

Audited Financial Statements  
and Other Financial Information

**Town of Killington, Vermont**

June 30, 2022



*Proven Expertise & Integrity*

TOWN OF KILLINGTON, VERMONT

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JUNE 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

Selectboard  
Town of Killington  
Killington, Vermont

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Killington, Vermont, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Town of Killington, Vermont's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Town of Killington, Vermont, as of June 30, 2022 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Killington, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Killington, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Killington, Vermont's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Killington, Vermont's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 5 through 12 and 57 through 60 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Killington, Vermont's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022 on our consideration of the Town of Killington, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Killington, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Killington, Vermont's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
Vermont Registration No. 092.0000697  
December 8, 2022



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**(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 year ended June 30, 2022. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Killington Vermont'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 pension information 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, Vermont 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 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, Vermont include the Alpine Drive Sewer Fund, Route 4 Sewer Fund and the Green Mountain National Golf Course Fund.

### **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, Vermont 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, Vermont 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 funds balance sheet and the governmental funds 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, Vermont presents five columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, FEMA Irene Storm, the Sherburne Village Cemetery Fund and the Public Safety Building Fund. All other funds are shown as nonmajor and are combined in the "Other Governmental 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, Vermont maintains three proprietary funds, the Alpine Drive Sewer Fund, the Route 4 Sewer Fund and the Green Mountain National Golf Course Fund. 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, Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions - Pension.

### **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 and business-type activities. The Town's total net position for governmental activities increased by \$1,250,266 from \$9,834,978 to a balance of \$11,085,244. For business-type activities, the Town's total net position increased by \$163,398 from \$1,195,756 to a balance of \$1,359,154 .

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 – increased for the governmental activities to a balance of \$1,922,064 at the end of the fiscal year. For the business-type activities, unrestricted net position increased to a balance of \$519,615.

**Table 1**  
**Town of Killington, Vermont**  
**Net Position**  
**June 30,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2022</b>	<b>2021 Restated</b>	<b>2022</b>	<b>2021</b>
<b>Assets:</b>				
Current Assets	\$ 3,308,334	\$ 2,826,305	\$ 805,544	\$ 538,741
Noncurrent Assets - Capital Assets	15,991,803	15,661,060	2,352,583	2,425,105
<b>Total Assets</b>	<b>19,300,137</b>	<b>18,487,365</b>	<b>3,158,127</b>	<b>2,963,846</b>
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to Pensions	142,032	185,362	10,691	13,952
<b>Total Deferred Outflows of Resources</b>	<b>142,032</b>	<b>185,362</b>	<b>10,691</b>	<b>13,952</b>
<b>Liabilities:</b>				
Current Liabilities	1,161,573	866,187	512,733	411,995
Long-term Debt Outstanding	6,864,785	7,806,353	1,283,115	1,367,036
<b>Total Liabilities</b>	<b>8,026,358</b>	<b>8,672,540</b>	<b>1,795,848</b>	<b>1,779,031</b>
<b>Deferred Inflows of Resources:</b>				
Prepaid Taxes	147,015	125,205	-	-
Deferred Inflows Related to Pensions	183,552	40,004	13,816	3,011
<b>Total Deferred Inflows of Resources</b>	<b>330,567</b>	<b>165,209</b>	<b>13,816</b>	<b>3,011</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	8,549,494	7,507,084	839,538	1,037,105
Restricted: Special Revenue Funds	38,004	2,439	-	-
Capital Projects Funds	516,807	424,852	-	-
Permanent Funds	58,875	59,375	-	-
Unrestricted	1,922,064	1,841,228	519,616	158,651
<b>Total Net Position</b>	<b>\$ 11,085,244</b>	<b>\$ 9,834,978</b>	<b>\$ 1,359,154</b>	<b>\$ 1,195,756</b>

**Table 2**  
**Town of Killington, Vermont**  
**Change in Net Position**  
**For the Years Ended June 30,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>				
<i>Program Revenues:</i>				
Charges for services	\$ 321,414	\$ 265,197	\$ 1,446,205	\$ 1,267,831
Operating grants and contributions	239,545	192,314	-	-
<i>General Revenues:</i>				
Taxes	14,927,863	13,550,209	-	-
Grants and contributions not restricted to specific programs	938,995	719,627	-	-
Miscellaneous	304,797	725,476	-	9,437
<b>Total Revenues</b>	<b>16,732,614</b>	<b>15,452,823</b>	<b>1,446,205</b>	<b>1,277,268</b>
<b>Expenses</b>				
General government	1,307,011	1,203,145	-	-
Public safety	5,435	151,401	-	-
Highways	1,495,306	2,274,668	-	-
Health and sanitation	67,953	82,942	-	-
Culture and recreation	518,625	454,705	-	-
Social services	36,985	12,505	-	-
Education	10,589,587	9,777,523	-	-
County tax	59,416	67,999	-	-
Interest on long-term debt	197,371	61,088	4,384	58,140
Capital outlay	66,943	-	-	-
Sewer	-	-	51,976	68,148
Golf course	-	-	1,003,090	975,497
Depreciation	-	-	314,238	312,943
Unclassified	1,046,835	377,638	-	-
<b>Total Expenses</b>	<b>15,391,467</b>	<b>14,463,614</b>	<b>1,373,688</b>	<b>1,414,728</b>
Transfers	(90,881)	(291,653)	90,881	291,653
Change in Net Position	1,250,266	697,556	163,398	154,193
Net Position - July 1, Restated	9,834,978	9,137,422	1,195,756	1,041,563
Net Position - June 30	<b>\$ 11,085,244</b>	<b>\$ 9,834,978</b>	<b>\$ 1,359,154</b>	<b>\$ 1,195,756</b>

### Revenues and Expenses

Revenues for the Town of Killington, Vermont's governmental activities increased by 8.28% and total expenses increased by 6.42%. The increase in revenues was primarily due to taxes and grants and contributions not restricted to specific programs. The increase in expenses increased in all areas except public safety, highways, health and sanitation and county tax.

Revenues for the business-type activities increased by 13.23%, while total expenses decreased by 2.90%.

## 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**  
**June 30,**

	<u>2022</u>	<u>2021</u> <u>Restated</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Nonspendable	\$ 93,929	\$109,633	\$ (15,704)
Committed	75,000	75,000	-
Unassigned	1,089,650	694,983	394,667
Total General Fund	<u>\$ 1,258,579</u>	<u>\$ 879,616</u>	<u>\$ 378,963</u>
FEMA Irene Storm:			
Unassigned	\$ -	\$ (51,753)	\$ 51,753
Total FEMA Irene Storm	<u>\$ -</u>	<u>\$ (51,753)</u>	<u>\$ 51,753</u>
Sherburne Village Cemetery Fund:			
Restricted	\$ 58,875	\$ 59,375	\$ (500)
Total Sherburne Village Cemetery Fund	<u>\$ 58,875</u>	<u>\$ 59,375</u>	<u>\$ (500)</u>
Public Safety Building Fund:			
Restricted	\$ 1,398	\$ -	\$ 1,398
Total Public Safety Building Fund	<u>\$ 1,398</u>	<u>\$ -</u>	<u>\$ 1,398</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 38,004	\$ 2,439	\$ 35,565
Unassigned	(403,224)	-	(403,224)
Capital Projects Funds:			
Restricted	515,409	424,852	90,557
Committed	1,245,487	965,561	279,926
Assigned	24,910	34,422	(9,512)
Unassigned	(281,004)	(3,889)	(277,115)
Total Nonmajor Funds	<u>\$ 1,139,582</u>	<u>\$ 1,423,385</u>	<u>\$ (283,803)</u>

The changes to total fund balances in each of the major funds and total nonmajor funds occurred due to the regular activity of operations.

*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 fiscal year of \$6,338 versus last year of \$18,487. The Route 4 Sewer Fund had an increase in net position this fiscal year of \$58,077 versus last year of \$159,763. The Green Mountain National Golf Course Fund had a loss in net position this fiscal year of \$98,983 and a loss last year of \$12,917.

### **Budgetary Highlights**

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

The general fund actual revenues were over budget by \$424,912. All revenue categories were receipted in excess of budgeted amounts.

The general fund actual expenditures were under budget by \$32,051. All expenditure categories were within or over budgeted amounts with the exception of public safety, health and sanitation and transfers to other funds.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

As of June 30, 2022, the net book value of capital assets recorded by the Town increased by \$258,221 from the prior year. The increase is the result of capital additions of \$1,455,231 less current year disposals of \$36,427 and depreciation of \$1,160,583.

