OPERATING ACTIVITIES:				
Operating income (loss)	\$ 3,253	\$ 138,592	\$ (17,226)	\$ 124,619
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	-	57,000	225,306	282,306
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(450)	17,308	4,748	21,606
(Increase) decrease in due from other funds	(2,803)	(29,235)	-	(32,038)
Increase (decrease) in due to other funds	-	(158)	27,566	27,408
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ 183,507	\$ 240,394	\$ 423,901
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid during the year for:				
Interest	\$ -	\$ 28,507	\$ 308,051	\$ 336,558

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Killington was incorporated under the laws of the State of Vermont. The Town operates under the selectmen-manager form of government and provides the following services: general government, public safety, highways, health and sanitation, culture and recreation, social services, education, and other unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statement No. 39 and No. 61.

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's Alpine Drive Sewer Fund, Route 4 Sewer Fund and Golf Course are categorized as business-type activities. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. Both fiduciary funds and component units that are fiduciary in nature have been excluded from these financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- d. Permanent Funds are used to account for assets held by the Town pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

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

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

Governmental activities in the government-wide financial statements and proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. In the second half of the year the Town prepares a budget for the fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. The Town does not adopt budgets for Special Revenue Funds.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

TOWN OF KILLINGTON, VERMONT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts for the accounts receivable is estimated to be \$0 as of December 31, 2014.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town is currently working on completing its fixed asset inventory.

Estimated useful lives are as follows:

Buildings and improvements	10 - 70 years
Infrastructure	20 - 50 years
Machinery and equipment	5 - 30 years
Vehicles	5 - 30 years

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of bonds, notes and capital leases payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position invested in capital assets, net of related debt consists

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

The Town is in the process of adopting a set of financial policies to guide the financial operation of the Town. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows of resources.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied in July on the assessed value listed as of April 1, annually, for all real and personal property located in the Town. Taxes were due in four installments on August 15, November 15, February 15, and May 15. Interest and penalties commenced on August 25, November 25, February 25, and May 25, at 1% per month for the first three months and 1½% per month for

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

each month thereafter. An 8% penalty is added on the entire unpaid tax balance after May 25.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

Operating/Non-operating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2014, the Town's cash balance of \$5,035,480 was comprised of deposits amounting to \$5,257,367. Of these deposits, \$476,791 was insured by federal depository insurance or an irrevocable standby letter of credit and consequently was not exposed to custodial credit risk. The remaining deposits of \$4,780,576 were collateralized with a pool of securities held by the financial institution not in the Town's name and therefore were exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 132,685
Repurchase agreements	4,680,576
Money market accounts	432,894
Savings accounts	11,213
	<u>\$ 5,257,367</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

At December 31, 2014, the Town's investments of \$49,675 were comprised of certificates of deposit. Of this amount, \$49,675 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk.

<u>Investment Type</u>	<u>Bank Balance</u>	<u>N/A</u>	<u>< 1 Year</u>	<u>1 - 5 Years</u>
Certificates of deposit	<u>\$ 49,675</u>	<u>\$ -</u>	<u>\$ 49,675</u>	<u>\$ -</u>

Credit risk – Statutes for the State of Vermont authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts and various certificates of deposit.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2014 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 1,135,713	\$ 988,116
FEMA Irene Storm	-	815,491
Capital Project Funds	931,225	215,564
Alpine Drive Sewer Fund	27,656	-
Route 4 Sewer Fund	29,235	-
Golf Course	-	104,658
	<u>\$ 2,123,829</u>	<u>\$ 2,123,829</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2014:

	Balance, 1/1/14	Additions	Disposals	Balance, 12/31/14
<u>Governmental activities</u>				
Non-depreciated assets:				
Construction in progress	\$ 2,268,753	\$ -	\$ -	\$ 2,268,753
	<u>2,268,753</u>	<u>-</u>	<u>-</u>	<u>2,268,753</u>
Depreciated assets:				
Buildings & building improvements	1,276,328	47,948	-	1,324,276
Vehicles	947,597	437,239	-	1,384,836
Machinery & equipment	437,173	144,310	-	581,483
Infrastructure	344,770	1,434,811	-	1,779,581
	<u>3,005,868</u>	<u>2,064,308</u>	<u>-</u>	<u>5,070,176</u>
Less: accumulated depreciation	<u>(651,080)</u>	<u>(214,461)</u>	<u>-</u>	<u>(865,541)</u>
	<u>2,354,788</u>	<u>1,849,847</u>	<u>-</u>	<u>4,204,635</u>
Net governmental capital assets	<u>\$ 4,623,541</u>	<u>\$ 1,849,847</u>	<u>\$ -</u>	<u>\$ 6,473,388</u>