**Table 4**  
**Town of Killington, Vermont**  
**Capital Assets (Net of Depreciation)**  
**June 30,**

	<u>2022</u>	<u>2021</u>
Land	\$ 527,221	\$ 527,221
Construction in progress	408,783	27,054
Buildings, building improvements and land improvements	7,995,976	8,407,118
Machinery, equipment and vehicles	3,170,682	3,078,657
Infrastructure	<u>6,241,724</u>	<u>6,046,115</u>
Total	<u>\$ 18,344,386</u>	<u>\$ 18,086,165</u>

## **Debt**

At June 30, 2022, the Town had \$8,955,354 in bonds, notes from direct borrowings and lease liabilities outstanding versus \$9,541,976 last year, a decrease of 6.15%. Refer to Note 7 of the Notes to the Financial Statements for detailed information.

## **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 three months. However, the Town continues to maintain significant reserves for future operations, capital and program needs.

The 2022 - 2023 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2022 - 2023 as of the date this report was issued.

## **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  
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,573,981	\$ 393,865	\$ 2,967,846
Investments	47,818	-	47,818
Accounts receivable (net of allowance for uncollectibles):			
Taxes	417,761	-	417,761
Due from golf course	358,793	-	358,793
Other	-	344,477	344,477
Prepaid items	93,929	20,000	113,929
Inventory	-	47,202	47,202
Internal balances	(183,948)	183,948	-
<b>Total current assets</b>	<b>3,308,334</b>	<b>989,492</b>	<b>4,297,826</b>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	936,004	-	936,004
Depreciable assets, net of accumulated depreciation	15,055,799	2,279,587	17,335,386
Right of use lease assets, net of accumulated depreciation	-	72,996	72,996
<b>Total noncurrent assets</b>	<b>15,991,803</b>	<b>2,352,583</b>	<b>18,344,386</b>
<b>TOTAL ASSETS</b>	<b>19,300,137</b>	<b>3,342,075</b>	<b>22,642,212</b>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	142,032	10,691	152,723
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>142,032</b>	<b>10,691</b>	<b>152,723</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 19,442,169</b>	<b>\$ 3,352,766</b>	<b>\$ 22,794,935</b>

STATEMENT A (CONTINUED)

TOWN OF KILLINGTON, VERMONT

STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 295,775	\$ 28,826	\$ 324,601
Accrued expenses	22,479	417,954	440,433
Due to other governments	20	-	20
Current portion of long-term obligations	843,299	249,901	1,093,200
Total current liabilities	<u>1,161,573</u>	<u>696,681</u>	<u>1,858,254</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	5,959,208	95,000	6,054,208
Notes from direct borrowings payable	639,802	1,129,307	1,769,109
Lease liability	-	38,837	38,837
Net pension liability	265,775	19,971	285,746
Total noncurrent liabilities	<u>6,864,785</u>	<u>1,283,115</u>	<u>8,147,900</u>
<b>TOTAL LIABILITIES</b>	<u>8,026,358</u>	<u>1,979,796</u>	<u>10,006,154</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	147,015	-	147,015
Deferred inflows related to pensions	183,552	13,816	197,368
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>330,567</u>	<u>13,816</u>	<u>344,383</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,549,494	839,538	9,389,032
Restricted	613,686	-	613,686
Unrestricted	1,922,064	519,616	2,441,680
<b>TOTAL NET POSITION</b>	<u>11,085,244</u>	<u>1,359,154</u>	<u>12,444,398</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 19,442,169</u>	<u>\$ 3,352,766</u>	<u>\$ 22,794,935</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 1,307,011	\$ 167,316	\$ -	\$ -	\$ (1,139,695)	\$ -	\$ (1,139,695)
Public safety	5,435	4,931	105	-	(399)	-	(399)
Highways	1,495,306	-	95,260	-	(1,400,046)	-	(1,400,046)
Health and sanitation	67,953	32,965	-	-	(34,988)	-	(34,988)
Culture and recreation	518,625	116,202	-	-	(402,423)	-	(402,423)
Social services	36,985	-	-	-	(36,985)	-	(36,985)
Education	10,589,587	-	-	-	(10,589,587)	-	(10,589,587)
County tax	59,416	-	-	-	(59,416)	-	(59,416)
Interest on long-term debt	197,371	-	-	-	(197,371)	-	(197,371)
Capital outlay	66,943	-	-	-	(66,943)	-	(66,943)
Unclassified	1,046,835	-	144,180	-	(902,655)	-	(902,655)
Total governmental activities	15,391,467	321,414	239,545	-	(14,830,508)	-	(14,830,508)
Business-type activities:							
Alpine Drive Sewer Fund	5,531	11,869	-	-	-	6,338	6,338
Rt. 4 Sewer Fund	107,942	166,019	-	-	-	58,077	58,077
Golf course	1,260,215	1,268,317	-	-	-	8,102	8,102
Total business-type activities	1,373,688	1,446,205	-	-	-	72,517	72,517
Total government	\$ 16,765,155	\$ 1,767,619	\$ 239,545	\$ -	(14,830,508)	72,517	(14,757,991)

STATEMENT B (CONTINUED)

TOWN OF KILLINGTON, VERMONT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities	Business- type Activities	Total
Changes in net position:			
Net (expense) revenue	(14,830,508)	72,517	(14,757,991)
General revenues:			
Taxes, levied for general purposes	14,927,863	-	14,927,863
Grants and contributions not restricted to specific programs	938,995	-	938,995
Miscellaneous	304,797	-	304,797
Total general revenues	16,171,655	-	16,171,655
Transfers	(90,881)	90,881	-
Change in net position	1,250,266	163,398	1,413,664
NET POSITION - JULY 1, RESTATED	9,834,978	1,195,756	11,030,734
NET POSITION - JUNE 30	\$ 11,085,244	\$ 1,359,154	\$ 12,444,398

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF KILLINGTON, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2022

	General Fund	FEMA Irene Storm	Sherburne Village Cemetery Fund	Public Safety Building	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,562,924	\$ -	\$ 11,057	\$ -	\$ -	\$ 2,573,981
Investments	-	-	47,818	-	-	47,818
Accounts receivable (net of allowance for uncollectibles):						
Taxes	417,761	-	-	-	-	417,761
Due from golf course	358,793	-	-	-	-	358,793
Prepaid items	93,929	-	-	-	-	93,929
Due from other funds	756,788	-	-	1,398	1,823,810	2,581,996
<b>TOTAL ASSETS</b>	<b>\$ 4,190,195</b>	<b>\$ -</b>	<b>\$ 58,875</b>	<b>\$ 1,398</b>	<b>\$ 1,823,810</b>	<b>\$ 6,074,278</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 295,775	\$ -	\$ -	\$ -	\$ -	\$ 295,775
Accrued expenses	22,479	-	-	-	-	22,479
Due to other governments	20	-	-	-	-	20
Due to other funds	2,081,716	-	-	-	684,228	2,765,944
<b>TOTAL LIABILITIES</b>	<b>2,399,990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>684,228</b>	<b>3,084,218</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Prepaid taxes	147,015	-	-	-	-	147,015
Deferred tax revenues	384,611	-	-	-	-	384,611
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>531,626</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>531,626</b>
<b>FUND BALANCES</b>						
Nonspendable	93,929	-	-	-	-	93,929
Restricted	-	-	58,875	1,398	553,413	613,686
Committed	75,000	-	-	-	1,245,487	1,320,487
Assigned	-	-	-	-	24,910	24,910
Unassigned	1,089,650	-	-	-	(684,228)	405,422
<b>TOTAL FUND BALANCES</b>	<b>1,258,579</b>	<b>-</b>	<b>58,875</b>	<b>1,398</b>	<b>1,139,582</b>	<b>2,458,434</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 4,190,195</b>	<b>\$ -</b>	<b>\$ 58,875</b>	<b>\$ 1,398</b>	<b>\$ 1,823,810</b>	<b>\$ 6,074,278</b>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF KILLINGTON, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

	Total Governmental Funds
	Funds
Total Fund Balances	\$ 2,458,434
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	15,991,803
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	384,611
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	142,032
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(6,413,734)
Notes from direct borrowings payable	(1,028,575)
Net pension liability	(265,775)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(183,552)
Net position of governmental activities	\$ 11,085,244