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance, 1/1/14	Additions	Disposals	Balance, 12/31/14
<u>Business-type activities</u>				
Depreciated assets:				
Land improvements	\$ 5,940,000	\$ -	\$ -	\$ 5,940,000
Machinery & equipment	1,717,062	63,115	-	1,780,177
Vehicles	258,940	-	-	258,940
	<u>7,916,002</u>	<u>63,115</u>	<u>-</u>	<u>7,979,117</u>
Less: accumulated depreciation	<u>(3,581,977)</u>	<u>(282,306)</u>	<u>-</u>	<u>(3,864,283)</u>
	<u>4,334,025</u>	<u>(219,191)</u>	<u>-</u>	<u>4,114,834</u>
Net business-type capital assets	<u>\$ 4,334,025</u>	<u>\$ (219,191)</u>	<u>\$ -</u>	<u>\$ 4,114,834</u>
<u>Current year depreciation</u>				
<u>Governmental activities</u>				
Public safety				\$ 75,157
Highway				103,362
Library				19,867
Recreation				9,861
Educaiton				5,320
Town-wide				894
Total governmental activities depreciation expense				<u>\$ 214,461</u>
<u>Business-type activities</u>				
Route 4 Sewer				\$ 57,000
Golf Course				225,306
Total business-type activities depreciation expense				<u>\$ 282,306</u>

NOTE 5 – SHORT-TERM DEBT

On May 20, 2014, the Town issued a tax anticipation note in anticipation of tax revenues to meet its operating obligations during the fiscal year. The note, a line of credit, allowed principle draws up to \$2,100,000 at 1.35% interest with a maturity date of November 10, 2014. Short-term debt activity for the year ended December 31, 2014, was as follows:

	Balance, 1/1/14	Additions	Repayments	Balance, 12/31/14
Tax anticipation note	<u>\$ -</u>	<u>\$ 2,100,000</u>	<u>\$ (2,100,000)</u>	<u>\$ -</u>

On August 20, 2014, the note was paid in full. Interest expense for the note was \$7,087.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 6 - LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended December 31, 2014:

	Balance, 1/1/14	Additions	Deletions	Balance, 12/31/14	Current Portion
<u>Governmental activities:</u>					
Bonds payable	\$ 544,500	\$ 1,400,000	\$ (75,000)	\$ 1,869,500	\$ 215,000
Notes payable	75,323	-	(25,108)	50,215	25,108
Capital leases payable	186,721	543,264	(387,050)	342,935	113,127
Totals	<u>\$ 806,544</u>	<u>\$ 1,943,264</u>	<u>\$ (487,158)</u>	<u>\$ 2,262,650</u>	<u>\$ 353,235</u>
<u>Business-type activities:</u>					
Bonds payable	\$ 4,895,000	\$ -	\$ (550,000)	\$ 4,345,000	\$ 625,000
Capital leases payable	47,914	-	(47,914)	-	-
Totals	<u>\$ 4,942,914</u>	<u>\$ -</u>	<u>\$ (597,914)</u>	<u>\$ 4,345,000</u>	<u>\$ 625,000</u>

The following is a summary of outstanding bonds and notes payable:

Governmental activities bonds and notes payable:

\$550,000, 2007 General Obligation Bonds due in annual principal payments of \$45,000 to \$50,000, through December of 2018. Interest is charged at a rate varying from 4.455% to 5.155% per annum.	\$ 180,000
\$610,000, 2003 General Obligation Bonds due in annual principal payments varying from \$30,000 to \$35,000, through December of 2023. Interest is charged at a rate varying from 1.19% to 4.69% per annum.	270,000
\$19,500, 2011 General Obligation Bonds due in annual principal payments of \$3,900, through May of 2021. Interest is charged at a rate of 0.00% per annum.	19,500
\$1,400,000, 2014 Bonds due in annual principal payments of \$140,000, through November of 2024. Interest is charged at a rate of 2.60% per annum.	1,400,000
\$100,430, Note payable to People's United Bank due in annual principal payments of \$25,108 through August of 2016. Interest is charged at a rate of 2.75% per annum.	50,215
Total governmental activities bonds and notes payable	<u>\$ 1,919,715</u>

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 6 - LONG TERM DEBT (CONTINUED)

Business-type activities bonds payable:

\$5,000,000, 1995 General Obligation Bonds due in annual principal payments of \$20,000 to \$320,000, through December of 2025. Interest is charged at a rate varying from 3.55% to 5.95% per annum.	\$ 520,000
\$395,000, 2007 General Obligation Bonds due in annual principal payments varying from \$30,000 to \$35,000, through December of 2018. Interest is charged at a rate varying from 4.455% to 5.155% per annum.	120,000
\$545,000, 2003 General Obligation Bonds due in annual principal payments varying from \$35,000 to \$40,000, through December of 2023. Interest is charged at a rate varying from 2.83% to 4.69% per annum.	315,000
\$1,710,000, 2009 General Obligation Bonds due in annual principal payments varying from \$120,000 to \$195,000, through December of 2019. Interest is charged at a rate varying from 4.875% to 5.415% per annum.	890,000
\$2,530,000, 2011 General Obligation Bonds due in annual principal payments varying from \$10,000 to \$290,000, through May of 2021. Interest is charged at a rate of 3.75% per annum.	<u>2,500,000</u>
Total business-type activities bonds payable	<u><u>\$ 4,345,000</u></u>

The following is a summary of outstanding bonds and notes principal and interest requirements for the fiscal years ending December 31:

Governmental activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	\$ 240,108	\$ 58,822	\$ 298,930
2016	244,007	51,008	295,015
2017	218,900	43,132	262,032
2018	218,900	35,909	254,809
2019	173,900	28,659	202,559
2020-2024	823,900	68,472	892,372
	<u>\$ 1,919,715</u>	<u>\$ 286,002</u>	<u>\$ 2,205,717</u>

TOWN OF KILLINGTON, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2014

NOTE 6 - LONG TERM DEBT (CONTINUED)

Business-type activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	\$ 625,000	\$ 191,933	\$ 816,933
2016	445,000	158,854	603,854
2017	435,000	139,254	574,254
2018	460,000	119,030	579,030
2019	480,000	96,970	576,970
2020-2024	1,600,000	248,859	1,848,859
2025-2029	300,000	11,690	311,690
	<u>\$ 4,345,000</u>	<u>\$ 966,590</u>	<u>\$ 5,311,590</u>

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

The following is a summary of outstanding capital leases payable for governmental activities:

The Town leases a brush truck under a non-cancelable lease agreement. The term of the lease is for a three year period expiring in November of 2016. Annual payments are \$73,990, with an initial first year payment of \$150,000.

The Town leases a loader under a non-cancelable lease agreement. The term of the lease is for a seven year period expiring in March of 2020. Annual payments are \$15,996.

The Town leases a truck under a non-cancelable lease agreement. The term of the lease is for a five year period expiring in March of 2018. Annual payments are \$22,873.

The Town leases a cruiser under a non-cancelable lease agreement. The term of the lease is for a four year period expiring in August of 2017. Annual payments are, first payment \$9,310 with an initial first year payment of \$15,000.

TOWN OF KILLINGTON, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2014

NOTE 6 - LONG TERM DEBT (CONTINUED)

Future minimum payments by year and in the aggregate under these leases are as follows:

Year Ending December 31:	
2015	\$ 122,170
2016	122,169
2017	48,179
2018	38,870
2019	15,996
2020-2024	<u>15,997</u>
Total minimum lease payment	363,381
Less amount representing interest	<u>(20,446)</u>
Present value of future minimum lease payments	<u><u>\$ 342,935</u></u>

NOTE 7 – OPERATING LEASES

The Town has entered into two lease agreements for copiers. The term of both leases is for 60 months expiring in April of 2017 and April of 2019. Monthly payments are \$789 and \$156, respectively.

The following is a summary of outstanding operating lease requirements for the fiscal years ending December 31:

Year Ending December 31:	
2015	\$ 11,345
2016	11,345
2017	5,033
2018	1,878
2019	626
Total minimum lease payment	<u><u>\$ 30,227</u></u>

NOTE 8 – RESTRICTED FUND BALANCES

At December 31, 2014, the Town had the following restricted fund balances:

Special revenue funds (See Schedule E)	\$ 2,697
Capital project funds (See Schedule G)	389,446
Shelburne Village Cemetery Fund	<u>61,802</u>
	<u><u>\$ 453,945</u></u>

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 9 – COMMITTED FUND BALANCES

At December 31, 2014, the Town had the following committed fund balances:

Capital project funds (See Schedule G)	<u>\$ 775,676</u>
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NOTE 10 – ASSIGNED FUND BALANCES

At December 31, 2014, the Town had the following assigned fund balances:

Capital project funds (See Schedule G)	<u>\$ 25,577</u>
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NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in coverage from the prior year and amounts of settlements have not exceeded insurance coverage in the past three years. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

In addition, the Town is a member of the Vermont League of Cities and Towns (VLCT). The VLCT has set up three insurance trusts; the Property and Casualty Intermunicipal Fund, Inc. (PACIF) for multi-line insurance; the Vermont League of Cities and Towns Health Trust (VLCTHT) for health, life and disability coverage; and the Vermont League of Cities and Towns Unemployment Trust, Inc. (VLCTUT) for unemployment compensation. PACIF, VLCTHT and VLCTUT are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment practices liability, members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and PACIF is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 11 - RISK MANAGEMENT (CONTINUED)

To provide insurance coverage, VLCTHT has established a self-funded fully insured program in conjunction with CIGNA. A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Benefits available include dental insurance, flexible spending accounts, life insurance, disability insurance, and long-term care insurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

To provide unemployment coverage, VLCTUT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims, and provide excess reinsurance protection. Contributions are based on payroll expense and the previous two year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VLCTUT is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 12 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 13 – DEFICIT FUND BALANCES / NET POSITION

At December 31, 2014, the Town had the following deficit fund balances or net position:

Bituminous Resurfacing	\$ 39,517
Library Capital Fund	2,627
FEMA Irene Storm	815,491
Golf Course	811,963
	<u>\$ 1,669,598</u>

The Town plans to transfer funding from other road projects in fiscal 2015 to eliminate the deficit in the Bituminous Resurfacing fund. The FEMA Irene Storm deficit will be reduced by drawdowns of state and federal funding allocated to this project. Project completion is anticipated in the next fiscal year. The Golf Course fund's deficit net position continues to trend downward, as debt continues to decline, with operating revenues nearly meeting expenses. The Town will continue its efforts to close this funding gap over time.