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF KILLINGTON, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	FEMA Irene Storm	Sherburne Village Cemetery Fund	Public Safety Building	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 14,868,140	\$ -	\$ -	\$ -	\$ -	\$ 14,868,140
Intergovernmental	982,607	51,753	-	-	144,180	1,178,540
Charges for services	321,414	-	-	-	-	321,414
Miscellaneous revenues	225,204	-	956	4,000	74,637	304,797
<b>TOTAL REVENUES</b>	<b>16,397,365</b>	<b>51,753</b>	<b>956</b>	<b>4,000</b>	<b>218,817</b>	<b>16,672,891</b>
<b>EXPENDITURES</b>						
Current:						
General government	1,307,333	-	-	-	-	1,307,333
Public safety	273,911	-	-	-	-	273,911
Highways	1,002,485	-	-	-	-	1,002,485
Health and sanitation	67,953	-	-	-	-	67,953
Culture and recreation	440,506	-	-	-	-	440,506
Social services	36,985	-	-	-	-	36,985
Education	10,584,267	-	-	-	-	10,584,267
County tax	59,416	-	-	-	-	59,416
Unclassified	1,674	-	11,456	-	1,020,198	1,033,328
Debt service:						
Principal	517,195	-	-	-	-	517,195
Interest	172,716	-	-	-	6,382	179,098
Capital outlay	-	-	-	52,602	879,120	931,722
<b>TOTAL EXPENDITURES</b>	<b>14,464,441</b>	<b>-</b>	<b>11,456</b>	<b>52,602</b>	<b>1,905,700</b>	<b>16,434,199</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,932,924</b>	<b>51,753</b>	<b>(10,500)</b>	<b>(48,602)</b>	<b>(1,686,883)</b>	<b>238,692</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	10,000	50,000	1,469,749	1,529,749
Transfers (out)	(1,553,961)	-	-	-	(66,669)	(1,620,630)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,553,961)</b>	<b>-</b>	<b>10,000</b>	<b>50,000</b>	<b>1,403,080</b>	<b>(90,881)</b>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	<b>378,963</b>	<b>51,753</b>	<b>(500)</b>	<b>1,398</b>	<b>(283,803)</b>	<b>147,811</b>
<b>FUND BALANCES (DEFICITS) - JULY 1,</b>	<b>879,616</b>	<b>(51,753)</b>	<b>59,375</b>	<b>-</b>	<b>1,423,385</b>	<b>2,310,623</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 1,258,579</b>	<b>\$ -</b>	<b>\$ 58,875</b>	<b>\$ 1,398</b>	<b>\$ 1,139,582</b>	<b>\$ 2,458,434</b>

See accompanying independent auditor's 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 JUNE 30, 2022

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 147,811</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 acquisitions	1,195,361
Capital asset disposals	(18,273)
Depreciation expense	<u>(846,345)</u>
	<u>330,743</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported	
Taxes and liens receivable	<u>59,723</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	
	<u>(43,330)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>840,127</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	
	<u>(128,460)</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	
	<u>(143,548)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Net pension liability	<u>187,200</u>
Change in net position of governmental activities (Statement B)	<u>\$ 1,250,266</u>

See accompanying independent auditor's report and notes to financial statements.



## TOWN OF KILLINGTON, VERMONT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2022

	Enterprise Funds			
	Alpine Drive Sewer Fund	Route 4 Sewer Fund	Golf Course Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 393,865	\$ 393,865
Accounts receivable (net of allowance for uncollectibles)	3,064	332,572	8,841	344,477
Prepaid items	-	-	20,000	20,000
Inventory	-	-	47,202	47,202
Due from other funds	35,926	220,582	-	256,508
Total current assets	<u>38,990</u>	<u>553,154</u>	<u>469,908</u>	<u>1,062,052</u>
Noncurrent assets:				
Capital assets:				
Depreciated assets	-	1,747,073	6,817,494	8,564,567
Less: accumulated depreciation	-	(756,030)	(5,455,954)	(6,211,984)
Total noncurrent assets	<u>-</u>	<u>991,043</u>	<u>1,361,540</u>	<u>2,352,583</u>
<b>TOTAL ASSETS</b>	<u>38,990</u>	<u>1,544,197</u>	<u>1,831,448</u>	<u>3,414,635</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension	-	-	10,691	10,691
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>10,691</u>	<u>10,691</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 38,990</u>	<u>\$ 1,544,197</u>	<u>\$ 1,842,139</u>	<u>\$ 3,425,326</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ -	\$ -	\$ 28,826	\$ 28,826
Due to other funds	-	-	72,560	72,560
Due to Town	-	-	358,793	358,793
Accrued liabilities	-	-	59,161	59,161
Current portion of long-term obligations	-	-	249,901	249,901
Total current liabilities	<u>-</u>	<u>-</u>	<u>769,241</u>	<u>769,241</u>
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Bonds payable	-	-	95,000	95,000
Note from direct borrowings payable	-	-	1,129,307	1,129,307
Lease liability	-	-	38,837	38,837
Net pension liability	-	-	19,971	19,971
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,283,115</u>	<u>1,283,115</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>2,052,356</u>	<u>2,052,356</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	-	-	13,816	13,816
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>13,816</u>	<u>13,816</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	991,043	(151,505)	839,538
Unrestricted	38,990	553,154	(72,528)	519,616
<b>TOTAL NET POSITION</b>	<u>38,990</u>	<u>1,544,197</u>	<u>(224,033)</u>	<u>1,359,154</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 38,990</u>	<u>\$ 1,544,197</u>	<u>\$ 1,842,139</u>	<u>\$ 3,425,326</u>

See accompanying independent auditor's 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 JUNE 30, 2022

	Enterprise Funds			Total
	Alpine Drive Sewer Fund	Route 4 Sewer Fund	Golf Course Fund	
OPERATING REVENUES				
Charges for services	\$ 11,869	\$ 166,019	\$ 1,268,317	\$ 1,446,205
TOTAL OPERATING REVENUES	<u>11,869</u>	<u>166,019</u>	<u>1,268,317</u>	<u>1,446,205</u>
OPERATING EXPENSES				
Sewer	5,531	46,445	-	51,976
Golf course	-	-	1,003,090	1,003,090
Depreciation	-	61,497	252,741	314,238
TOTAL OPERATING EXPENSES	<u>5,531</u>	<u>107,942</u>	<u>1,255,831</u>	<u>1,369,304</u>
OPERATING INCOME (LOSS)	<u>6,338</u>	<u>58,077</u>	<u>12,486</u>	<u>76,901</u>
NONOPERATING REVENUES (EXPENSES)				
Interest expense	-	-	(4,384)	(4,384)
Transfers in	-	-	119,427	119,427
Transfers (out)	-	-	(28,546)	(28,546)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>-</u>	<u>-</u>	<u>86,497</u>	<u>86,497</u>
CHANGE IN NET POSITION	6,338	58,077	98,983	163,398
NET POSITION - JANUARY 1/JULY 1	<u>32,652</u>	<u>1,486,120</u>	<u>(323,016)</u>	<u>1,195,756</u>
NET POSITION - JUNE 30	<u>\$ 38,990</u>	<u>\$ 1,544,197</u>	<u>\$ (224,033)</u>	<u>\$ 1,359,154</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF KILLINGTON, VERMONT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Enterprise Funds			
	Alpine Drive Sewer Fund	Route 4 Sewer Fund	Golf Course Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 12,805	\$ 128,907	\$ 1,259,476	\$ 1,401,188
Internal activity - receipts (payments) from/to other funds	(7,274)	(82,462)	59,121	(30,615)
Payments to suppliers	(5,531)	(46,445)	(1,107,288)	(1,159,264)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>211,309</b>	<b>211,309</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Transfer from Town	-	-	119,427	119,427
Transfers to other funds	-	-	(28,546)	(28,546)
Proceeds from long-term debt	-	-	194,569	194,569
Interest paid on long-term debt	-	-	(4,384)	(4,384)
Capital asset additions	-	-	(241,716)	(241,716)
Principal payments on long-term debt	-	-	(69,524)	(69,524)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(30,174)</b>	<b>(30,174)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>	<b>181,135</b>	<b>181,135</b>
<b>CASH AND CASH EQUIVALENTS - JANUARY 1/JULY 1</b>	<b>-</b>	<b>-</b>	<b>212,730</b>	<b>212,730</b>
<b>CASH AND CASH EQUIVALENTS - JUNE 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 393,865</b>	<b>\$ 393,865</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 6,338	\$ 58,077	\$ 12,486	\$ 76,901
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	-	61,497	252,741	314,238
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	936	(37,112)	(8,841)	(45,017)
(Increase) decrease in inventory	-	-	(40,650)	(40,650)
(Increase) decrease in due from other funds	(7,274)	(82,462)	-	(89,736)
(Increase) decrease in deferred outflows related to pension	-	-	3,261	3,261
Increase (decrease) in accounts payable	-	-	(10,110)	(10,110)
Increase (decrease) in due to Town	-	-	8,526	8,526
Increase (decrease) in accrued liabilities	-	-	46,561	46,561
Increase (decrease) in current expense note	-	-	(100,000)	(100,000)
Increase (decrease) in due to other funds	-	-	50,595	50,595
Increase (decrease) in deferred inflows related to pension	-	-	10,805	10,805
Increase (decrease) in net pension liability	-	-	(14,065)	(14,065)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 211,309</b>	<b>\$ 211,309</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>				
Cash paid during the year for:				
Interest	\$ -	\$ -	\$ 4,384	\$ 4,384

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Killington, Vermont was incorporated under the laws of the State of Vermont. The Town operates under the Selectboard-manager form of government and provides the following services: general government, public safety, highways, health and sanitation, culture and recreation, social services, education and 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 Statements No. 39 and No. 61.

**Implementation of New Accounting Standards**

During the year ended June 30, 2022, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 87 "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has recorded a new lease in the current fiscal year.

Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA*

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 91 “Conduit Debt Obligations”. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 92 “Omnibus 2020.” The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 93 “Replacement of Interbank Offered Rates (paragraphs 13-14)”. The primary objectives of paragraphs 13-14 concern provisions of lease contracts that are amended while the contract is in effect. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 97 “Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management has determined the impact of this Statement is not material to the financial statements.

**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 the Golf Course Fund 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.) excluding fiduciary activities. 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 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.

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the 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:

Major funds:

- 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. The FEMA Irene Storm Fund is used to account for proceeds from FEMA storm grant intergovernmental revenue related to capital expenditures from the storm damage.
- c. The Sherburne Village Cemetery Fund is used to account for assets held by the Town pursuant to a trust agreement for the cemetery. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.
- d. The Public Safety Building Fund is used to account for financial resources to be used for construction of the new public safety building. Primary revenue sources are bond proceeds.

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonmajor funds:

- e. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- f. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

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. Nonoperating 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. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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  
JUNE 30, 2022

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 July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A Town meeting of the residents 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.

**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  
JUNE 30, 2022

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 deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

**Receivables**

Receivables include amounts due for recreation programs and ambulance receivables. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2022. Accounts receivable netted with allowances for uncollectible accounts were \$703,270 for the year ended June 30, 2022.

**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".

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Inventories**

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

inventories are recorded as expenditures when used (consumption method). Inventory of the Golf Course Fund consists of supplies and food.

**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.

**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. Additions, improvements and other capital 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.

A right of use lease asset is required to be reported at the present value of payments expected to be made during the lease term including and any/all other required financial lease obligations in accordance with the terms of the lease and excluding interest. A lease asset will be amortized in a straight-line basis over the lease term or the useful life of the underlying asset (whichever is shorter).

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported 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 - 50 years
Infrastructure	20 - 50 years
Machinery and equipment	3 - 25 years
Vehicles	3 - 25 years

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Long-term Obligations**

The accounting treatment of long-term obligations 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 obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings, leases and net pension liability.

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 funds 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 investment in capital assets consists 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.

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Assigned fund balances are not used in the general fund.

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.

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.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Vermont Municipal Employees' Retirement System (VMERS) Plan and additions to/deductions from the VMERS Plan's fiduciary net position have been determined on the same basis as they are reported by the VMERS Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 has only one type of this item, deferred outflows related to pensions. This item is reported in the statement of net position.

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. Deferred tax revenues, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualifies for reporting in this category as well. This item is reported only in the statement of net position. 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 three installments on August 15, November 15 and February 15. At the conclusion of a 10-day grace period, interest accrues on August 25, November 25 and February 25, at 1% per month for the first three months and 1½% per month for each month thereafter. An 8% Collector's Commission is added to the entire unpaid principal tax balance after February 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 (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Operating/Nonoperating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**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.

At June 30, 2022, the Town's cash balance of \$2,967,846 was comprised of deposits amounting to \$3,231,710. Bank deposits and are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. Of these deposits, \$261,507 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$2,970,653 were covered by an irrevocable standby letter of credit.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 3,225,868
Savings accounts	5,842
	<u>\$ 3,231,710</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.

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 limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$47,818 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2022, the Town's investments of \$47,818 were comprised of certificates of deposit. This entire amount was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk.

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.



TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2022 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 756,788	\$ 2,081,716
Public Safety Building	1,398	-
Nonmajor Special Revenue Funds	38,004	403,224
Nonmajor Capital Projects Funds	1,785,806	281,004
Alpine Drive Sewer Fund	35,926	-
Route 4 Sewer Fund	220,582	-
Golf Course Fund	-	72,560
	<u>\$ 2,838,504</u>	<u>\$ 2,838,504</u>

The result of amounts owed between funds is considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2022 consisted of the following:

	Transfers To	Transfers From
General Fund	\$ -	\$ 1,553,961
Shelburne Village Cemetery Fund	10,000	-
Public Safety Building	50,000	-
Nonmajor Special Revenue Funds	2,500	-
Nonmajor Capital Projects Funds	1,467,249	66,669
Golf Course Fund	119,427	28,546
	<u>\$ 1,649,176</u>	<u>\$ 1,649,176</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance 7/1/21	Additions	Disposals	Balance, 6/30/22
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 527,221	\$ -	\$ -	\$ 527,221
Construction in progress	8,900	399,883	-	408,783
	<u>536,121</u>	<u>399,883</u>	<u>-</u>	<u>936,004</u>
Depreciated assets:				
Land improvements	322,444	-	-	322,444
Buildings and improvements	7,870,599	-	(19,995)	7,850,604
Vehicles	3,053,954	-	-	3,053,954
Machinery and equipment	699,001	233,694	(165,956)	766,739
Infrastructure	7,466,458	561,784	-	8,028,242
	19,412,456	795,478	(185,951)	20,021,983
Less: accumulated depreciation	(4,287,517)	(846,345)	167,678	(4,966,184)
	<u>15,124,939</u>	<u>(50,867)</u>	<u>(18,273)</u>	<u>15,055,799</u>
Net governmental capital assets	<u>\$ 15,661,060</u>	<u>\$ 349,016</u>	<u>\$ (18,273)</u>	<u>\$ 15,991,803</u>
<u>Business-type activities</u>				
Non-depreciated assets:				
Construction in progress	\$ 18,154	\$ -	\$ (18,154)	\$ -
	<u>18,154</u>	<u>-</u>	<u>(18,154)</u>	<u>-</u>
Depreciated assets:				
Land improvements	\$ 5,945,100	\$ -	\$ -	\$ 5,945,100
Buildings and improvements	12,642	49,535	-	62,177
Machinery and equipment	2,318,876	137,339	-	2,456,215
Vehicles	28,079	-	-	28,079
Right of use lease asset	-	72,996	-	72,996
	8,304,697	259,870	-	8,564,567
Less: accumulated depreciation	(5,897,746)	(314,238)	-	(6,211,984)
	<u>2,406,951</u>	<u>(54,368)</u>	<u>-</u>	<u>2,352,583</u>
Net business-type capital assets	<u>\$ 2,425,105</u>	<u>\$ (54,368)</u>	<u>\$ (18,154)</u>	<u>\$ 2,352,583</u>
Current year depreciation:				
<u>Governmental activities</u>				
Public safety				\$ 256,578
Highway				492,821
Library				43,793
Recreation				34,326
Education				5,320
Town-wide				13,507
Total governmental activities depreciation expense				<u>\$ 846,345</u>
<u>Business-type activities</u>				
Route 4 Sewer				\$ 61,497
Golf Course				252,741
Total business-type activities depreciation expense				<u>\$ 314,238</u>

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 6 - SHORT-TERM OBLIGATIONS

On April 1, 2021, the Town issued a line of credit through Mascoma Bank . The line of credit was for \$250,000 at 2.80% interest. On May 12, 2021 the Town had a drawdown of \$100,000. The note was paid in full on December 10, 2021. Interest expense was \$1,665 for the year ended June 30, 2022

On April 1, 2022, the Town issued a line of credit through Mascoma Bank. The credit was for \$250,000 at 2.50% interest. As of the end of June 30, 2022, the Town had not drawn any funds.