NOTE 14 – LETTER OF CREDIT

At December 31, 2014, the Town has an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD Bank, N.A. This letter of credit, which expires at the close of business on January 26, 2015, authorizes one draw only up to the amount of \$200,000. There were no draws for the year ended December 31, 2014.

NOTE 15 - PENSION PLANS

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

A. Plan Description

The Town participates in the Vermont Municipal Employees' Retirement System (VMERS), a cost sharing multi-employer public employee retirement system with defined benefit and defined contribution pension plans administered by the State of Vermont. VMERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The State statutory provisions, found in Section 5062 of Title 24, Chapter 125, of the V.S.A., govern eligibility for benefits, service requirements and benefit provisions. The general administration and responsibility for the proper operation of VMERS is vested in the Board of Trustees consisting of five members. VMERS issues annual financial information which is available and may be reviewed at the VMERS' office, 109 State Street, Montpelier, Vermont, 05609-8901 or by calling (802) 828-2305.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 15 - PENSION PLANS (CONTINUED)

B. Funding Policy

Defined benefit plan members are required to contribute 4.75% of their annual covered salary, and the Town is required to contribute 5.375% of the employees' compensation. Defined contribution plan members are required to contribute 5.00% of their annual covered salary, and the Town is required to contribute 5.13%. The contribution requirements of plan members and the Town are established and may be amended by the Board of Trustees. The Town's contribution requirements of plan members and the Town are established and may be amended by the Board of Trustees. The Town's contributions to VMERS for the years ended December 31, 2014, 2013, and 2012 were \$51,657, \$44,011 and \$30,076 and the employee contributions were \$47,498, \$40,805 and \$57,223, respectively. The amounts contributed were equal to the required contributions for each year.

NOTE 16 – EXPENDITURES OVER APPROPRIATIONS

At December 31, 2014, the Town had the following overspent appropriations:

Highways	\$	22,723
Health and sanitation		7,780
Social services		25
Transfers to other funds		4,815
	\$	<u>35,343</u>

NOTE 17 – RELATED PARTY

The Town's police chief owns a business that provides cleaning services to the Town. During fiscal year ended December 31, 2014, payments to this vendor totaled \$11,840.

NOTE 18 – SUBSEQUENT EVENTS

On January 26, 2015, the Town had an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD Bank, N.A. This letter of credit, which expires at the close of business on April 7, 2015, authorizes one draw only up to the amount of \$1,000,000.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual - General Fund

TOWN OF KILLINGTON, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, January 1,	\$ 665,552	\$ 665,552	\$ 665,552	\$ -
Resources (Inflows):				
Property taxes	15,737,278	15,737,278	15,790,976	53,698
Intergovernmental	1,347,324	1,347,324	1,155,388	(191,936)
Charges for services	124,446	124,446	119,660	(4,786)
Miscellaneous revenues	133,358	133,358	227,468	94,110
Transfers from other funds	-	-	50,000	50,000
Amounts Available for Appropriation	<u>18,007,958</u>	<u>18,007,958</u>	<u>18,009,044</u>	<u>1,086</u>
Charges to Appropriations (Outflows):				
General government	926,240	926,240	880,620	45,620
Public safety	450,462	450,462	434,876	15,586
Highways	733,149	733,149	755,872	(22,723)
Health and sanitation	45,199	45,199	52,979	(7,780)
Culture and recreation	344,382	344,382	309,838	34,544
Social services	11,405	11,405	11,430	(25)
Education	13,393,530	13,393,530	13,393,530	-
County tax	53,858	53,858	53,858	-
Debt service:				
Principal	75,000	75,000	75,000	-
Interest	9,439	9,439	9,439	-
Unclassified	337,230	337,230	323,517	13,713
Transfers to other funds	1,117,708	1,117,708	1,122,523	(4,815)
Total Charges to Appropriations	<u>17,497,602</u>	<u>17,497,602</u>	<u>17,423,482</u>	<u>74,120</u>
Budgetary Fund Balance, December 31	<u>\$ 510,356</u>	<u>\$ 510,356</u>	<u>\$ 585,562</u>	<u>\$ 75,206</u>
Utilization of Unassigned Fund Balance	<u>\$ 155,196</u>	<u>\$ 155,196</u>	<u>\$ -</u>	<u>\$ (155,196)</u>

See accompanying independent auditors' report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Project Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF KILLINGTON, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 15,737,278	\$ 15,737,278	\$ 15,790,976	\$ 53,698
Intergovernmental revenues:				
Federal and State payments	120,000	120,000	155,771	35,771
State Aid - Highways	80,000	80,000	84,143	4,143
Tax collection fee from state	24,000	24,000	24,166	166
Local option taxes	700,000	700,000	891,308	191,308
Other	423,324	423,324	-	(423,324)
Charges for services:				
Fees and fines	18,446	18,446	19,493	1,047
Clerk revenue	41,000	41,000	38,291	(2,709)
Zoning revenue	6,500	6,500	5,174	(1,326)
Recreation revenue	35,000	35,000	30,713	(4,287)
Solid waste revenue	23,500	23,500	25,989	2,489
Other income:				
Interest and penalties	100,000	100,000	193,585	93,585
Other income	33,358	33,358	33,883	525
Transfers in	-	-	50,000	50,000
TOTAL REVENUES	<u>\$ 17,342,406</u>	<u>\$ 17,342,406</u>	<u>\$ 17,343,492</u>	<u>\$ 1,086</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES					
General government:					
Legislating	\$ 5,950	\$ -	\$ 5,950	\$ 8,915	\$ (2,965)
Managing municipality	107,100	-	107,100	102,160	4,940
Town meeting & elections	6,000	-	6,000	4,863	1,137
Town/school treasurer	10,350	-	10,350	11,754	(1,404)
Bookkeeping & secretarial	49,097	-	49,097	46,202	2,895
Auditing	18,500	-	18,500	15,523	2,977
Listing	36,648	-	36,648	26,564	10,084
Tax collecting	9,700	-	9,700	9,557	143
Town clerk	57,650	-	57,650	52,491	5,159
Board of Civil Authority	5,000	-	5,000	4,781	219
Legal services	6,500	-	6,500	3,150	3,350
Insurance	72,502	-	72,502	69,190	3,312
Planning comm. & Board of Adj.	16,350	-	16,350	8,407	7,943
Town planner & zoning	64,642	-	64,642	62,050	2,592
Town buildings	25,800	-	25,800	23,987	1,813
Office equipment	25,500	-	25,500	25,105	395
Reimbursable expense	-	-	-	8,434	(8,434)
Employee benefits	408,951	-	408,951	397,487	11,464
	<u>926,240</u>	<u>-</u>	<u>926,240</u>	<u>880,620</u>	<u>45,620</u>
Public safety:					
Constables	84,150	-	84,150	81,884	2,266
Fire department	336,032	-	336,032	329,811	6,221
Traffic control devices	7,100	-	7,100	3,929	3,171
Fire warden	300	-	300	300	-
Ambulance service	4,380	-	4,380	3,244	1,136
Street lights	18,500	-	18,500	15,708	2,792
	<u>450,462</u>	<u>-</u>	<u>450,462</u>	<u>434,876</u>	<u>15,586</u>

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Highways:					
Summer roads	171,589	-	171,589	157,133	14,456
Winter roads	298,800	-	298,800	340,337	(41,537)
Walkway, welcome signs, roadway	45,000	-	45,000	29,134	15,866
Town garage	39,560	-	39,560	42,603	(3,043)
Street signage	5,000	-	5,000	3,209	1,791
Town garage capital	5,000	-	5,000	4,825	175
Vehicles	168,200	-	168,200	178,631	(10,431)
	<u>733,149</u>	<u>-</u>	<u>733,149</u>	<u>755,872</u>	<u>(22,723)</u>
Health and sanitation:					
Solid waste	45,199	-	45,199	52,979	(7,780)
	<u>45,199</u>	<u>-</u>	<u>45,199</u>	<u>52,979</u>	<u>(7,780)</u>
Culture and recreation:					
Library	205,330	-	205,330	196,424	8,906
Recreation	137,852	-	137,852	113,201	24,651
Teen center	1,200	-	1,200	213	987
	<u>344,382</u>	<u>-</u>	<u>344,382</u>	<u>309,838</u>	<u>34,544</u>
Social services	<u>11,405</u>	<u>-</u>	<u>11,405</u>	<u>11,430</u>	<u>(25)</u>
Education	<u>13,393,530</u>	<u>-</u>	<u>13,393,530</u>	<u>13,393,530</u>	<u>-</u>
County tax	<u>53,858</u>	<u>-</u>	<u>53,858</u>	<u>53,858</u>	<u>-</u>