Short-term debt activity for the year ended June 30, 2022, was as follows:

	Balance, 7/1/21	Additions	Repayments	Balance, 6/30/22
<u>Business-type activities:</u>				
Line of credit	\$ 100,000		\$ (100,000)	

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2022:

	Balance, 7/1/21 Restated	Additions	Deletions	Balance, 6/30/22	Current Portion
<u>Governmental activities:</u>					
Bonds payable	\$ 6,868,280	\$ -	\$ (454,546)	\$ 6,413,734	\$ 454,526
Notes from direct borrowings payable	1,285,696	128,460	(385,581)	1,028,575	388,773
Totals	<u>\$ 8,153,976</u>	<u>\$ 128,460</u>	<u>\$ (840,127)</u>	<u>\$ 7,442,309</u>	<u>\$ 843,299</u>
<u>Business-type activities:</u>					
Bonds payable	\$ 205,000	\$ -	\$ (55,000)	\$ 150,000	\$ 55,000
Note from direct borrowings payable	1,183,000	121,573	(3,878)	1,300,695	171,388
Lease liability	-	72,996	(10,646)	62,350	23,513
Totals	<u>\$ 1,388,000</u>	<u>\$ 194,569</u>	<u>\$ (69,524)</u>	<u>\$ 1,513,045</u>	<u>\$ 249,901</u>

TOWN OF KILLINGTON, VERMONT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 7 - LONG-TERM DEBT (CONTINUED)

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

**Governmental activities bonds payable:**

\$360,000, 2011 Series 6 Garage Refunding Bond, due in annual principal payments \$30,000, through December 2023. Interest is charged at a fixed interest rate ranging from 3.57% to 4.69% per annum. Savings allocations range from \$384 to \$15,016 per annum.	\$ 60,000
\$1,400,000, 2014 Bonds due in annual principal payments of \$140,000, through November of 2024. Interest is charged at a fixed rate of 2.60% per annum.	280,000
\$634,000, 2018 General Obligation Bonds due in annual principal payments of \$25,360, through November of 2024. Interest is charged at a fixed rate ranging from 1.70% to 4.17% per annum.	557,920
\$5,775,000, 2020 General Obligation Bonds due in annual principal payments of \$259,166, through November of 2050. No interest is charged on this bond.	<u>5,515,814</u>
Total governmental activities bonds payable	<u><u>\$ 6,413,734</u></u>

**Governmental activities notes from direct borrowings payable:**

\$90,550, 2017 Note payable due in annual principal payments of \$18,110, through December of 2022. Interest is charged at a fixed rate of 2.60% per annum.	\$ 18,110
\$149,600, 2017 Note payable due in annual principal payments of \$29,920, through September of 2022. Interest is charged at a fixed rate of 2.65% per annum.	29,920
\$200,000, 2017 Note payable due in annual principal payments of \$20,000, through September of 2027. Interest is charged at a fixed rate of 3.00% per annum.	120,000
\$131,475, Note payable due in annual principal payments of \$26,279, through October of 2022. Interest is charged at a fixed rate of 2.490% per annum.	27,604
The Town leases a fire truck under a non-cancelable lease agreement. The term of the lease is for a five-year period expiring in January of 2023. Interest is charged at a fixed rate of 2.617% per annum. Annual principal and interest payments are \$203,194.	198,012
The Town leases Highway Department equipment under a non-cancelable lease agreement. The term of the lease is for a ten-year period expiring in September, 2026. Interest is charged at a fixed rate of 2.499% per annum. Annual principal and interest payments are \$13,632.	63,189

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The Town leases Highway Department equipment under a non-cancelable lease agreement. The term of the lease is for a five-year period expiring in January, 2027. Interest is charged at a fixed rate of 2.75% per annum. Annual principal and interest payments are \$27,122. 101,340

\$588,000, 2020 Note payable due in four annual principal payments of \$58,800, through April of 2024 and a final principal payment of \$352,800 due in April of 2025. Interest is charged at a fixed rate of 3.25% per annum. 470,400

Total governmental activities notes from direct borrowings payable \$ 1,028,575

**Business-type activities bonds payable:**

\$5,000,000, 1995 General Obligation Bonds due in annual principal payments varying from \$20,000 to \$320,000, through December of 2025. Interest is charged at a fixed rate ranging from 3.55% to 5.95% per annum. \$ 80,000

\$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 fixed rate ranging from 2.83% to 4.69% per annum. 70,000

Total business-type activities bonds payable \$ 150,000

**Business-type activities note from direct borrowings payable:**

\$1,183,000, 2021 Promissory Note due in annual principal payments of \$147,875, through August of 2029. Interest is charged at a fixed rate varying from 2.30% to 2.680% per annum. \$ 1,183,000

The Town Leases turf equipment under a non-cancelable lease agreement. The terms of the lease is for 60 months expiring in 2027. Interest is charged at a fixed rate of 1.81% per annum. Monthly payments are \$2,238. 117,695

Total business-type activities bonds payable \$ 1,300,695

**Business-type activities - lease liability**

The Town leases turf equipment under a non-cancelable lease agreement. The term of the lease is for 48 months expiring in December of 2025. Monthly payments are \$1,520. \$ 62,350

Total business-type lease liability \$ 62,350

Total business-type activities debt payable \$ 1,513,045

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds and notes from direct borrowings payable principal and interest requirements for the fiscal years ending June 30:

Governmental activities:

	Bonds Payable		Notes from Direct Borrowings Payable		Total Debt Service
	Principal	Interest	Principal	Interest	
2023	\$ 454,526	\$ 146,736	\$ 388,773	\$ 30,451	\$ 1,020,486
2024	454,526	139,677	196,104	25,828	816,135
2025	284,526	132,745	391,108	13,914	822,293
2026	284,526	129,345	39,338	1,416	454,625
2027	284,526	125,765	13,252	384	423,927
2028-2032	1,322,630	559,523	-	-	1,882,153
2033-2037	922,630	432,636	-	-	1,355,266
2038-2042	922,630	305,326	-	-	1,227,956
2043-2047	846,550	174,508	-	-	1,021,058
2048-2052	636,664	44,224	-	-	680,888
	<u>\$ 6,413,734</u>	<u>\$ 2,190,485</u>	<u>\$ 1,028,575</u>	<u>\$ 71,993</u>	<u>\$ 9,704,787</u>

Business-type activities:

	Bonds Payable		Notes from Direct Borrowings Payable		Lease Liability		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 55,000	\$ 2,452	\$ 171,388	\$ 30,556	\$ 18,249	\$ -	\$ 277,645
2024	55,000	821	171,818	26,726	18,249	-	272,614
2025	20,000	-	172,255	22,888	18,249	-	233,392
2026	20,000	-	172,700	19,042	7,603	-	219,345
2027	-	-	168,909	14,955	-	-	183,864
2028-2032	-	-	443,625	23,777	-	-	467,402
	<u>\$ 150,000</u>	<u>\$ 3,273</u>	<u>\$ 1,300,695</u>	<u>\$ 137,944</u>	<u>\$ 62,350</u>	<u>\$ -</u>	<u>\$ 1,654,262</u>

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for business-type activities for the year ended June 30, 2022 was \$4,348.

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.

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in the other long-term obligations for the year ended June 30, 2022:

	Balance, 7/1/21	Additions	Deletions	Balance, 6/30/22	Current Portion
<u>Governmental activities:</u>					
Net pension liability	\$ 452,975	\$ 42,017	\$ (229,217)	\$ 265,775	\$ -
<u>Business-type activities:</u>					
Net pension liability	\$ 34,038	\$ 3,137	\$ (17,204)	\$ 19,971	\$ -

Please see Note 17 for detailed information on each of the other long-term obligations.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for Town at June 30, 2022:

<u>Governmental Activities</u>	
Invested in Capital assets	\$ 20,957,987
Accumulated depreciation	(4,966,184)
Outstanding capital related debt	(7,442,309)
	<u>\$ 8,549,494</u>
<u>Business-type activities</u>	
Invested in Capital assets	\$ 8,564,567
Accumulated depreciation	(6,211,984)
Outstanding capital related debt	(1,450,695)
Other non-debt capital related liabilities	(62,350)
	<u>\$ 839,538</u>

NOTE 10 - NONSPENDABLE FUND BALANCE

At June 30, 2022, the Town had the following restricted fund balance:

General fund:	
Prepaid items	<u>\$ 93,929</u>

TOWN OF KILLINGTON, VERMONT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 11 - RESTRICTED NET POSITION AND FUND BALANCES

At June 30, 2022, the Town had the following restricted net position and fund balances:

Sherburne Village Cemetery Fund	\$ 58,875
Public Safety Building Fund	1,398
Nonmajor Special Revenue Funds (Schedule E)	38,004
Nonmajor Capital Projects Funds (Schedule G)	515,409
	\$ 613,686

NOTE 12 - COMMITTED FUND BALANCES

At June 30, 2022, the Town had the following committed fund balances:

General fund:	
Use of fund balance FY 2023 budget	\$ 75,000
Nonmajor Capital Projects Funds (Schedule G)	1,245,487
	\$ 1,320,487

NOTE 13 - ASSIGNED FUND BALANCES

At June 30, 2022, the Town had the following assigned fund balances:

Nonmajor Capital Projects Funds (Schedule G)	\$ 24,910
----------------------------------------------	-----------

NOTE 14 - 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 two insurance trusts; the Property and Casualty Intermunicipal Fund, Inc. (PACIF) for multi-line insurance; the Vermont League of Cities and Towns Employment Resource Benefits Trust (VERB) for unemployment, life, disability and other ancillary coverage. PACIF and VERB 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.



TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 14 - RISK MANAGEMENT(CONTINUED)

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 member assessed their proportionate share of the deficit.

To provide unemployment insurance coverage, VERB has established a self-funded fully insured program. Contributions fund unemployment claims and are based on payroll expense and the claim experience from the best four years out of the last five. Other benefits available include dental insurance, vision plans, flexible spending accounts, life insurance, disability insurance and long-term care insurance. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VERB is unable to meet its required obligations, the Program will be terminated with each member 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 15 - 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  
 JUNE 30, 2022

NOTE 16 - DEFICIT FUND BALANCES

At June 30, 2022, the Town had the following deficit fund balances:

High school equipment	\$	3,696
Hazard Mitigation		520
VOREC grant		650
TIF district planning		398,358
Water Study		76,732
Solar Canopy		204,272
		684,228
	\$	684,228

NOTE 17 - DEFINED BENEFIT PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

**Plan Description**

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071 or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2020 (the most recent data available), the retirement system consisted of 15,548 participating members.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. The Annual Report may be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](#).

**Benefits Provided**

The pension plan is divided into four membership groups:

- Group A - general employees whose legislative bodies have not elected to become a member of Group B or Group C
- Groups B and C - general employees whose legislative bodies have elected to become members of Group B or Group C
- Group D - sworn police officers, firefighters and emergency medical personnel

The Town participates in Group B. Benefits available to each group are based on average final compensation (AFC) and years of creditable service and are summarized below:

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

<b>VMERS</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Group D</b>
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit formula - Normal Service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65 **	6% per year from age 62 **	N/A	No reduction

\*\* - A special early retirement factor of 3% per year only for municipal police officers who have attained age 60

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Members of all groups may qualify for vested deferred allowance, disability allowances and death benefit allowance subject to meeting various eligibility requirements. Benefits are based on AFC and service.

**Contributions**

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2021 are as follows:

<b>VMERS</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Group D</b>
Employee Contributions	3.250% of gross salary	5.625% of gross salary	10.750% of gross salary	12.100% of gross salary
Employer Contributions	4.750% of gross salary	6.250% of gross salary	8.000% of gross salary	10.600% of gross salary

Employee contributions are withheld pre-income tax by the Town and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2022 totaled \$46,842. The Town contributed \$52,047 for the year ended June 30, 2022. The Town's total payroll for the year ended June 30, 2022 for all employees covered under this plan was \$832,749.

**Pension Liabilities**

At June 30, 2022, the Town reported a liability of \$285,746 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2021 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2020. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2020, the Town's proportion was 0.19414% for VMERS, which was a decrease of 0.00163% from its proportion measured as of June 30, 2020 for VMERS.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the Town recognized pension revenue of \$322 for the VMERS plan. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,258	\$ -
Changes of assumptions	45,166	-
Net difference between projected and actual earnings on pension plan investments	-	168,484
Changes in proportion and differences between contributions and proportionate share of contributions	2,252	28,884
Contributions subsequent to the measurement date	52,047	-
Total	<u>\$ 152,723</u>	<u>\$ 197,368</u>

\$52,047 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	VMERS Plan
Plan year ended June 30:	
2022	\$ (12,186)
2023	(18,419)
2024	(21,139)
2025	(44,948)
2026	-
Thereafter	-

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Significant Actuarial Assumptions and Methods**

The total pension liability for the June 30, 2021 measurement date was determined by rolling forward the total pension liability as of June 30, 2020 to June 30, 2021. The total pension liability was calculated using the following actuarial assumptions:

Investment Rate of Return: 7.00%, net of pension plan investment expense, including inflation.

Inflation: 2.30%

Salary Increases: Varying, service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

*Deaths After Retirement:* Mortality rates for pre-retirement, healthy retirees and disabled retirees in the VMERS plan for Groups A, B, C and D were based on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgment. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

*Pre-Retirement:*

- Groups A/B/C - 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using Scale MP-2019.
- Group D - PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2019.

*Healthy Post-Retirement - Retirees:*

- Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.
- Group D - PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.

TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Disabled Post-Retirement:*

- All Groups - PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using Scale MP-2019.

Inactive Members: Valuation liability equals 100% of accumulated contributions. Inactive who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.

*Future Administrative Expenses:* An expense adjustment based on actual expenses for the previous year is reflected in the development of recommended employer contribution levels.

*Unknown Data for Participants:* The same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

*Percent Married:* 85% of male members and 50% of female members are assumed to be married.

*Spouse's Age:* Husbands are assumed to be three years older than their wives.

*Cost-of-Living Adjustments:* Assumed to occur on January 1 following one year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group A, B and D who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2021 COLA is 0.40% for all groups. The January 1, 2022 COLA is 2.00% for Group A members and 2.30% for Group B, C and D members.

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

A smoothing *asset valuation method* was used for funding purposes in the VMERS plan, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. Then value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.



TOWN OF KILLINGTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The *long-term expected rate of return* on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class. These best estimate ranges were combined to produce the long-term

expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Passive Global Equities	24.00%	5.05%
Active Global Equities	5.00%	5.05%
US Equity - Large Cap	4.00%	4.00%
US Equity - Small/Mid Cap	3.00%	4.50%
Non-US Developed Market Equities	7.00%	5.50%
Emerging Markets Debt	4.00%	3.00%
Core Bonds	19.00%	0.00%
Private and Alternative Credit	10.00%	4.75%
US TIPS	3.00%	-0.50%
Core Real Estate	4.00%	3.75%
Non-Core Real Estate	4.00%	5.75%
Private Equity	10.00%	6.75%
Infrastructure/Farmland	3.00%	4.25%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% for the VMERS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy which exceeds the actuarially determined contribution rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.00% for the VMERS plan, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
Town's proportionate share of the net pension liability	\$ 564,793	\$ 285,746	\$ 56,287

**Pension Plan Fiduciary Net Position**

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of VMERS or their participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont’s Annual Comprehensive Financial Report. The Annual Report can be viewed on the State’s Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](https://www.vermont.gov/annual-comprehensive-financial-report).

NOTE 18 - DEFINED CONTRIBUTION PLAN

**Plan Description**

The Vermont Municipal Employees’ Defined Contribution Plan (24 V.S.A. 5070), a multiple employer defined contribution pension plan, was implemented by the Vermont Municipal Employees’ Retirement System’s (VMERS) Board of Trustees on July 1, 2000 and is reported as a pension trust fund. The defined contribution plan was offered by municipal employers to one or more groups of their eligible employees. Once offered by the employer, each eligible employee was required to make an election to participate. Employees participating in one of the municipal defined benefit plans who elected to participate in the defined contribution plan had the July 1, 2001, actuarial value of their accrued defined benefit plan transferred to the defined contribution plan. Employers that did not offer the defined contribution plan to their employees as of December 31, 1999,

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 18 - DEFINED CONTRIBUTION PLAN (CONTINUED)

have an opportunity to do so no later than December 31 of any subsequent year with the transfer effective July 1 of the following year.

**Funding Policy**

Plan provisions and contribution requirements are established and may be amended by the VMERS Board of Trustees. Under the defined contribution pension plan, participating employees are required to contribute at the rate of 5.00% of earnable compensation and the Town is required to contribute 5.125% of earnable compensation for the plan year. For the year ended June 30, 2022, employee contributions totaled \$8,624 and the Town made employer contributions of \$8,839. As of June 30, 2022, there were three participants in the plan.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in Town contributions and earnings on Town contributions after completion of 12 months of creditable service with the Town.

NOTE 19 – IRREVOCABLE STAND-BY LETTER OF CREDIT

At June 30, 2022, the Town had an outstanding irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Boston serving as collateral for its deposits held at Mascoma Bank. The \$12,000,000 letter of credit expires on June 23, 2023. There were no draws for the year ended June 30, 2022.

NOTE 20 - RESTATEMENTS

The beginning net position for the governmental activities was restated at July 1, 2021. \$3,963 was added to current assets in the general fund and \$74,923 was added to long-term debt outstanding. The overall effect of these restatements decrease net position by \$70,960 from a balance of \$9,905,938 to \$9,834,978.

## Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental 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
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Notes to Required Supplementary Information

## TOWN OF KILLINGTON, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1, Restated	\$ 879,616	\$ 879,616	\$ 879,616	\$ -
Resources (Inflows):				
Property taxes	14,845,768	14,845,768	14,868,140	22,372
Intergovernmental	714,665	714,665	982,607	267,942
Charges for services	217,920	217,920	321,414	103,494
Miscellaneous revenues	194,100	194,100	225,204	31,104
Amounts Available for Appropriation	<u>16,852,069</u>	<u>16,852,069</u>	<u>17,276,981</u>	<u>424,912</u>
Charges to Appropriations (Outflows):				
General government	1,233,719	1,233,719	1,307,333	(73,614)
Public safety	331,968	331,968	273,911	58,057
Highways	928,197	928,197	1,002,485	(74,288)
Health and sanitation	72,000	72,000	67,953	4,047
Culture and recreation	436,905	436,905	440,506	(3,601)
Social services	17,405	17,405	36,985	(19,580)
Education	10,584,267	10,584,267	10,584,267	-
County tax	57,000	57,000	59,416	(2,416)
Debt service:				
Principal	491,631	491,631	517,195	(25,564)
Interest	166,056	166,056	172,716	(6,660)
Unclassified	-	-	1,674	(1,674)
Transfers to other funds	1,731,305	1,731,305	1,553,961	177,344
Total Charges to Appropriations	<u>16,050,453</u>	<u>16,050,453</u>	<u>16,018,402</u>	<u>32,051</u>
Budgetary Fund Balance, June 30	<u>\$ 801,616</u>	<u>\$ 801,616</u>	<u>\$ 1,258,579</u>	<u>\$ 456,963</u>
Utilization of Unassigned Fund Balance	<u>\$ 78,000</u>	<u>\$ 78,000</u>	<u>\$ -</u>	<u>\$ (78,000)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 FISCAL YEARS\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>VMERS:</u>									
Proportion of the net pension liability	0.19%	0.19%	0.21%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Proportionate share of the net pension liability	\$ 285,746	\$ 487,011	\$ 358,706	\$ 351,430	\$ 305,296	\$ 320,079	\$ 199,153	\$ 23,005	\$ 89,333
Covered payroll	\$ 719,398	\$ 693,904	\$ 706,225	\$ 673,950	\$ 748,213	\$ 687,272	\$ 671,793	\$ 626,367	\$ 535,509
Proportionate share of the net pension liability as a percentage of its covered payroll	39.72%	70.18%	50.79%	52.14%	40.80%	46.57%	29.64%	3.67%	16.68%
Plan fiduciary net position as a percentage of the total pension liability	86.29%	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%	98.32%

\* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF CONTRIBUTIONS - PENSION  
LAST 10 FISCAL YEARS\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>VMERS:</u>									
Contractually required contribution	\$ 52,047	\$ 43,164	\$ 39,899	\$ 39,725	\$ 37,067	\$ 41,152	\$ 37,800	\$ 36,109	\$ 32,515
Contributions in relation to the contractually required contribution	<u>(52,047)</u>	<u>(43,164)</u>	<u>(39,899)</u>	<u>(39,725)</u>	<u>(37,067)</u>	<u>(41,152)</u>	<u>(37,800)</u>	<u>(36,109)</u>	<u>(32,515)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 832,749	\$ 719,398	\$ 693,904	\$ 706,225	\$ 673,950	\$ 748,213	\$ 687,272	\$ 671,793	\$ 626,367
Contributions as a percentage of covered payroll	6.25%	6.00%	5.75%	5.62%	5.50%	5.50%	5.50%	5.38%	5.19%

\* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022

**Changes of Assumptions**

VMERS Pension Plan:

There have been no changes in actuarial assumptions since the last measurement date.

See accompanying independent auditor's report and notes to financial statements.



## Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental 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 Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects 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 JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 14,845,768	\$ 14,845,768	\$ 14,868,140	\$ 22,372
Intergovernmental revenues:				
Federal and state payments	220,000	220,000	291,838	71,838
State aid - highways	84,000	84,000	95,260	11,260
Local option taxes	410,665	410,665	595,404	184,739
Other	-	-	105	105
Charges for services:				
Fees and fines	-	-	7,397	7,397
Clerk revenue	63,250	63,250	89,999	26,749
Zoning revenue	9,000	9,000	69,920	60,920
Police revenue	25,720	25,720	4,931	(20,789)
Recreation revenue	89,950	89,950	116,202	26,252
Solid waste revenue	30,000	30,000	32,965	2,965
Other income:				
Interest and penalties	75,000	75,000	63,852	(11,148)
Interest income	15,000	15,000	18,170	3,170
Other income	104,100	104,100	143,182	39,082
TOTAL REVENUES	<u>\$ 15,972,453</u>	<u>\$ 15,972,453</u>	<u>\$ 16,397,365</u>	<u>\$ 424,912</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>					
General government:					
Legislating	\$ 14,000	\$ -	\$ 14,000	\$ 10,798	\$ 3,202
Managing municipality	128,200	-	128,200	130,897	(2,697)
Town meeting and elections	4,000	-	4,000	1,793	2,207
Town/school treasurer	17,500	-	17,500	23,246	(5,746)
Bookkeeping and secretarial	55,011	-	55,011	121,427	(66,416)
Auditing	14,200	-	14,200	19,491	(5,291)
Listing	35,100	-	35,100	35,777	(677)
Tax collecting	11,800	-	11,800	4,182	7,618
Town clerk	68,350	-	68,350	85,223	(16,873)
Board of Civil Authority	5,000	-	5,000	300	4,700
Insurance	112,828	-	112,828	85,074	27,754
Planning comm. and Board of Adj.	7,700	-	7,700	10,488	(2,788)
Town planner and zoning	146,000	-	146,000	110,629	35,371
Town buildings	35,000	-	35,000	61,285	(26,285)
Office equipment	9,000	-	9,000	312	8,688
Carpentry shop	37,880	-	37,880	52,170	(14,290)
Employee benefits	532,150	-	532,150	554,241	(22,091)
	<u>1,233,719</u>	<u>-</u>	<u>1,233,719</u>	<u>1,307,333</u>	<u>(73,614)</u>
Public safety:					
Police	145,574	-	145,574	137,688	7,886
Fire department	177,350	-	177,350	129,656	47,694
Traffic control devices	5,400	-	5,400	2,923	2,477
Fire warden	400	-	400	400	-
Ambulance service	3,244	-	3,244	3,244	-
	<u>331,968</u>	<u>-</u>	<u>331,968</u>	<u>273,911</u>	<u>58,057</u>

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Highways:					
Summer roads	156,210	-	156,210	187,536	(31,326)
Winter roads	359,477	-	359,477	311,313	48,164
Walkway, welcome signs, roadway	41,800	-	41,800	57,661	(15,861)
Town garage	31,300	-	31,300	33,031	(1,731)
Facility maintenance	121,910	-	121,910	115,050	6,860
Street lights	21,000	-	21,000	19,598	1,402
Street signage capital	8,000	-	8,000	8,000	-
Emergency generator	5,000	-	5,000	5,000	-
Vehicle repairs and maintenance	44,000	-	44,000	95,493	(51,493)
Vehicle repair supplies	10,000	-	10,000	3,023	6,977
Vehicles	129,500	-	129,500	166,780	(37,280)
	<u>928,197</u>	<u>-</u>	<u>928,197</u>	<u>1,002,485</u>	<u>(74,288)</u>
Health and sanitation:					
Solid waste	72,000	-	72,000	67,953	4,047
	<u>72,000</u>	<u>-</u>	<u>72,000</u>	<u>67,953</u>	<u>4,047</u>
Culture and recreation:					
Library	218,162	-	218,162	210,032	8,130
Recreation	218,743	-	218,743	230,474	(11,731)
	<u>436,905</u>	<u>-</u>	<u>436,905</u>	<u>440,506</u>	<u>(3,601)</u>
Social services	<u>17,405</u>	<u>-</u>	<u>17,405</u>	<u>36,985</u>	<u>(19,580)</u>
Education	<u>10,584,267</u>	<u>-</u>	<u>10,584,267</u>	<u>10,584,267</u>	<u>-</u>
County tax	<u>57,000</u>	<u>-</u>	<u>57,000</u>	<u>59,416</u>	<u>(2,416)</u>