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Debt service:					
Principal	75,000	-	75,000	75,000	-
Interest	9,439	-	9,439	9,439	-
	<u>84,439</u>	<u>-</u>	<u>84,439</u>	<u>84,439</u>	<u>-</u>
Unclassified:					
Economic Development & Tourism	324,730	-	324,730	312,330	12,400
TAN interest	12,500	-	12,500	7,087	5,413
SFD #1	-	-	-	4,100	(4,100)
	<u>337,230</u>	<u>-</u>	<u>337,230</u>	<u>323,517</u>	<u>13,713</u>
Transfers out:					
Town office capital fund	4,000	-	4,000	4,000	-
Public safety capital	12,500	-	12,500	12,500	-
Recreation capital fund	23,500	-	23,500	28,500	(5,000)
Trail development	5,000	-	5,000	5,000	-
Library capital fund	15,000	-	15,000	15,000	-
Gravel resurfacing	50,000	-	50,000	50,000	-
Bituminous resurfacing capital fund	195,000	-	195,000	195,000	-
Guard rail	10,000	-	10,000	10,000	-
Bridges/culverts	57,727	-	57,727	57,727	-
Equipment replacement capital fund	139,000	-	139,000	139,000	-
Killington road walkway	58,464	-	58,464	58,464	-
Cemeteries	4,000	-	4,000	4,000	-
Golf course debt refunding	461,517	-	461,517	461,332	185
Golf course land debt	82,000	-	82,000	82,000	-
	<u>1,117,708</u>	<u>-</u>	<u>1,117,708</u>	<u>1,122,523</u>	<u>(4,815)</u>
Total Expenditures	<u>\$ 17,497,602</u>	<u>\$ -</u>	<u>\$ 17,497,602</u>	<u>\$ 17,423,482</u>	<u>\$ 74,120</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 2,697	\$ 432,894	\$ 435,591
Due from other funds	-	931,225	931,225
TOTAL ASSETS	<u>\$ 2,697</u>	<u>\$ 1,364,119</u>	<u>\$ 1,366,816</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	215,564	215,564
TOTAL LIABILITIES	<u>-</u>	<u>215,564</u>	<u>215,564</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	2,697	389,446	392,143
Committed	-	775,676	775,676
Assigned	-	25,577	25,577
Unassigned	-	(42,144)	(42,144)
TOTAL FUND BALANCES	<u>2,697</u>	<u>1,148,555</u>	<u>1,151,252</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,697</u>	<u>\$ 1,364,119</u>	<u>\$ 1,366,816</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ -	\$ 46,678	\$ 46,678
Other	1,150	21,850	23,000
TOTAL REVENUES	<u>1,150</u>	<u>68,528</u>	<u>69,678</u>
EXPENDITURES			
Capital outlay	-	1,862,681	1,862,681
Program expenses	238	71,104	71,342
TOTAL EXPENDITURES	<u>238</u>	<u>1,933,785</u>	<u>1,934,023</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>912</u>	<u>(1,865,257)</u>	<u>(1,864,345)</u>
OTHER FINANCING SOURCES (USES)			
Loan proceeds	-	1,400,000	1,400,000
Transfers in	-	718,420	718,420
Transfers (out)	-	(255,406)	(255,406)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,863,014</u>	<u>1,863,014</u>
NET CHANGE IN FUND BALANCES	912	(2,243)	(1,331)
FUND BALANCES - JANUARY 1	<u>1,785</u>	<u>1,150,798</u>	<u>1,152,583</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,697</u>	<u>\$ 1,148,555</u>	<u>\$ 1,151,252</u>

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds Description

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2014

	Perry Film Restoration	Totals
ASSETS		
Cash and cash equivalents	\$ 2,697	\$ 2,697
Due from other funds	-	-
TOTAL ASSETS	<u>\$ 2,697</u>	<u>\$ 2,697</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
Due to other funds	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	2,697	2,697
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>2,697</u>	<u>2,697</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,697</u>	<u>\$ 2,697</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Perry Film Restoration	Totals
REVENUES		
Other income	\$ 1,150	\$ 1,150
TOTAL REVENUES	<u>1,150</u>	<u>1,150</u>
EXPENDITURES		
Program expenses	238	238
TOTAL EXPENDITURES	<u>238</u>	<u>238</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>912</u>	<u>912</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	912	912
FUND BALANCES - JANUARY 1	<u>1,785</u>	<u>1,785</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,697</u>	<u>\$ 2,697</u>

See accompanying independent auditors' report and notes to financial statements.

Capital Project Funds

Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2014

	Transfer Station Capital	Recreation Donations	Record Restoration	State Reappraisal Grants	Gravel Resurfacing	Bituminous Resurfacing	Municipal Planning Grant
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	121	2,792	38,582	109,078	24,476	-	7,114
TOTAL ASSETS	\$ 121	\$ 2,792	\$ 38,582	\$ 109,078	\$ 24,476	\$ -	\$ 7,114
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	39,517	-
TOTAL LIABILITIES	-	-	-	-	-	39,517	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	109,078	-	-	7,114
Committed	121	-	38,582	-	24,476	-	-
Assigned	-	2,792	-	-	-	-	-
Unassigned	-	-	-	-	-	(39,517)	-
TOTAL FUND BALANCES	121	2,792	38,582	109,078	24,476	(39,517)	7,114
TOTAL LIABILITIES AND FUND BALANCES	\$ 121	\$ 2,792	\$ 38,582	\$ 109,078	\$ 24,476	\$ -	\$ 7,114

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2014

	Killington Road Walkway	Equipment Replacement	Water Study	Winter Swim	Winter Sand Pile Building	SVFD Capital Account	Town Office Capital Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 432,894	\$ -
Due from other funds	101,280	33,418	6,261	3,880	-	-	11,388
TOTAL ASSETS	<u>\$ 101,280</u>	<u>\$ 33,418</u>	<u>\$ 6,261</u>	<u>\$ 3,880</u>	<u>\$ -</u>	<u>\$ 432,894</u>	<u>\$ 11,388</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	173,420	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,420</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	101,280	33,418	-	-	-	259,474	11,388
Assigned	-	-	6,261	3,880	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>101,280</u>	<u>33,418</u>	<u>6,261</u>	<u>3,880</u>	<u>-</u>	<u>259,474</u>	<u>11,388</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 101,280</u>	<u>\$ 33,418</u>	<u>\$ 6,261</u>	<u>\$ 3,880</u>	<u>\$ -</u>	<u>\$ 432,894</u>	<u>\$ 11,388</u>

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2014

	Library Capital Fund	Recreation Capital Improvement	Bridge Capital Fund	Traffic Control Devices	Planning Technical Services	Police Department Capital	Golf Balloon Payment	Teen Center
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	16,692	275,091	32,150	4,907	5,675	217,500	5,269
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 16,692</u>	<u>\$ 275,091</u>	<u>\$ 32,150</u>	<u>\$ 4,907</u>	<u>\$ 5,675</u>	<u>\$ 217,500</u>	<u>\$ 5,269</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	2,627	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>2,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	32,150	4,907	-	217,500	5,269
Committed	-	16,692	275,091	-	-	5,675	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	(2,627)	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>(2,627)</u>	<u>16,692</u>	<u>275,091</u>	<u>32,150</u>	<u>4,907</u>	<u>5,675</u>	<u>217,500</u>	<u>5,269</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 16,692</u>	<u>\$ 275,091</u>	<u>\$ 32,150</u>	<u>\$ 4,907</u>	<u>\$ 5,675</u>	<u>\$ 217,500</u>	<u>\$ 5,269</u>

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2014

	Health Insurance Reserve	Wellness	Guard Rail	Zoning Deposits	Golf Capital	Swim Team Donations	Library Leggett Donation Fund	Totals
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 432,894
Due from other funds	98	5,414	2,805	1,119	9,381	9,839	6,895	931,225
TOTAL ASSETS	<u>\$ 98</u>	<u>\$ 5,414</u>	<u>\$ 2,805</u>	<u>\$ 1,119</u>	<u>\$ 9,381</u>	<u>\$ 9,839</u>	<u>\$ 6,895</u>	<u>\$ 1,364,119</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	215,564
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,564</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	5,414	-	1,119	-	-	6,895	389,446
Committed	98	-	-	-	9,381	-	-	775,676
Assigned	-	-	2,805	-	-	9,839	-	25,577
Unassigned	-	-	-	-	-	-	-	(42,144)
TOTAL FUND BALANCES	<u>98</u>	<u>5,414</u>	<u>2,805</u>	<u>1,119</u>	<u>9,381</u>	<u>9,839</u>	<u>6,895</u>	<u>1,148,555</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 98</u>	<u>\$ 5,414</u>	<u>\$ 2,805</u>	<u>\$ 1,119</u>	<u>\$ 9,381</u>	<u>\$ 9,839</u>	<u>\$ 6,895</u>	<u>\$ 1,364,119</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Transfer Station Capital	Recreation Donations	Record Restoration	State Reappraisal Grants	Gravel Resurfacing	Bituminous Resurfacing	Municipal Planning Grant
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 29,070	\$ -	\$ -	\$ 9,207
Other income	-	1,930	8,885	-	-	-	-
TOTAL REVENUES	-	1,930	8,885	29,070	-	-	9,207
EXPENDITURES							
Capital outlay	-	-	-	-	38,203	927,492	-
Program expenses	-	-	11,765	-	-	-	5,992
TOTAL EXPENDITURES	-	-	11,765	-	38,203	927,492	5,992
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	1,930	(2,880)	29,070	(38,203)	(927,492)	3,215
OTHER FINANCING SOURCES (USES)							
Loan proceeds	-	-	-	-	-	700,000	-
Transfers in	-	-	-	-	50,000	265,000	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	50,000	965,000	-
NET CHANGE IN FUND BALANCES	-	1,930	(2,880)	29,070	11,797	37,508	3,215
FUND BALANCES - JANUARY 1	121	862	41,462	80,008	12,679	(77,025)	3,899
FUND BALANCES - DECEMBER 31	\$ 121	\$ 2,792	\$ 38,582	\$ 109,078	\$ 24,476	\$ (39,517)	\$ 7,114

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Killington Road Walkway	Equipment Replacement	Water Study	Winter Swim	Winter Sand Pile Building	SVFD Capital Account	Town Office Capital Fund
REVENUES							
Intergovernmental	\$ 8,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	58	2,680	-	-	752	-
TOTAL REVENUES	<u>8,401</u>	<u>58</u>	<u>2,680</u>	<u>-</u>	<u>-</u>	<u>752</u>	<u>-</u>
EXPENDITURES							
Capital outlay	15,727	126,870	-	-	-	150,000	-
Program expenses	-	-	-	-	-	34,976	4,741
TOTAL EXPENDITURES	<u>15,727</u>	<u>126,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,976</u>	<u>4,741</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,326)</u>	<u>(126,812)</u>	<u>2,680</u>	<u>-</u>	<u>-</u>	<u>(184,224)</u>	<u>(4,741)</u>
OTHER FINANCING SOURCES (USES)							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	58,464	139,000	-	-	-	-	4,000
Transfers (out)	-	-	-	-	(70,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>58,464</u>	<u>139,000</u>	<u>-</u>	<u>-</u>	<u>(70,000)</u>	<u>-</u>	<u>4,000</u>
NET CHANGE IN FUND BALANCES	51,138	12,188	2,680	-	(70,000)	(184,224)	(741)
FUND BALANCES - JANUARY 1	<u>50,142</u>	<u>21,230</u>	<u>3,581</u>	<u>3,880</u>	<u>70,000</u>	<u>443,698</u>	<u>12,129</u>
FUND BALANCES - DECEMBER 31	<u>\$ 101,280</u>	<u>\$ 33,418</u>	<u>\$ 6,261</u>	<u>\$ 3,880</u>	<u>\$ -</u>	<u>\$ 259,474</u>	<u>\$ 11,388</u>

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Library Capital Fund	Recreation Capital Improvement	Bridge Capital Fund	Traffic Control Devices	Planning Technical Services	Police Department Capital	Golf Balloon Payment	Teen Center
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-
EXPENDITURES								
Capital outlay	24,759	23,940	539,865	-	-	15,825	-	-
Program expenses	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	24,759	23,940	539,865	-	-	15,825	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(24,759)	(23,940)	(539,865)	-	-	(15,825)	-	-
OTHER FINANCING SOURCES (USES)								
Loan proceeds	-	-	700,000	-	-	-	-	-
Transfers in	15,000	33,500	57,727	-	-	12,500	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	15,000	33,500	757,727	-	-	12,500	-	-
NET CHANGE IN FUND BALANCES	(9,759)	9,560	217,862	-	-	(3,325)	-	-
FUND BALANCES - JANUARY 1	7,132	7,132	57,229	32,150	4,907	9,000	217,500	5,269
FUND BALANCES - DECEMBER 31	\$ (2,627)	\$ 16,692	\$ 275,091	\$ 32,150	\$ 4,907	\$ 5,675	\$ 217,500	\$ 5,269

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Health Insurance Reserve	Wellness	Guard Rail	Zoning Deposits	Golf Capital	Swim Team Donations	Library Leggett Donation Fund	Totals
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,678
Other income	-	-	-	-	-	3,266	4,279	21,850
TOTAL REVENUES	-	-	-	-	-	3,266	4,279	68,528
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	-	1,862,681
Program expenses	-	436	7,682	707	-	497	4,308	71,104
TOTAL EXPENDITURES	-	436	7,682	707	-	497	4,308	1,933,785
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(436)	(7,682)	(707)	-	2,769	(29)	(1,865,257)
OTHER FINANCING SOURCES (USES)								
Loan proceeds	-	-	-	-	-	-	-	1,400,000
Transfers in	-	-	10,000	-	73,229	-	-	718,420
Transfers (out)	-	-	-	-	(185,406)	-	-	(255,406)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	10,000	-	(112,177)	-	-	1,863,014
NET CHANGE IN FUND BALANCES	-	(436)	2,318	(707)	(112,177)	2,769	(29)	(2,243)
FUND BALANCES - JANUARY 1	98	5,850	487	1,826	121,558	7,070	6,924	1,150,798
FUND BALANCES - DECEMBER 31	\$ 98	\$ 5,414	\$ 2,805	\$ 1,119	\$ 9,381	\$ 9,839	\$ 6,895	\$ 1,148,555

See accompanying independent auditors' report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2014

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
Public safety	\$ -	\$ 9,995	\$ 1,080,395	\$ -	\$ 1,090,390
Highways	2,268,753	621,460	783,963	1,779,581	5,453,757
Library	-	574,681	-	-	574,681
Recreation	-	91,855	18,011	-	109,866
Golf course	-	5,940,000	329,117	-	6,269,117
Education	-	-	53,200	-	53,200
Town-wide	-	26,285	30,750	-	57,035
Sewer fund	-	-	1,710,000	-	1,710,000
Total General Capital Assets	2,268,753	7,264,276	4,005,436	1,779,581	15,318,046
Less: Accumulated Depreciation	-	(3,831,893)	(870,312)	(27,619)	(4,729,824)
Net General Capital Assets	<u>\$ 2,268,753</u>	<u>\$ 3,432,383</u>	<u>\$ 3,135,124</u>	<u>\$ 1,751,962</u>	<u>\$ 10,588,222</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Capital Assets 1/1/14	Additions	Deletions	General Capital Assets 12/31/14
Public safety	\$ 743,890	\$ 346,500	\$ -	\$ 1,090,390
Highways	3,804,652	1,649,105	-	5,453,757
Library	565,336	9,345	-	574,681
Recreation	98,606	11,260	-	109,866
Golf course	6,206,002	63,115	-	6,269,117
Education	53,200	-	-	53,200
Town-wide	8,937	48,098	-	57,035
Sewer fund	1,710,000	-	-	1,710,000
Total General Capital Assets	13,190,623	2,127,423	-	15,318,046
Less: Accumulated Depreciation	(4,233,057)	(496,767)	-	(4,729,824)
Net General Capital Assets	<u>\$ 8,957,566</u>	<u>\$ 1,630,656</u>	<u>\$ -</u>	<u>\$ 10,588,222</u>

See accompanying independent auditors' report and notes to financial statements.