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Debt service:					
Principal	491,631	-	491,631	517,195	(25,564)
Interest	166,056	-	166,056	172,716	(6,660)
	<u>657,687</u>	<u>-</u>	<u>657,687</u>	<u>689,911</u>	<u>(32,224)</u>
Unclassified:					
Strategic investments	-	-	-	1,674	(1,674)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,674</u>	<u>(1,674)</u>
Transfers to other funds:					
Town office capital fund	15,249	-	15,249	15,249	-
Town garage capital	25,400	-	25,400	25,400	-
Public safety capital	61,750	-	61,750	61,750	-
Fire department capital	233,000	-	233,000	233,000	-
Recreation capital fund	15,000	-	15,000	15,000	-
Library capital fund	42,889	-	42,889	42,889	-
Gravel resurfacing	34,199	-	34,199	34,199	-
Bituminous resurfacing capital fund	355,578	-	355,578	355,578	-
Guard rail	27,494	-	27,494	27,494	-
Bridges/culverts	135,855	-	135,855	135,855	-
Equipment replacement capital fund	205,000	-	205,000	205,000	-
Street lights	19,378	-	19,378	19,378	-
Cemeteries	10,000	-	10,000	10,000	-
Recreation pool fund	75,000	-	75,000	75,000	-
Trail improvement	15,000	-	15,000	15,000	-
Golf capital	100,000	-	100,000	100,000	-
Killington road walkway	122,911	-	122,911	122,911	-
Wellness	2,500	-	2,500	2,500	-
Golf course debt	235,102	-	235,102	57,758	177,344
	<u>1,731,305</u>	<u>-</u>	<u>1,731,305</u>	<u>1,553,961</u>	<u>177,344</u>
Total Departmental Operations	<u>\$ 16,050,453</u>	<u>\$ -</u>	<u>\$ 16,050,453</u>	<u>\$ 16,018,402</u>	<u>\$ 32,051</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Due from other funds	\$ 38,004	\$ 1,785,806	\$ 1,823,810
<b>TOTAL ASSETS</b>	<u>\$ 38,004</u>	<u>\$ 1,785,806</u>	<u>\$ 1,823,810</u>
<b>LIABILITIES</b>			
Due to other funds	\$ 403,224	\$ 281,004	\$ 684,228
<b>TOTAL LIABILITIES</b>	<u>403,224</u>	<u>281,004</u>	<u>684,228</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	38,004	515,409	553,413
Committed	-	1,245,487	1,245,487
Assigned	-	24,910	24,910
Unassigned	(403,224)	(281,004)	(684,228)
<b>TOTAL FUND BALANCES</b>	<u>(365,220)</u>	<u>1,504,802</u>	<u>1,139,582</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 38,004</u>	<u>\$ 1,785,806</u>	<u>\$ 1,823,810</u>

See accompanying independent auditor's 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 JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 114,994	\$ 29,186	\$ 144,180
Other	614	74,023	74,637
TOTAL REVENUES	<u>115,608</u>	<u>103,209</u>	<u>218,817</u>
EXPENDITURES			
Capital outlay	-	879,120	879,120
Debt service:			
Interest	-	6,382	6,382
Program expenses	485,767	534,431	1,020,198
TOTAL EXPENDITURES	<u>485,767</u>	<u>1,419,933</u>	<u>1,905,700</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(370,159)</u>	<u>(1,316,724)</u>	<u>(1,686,883)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,500	1,467,249	1,469,749
Transfers (out)	-	(66,669)	(66,669)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,500</u>	<u>1,400,580</u>	<u>1,403,080</u>
NET CHANGE IN FUND BALANCES	(367,659)	83,856	(283,803)
FUND BALANCES - JULY 1	<u>2,439</u>	<u>1,420,946</u>	<u>1,423,385</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (365,220)</u>	<u>\$ 1,504,802</u>	<u>\$ 1,139,582</u>

See accompanying independent auditor's report and notes to financial statements.

## Special Revenue Funds

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  
JUNE 30, 2022

	Perry Film Restoration	Wellness	ARPA	High School Equipment	Hazardous Mitigation	VOREC Grant	ARPA Library	TIF District Planning	Total
<b>ASSETS</b>									
Due from other funds	\$ -	\$ 3,231	\$ 34,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,004
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 3,231</u>	<u>\$ 34,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,004</u>
<b>LIABILITIES</b>									
Due to other funds	\$ -	\$ -	\$ -	\$ 3,696	\$ 520	\$ 650	\$ -	\$ 398,358	\$ 403,224
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,696</u>	<u>520</u>	<u>650</u>	<u>-</u>	<u>398,358</u>	<u>403,224</u>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	3,231	34,773	-	-	-	-	-	38,004
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(3,696)	(520)	(650)	-	(398,358)	(403,224)
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>3,231</u>	<u>34,773</u>	<u>(3,696)</u>	<u>(520)</u>	<u>(650)</u>	<u>-</u>	<u>(398,358)</u>	<u>(365,220)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ -</u>	<u>\$ 3,231</u>	<u>\$ 34,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,004</u>

See accompanying independent auditor's 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 JUNE 30, 2022

	Perry Film Restoration	Wellness	ARPA	High School Equipment	Hazardous Mitigation	VOREC Grant	ARPA Library	TIF District Planning	Total
REVENUES									
Intergovernmental	\$ -	\$ -	\$ 112,994	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ 114,994
Other income	-	614	-	-	-	-	-	-	614
TOTAL REVENUES	-	614	112,994	-	-	-	2,000	-	115,608
EXPENDITURES									
Program expenses	206	2,116	78,221	3,696	520	650	2,000	398,358	485,767
TOTAL EXPENDITURES	206	2,116	78,221	3,696	520	650	2,000	398,358	485,767
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(206)	(1,502)	34,773	(3,696)	(520)	(650)	-	(398,358)	(370,159)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	2,500	-	-	-	-	-	-	2,500
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	2,500	-	-	-	-	-	-	2,500
NET CHANGE IN FUND BALANCES	(206)	998	34,773	(3,696)	(520)	(650)	-	(398,358)	(367,659)
FUND BALANCES - JULY 1	206	2,233	-	-	-	-	-	-	2,439
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ 3,231	\$ 34,773	\$ (3,696)	\$ (520)	\$ (650)	\$ -	\$ (398,358)	\$ (365,220)

See accompanying independent auditor's report and notes to financial statements.

## Capital Projects Funds

Capital projects 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 PROJECTS FUNDS  
JUNE 30, 2022

	Recreation Donations	Record Restoration	State Reappraisal Grants	Gravel Resurfacing	Bituminous Resurfacing	Street Signage	Municipal Planning Grant
ASSETS							
Due from other funds	\$ 8,596	\$ 76,647	\$ 337,853	\$ 16,444	\$ 135,645	\$ -	\$ 3,862
TOTAL ASSETS	<u>\$ 8,596</u>	<u>\$ 76,647</u>	<u>\$ 337,853</u>	<u>\$ 16,444</u>	<u>\$ 135,645</u>	<u>\$ -</u>	<u>\$ 3,862</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	337,853	-	-	-	3,862
Committed	-	76,647	-	16,444	135,645	-	-
Assigned	8,596	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>8,596</u>	<u>76,647</u>	<u>337,853</u>	<u>16,444</u>	<u>135,645</u>	<u>-</u>	<u>3,862</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 8,596</u>	<u>\$ 76,647</u>	<u>\$ 337,853</u>	<u>\$ 16,444</u>	<u>\$ 135,645</u>	<u>\$ -</u>	<u>\$ 3,862</u>

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2022

	Killington Road Walkway	Equipment Replacement	Water Study	Winter Swim	SVFD Capital Account	Town Office Capital Fund
<b>ASSETS</b>						
Due from other funds	\$ 159,953	\$ 42,826	\$ -	\$ 140	\$ 61,803	\$ 16,150
<b>TOTAL ASSETS</b>	<b>\$ 159,953</b>	<b>\$ 42,826</b>	<b>\$ -</b>	<b>\$ 140</b>	<b>\$ 61,803</b>	<b>\$ 16,150</b>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ 76,732	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>76,732</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	159,953	42,826	-	-	61,803	16,150
Assigned	-	-	-	140	-	-
Unassigned	-	-	(76,732)	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>159,953</b>	<b>42,826</b>	<b>(76,732)</b>	<b>140</b>	<b>61,803</b>	<b>16,150</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>						
	<b>\$ 159,953</b>	<b>\$ 42,826</b>	<b>\$ -</b>	<b>\$ 140</b>	<b>\$ 61,803</b>	<b>\$ 16,150</b>

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2022

	Library Capital Fund	Recreation Capital Improvement	Bridge Capital Fund	Traffic Control Devices	Planning Technical Services	Police Department Capital	Johnson Recreation Center	Golf Capital
ASSETS								
Due from other funds	\$ 46,433	\$ 104,183	\$ 186,872	\$ 73,152	\$ 4,715	\$ 67,542	\$ 301,545	\$ 72,560
<b>TOTAL ASSETS</b>	<b>\$ 46,433</b>	<b>\$ 104,183</b>	<b>\$ 186,872</b>	<b>\$ 73,152</b>	<b>\$ 4,715</b>	<b>\$ 67,542</b>	<b>\$ 301,545</b>	<b>\$ 72,560</b>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	73,152	4,715	-	-	72,560
Committed	46,433	104,183	186,872	-	-	67,542	301,545	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>46,433</b>	<b>104,183</b>	<b>186,872</b>	<b>73,152</b>	<b>4,715</b>	<b>67,542</b>	<b>301,545</b>	<b>72,560</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 46,433</b>	<b>\$ 104,183</b>	<b>\$ 186,872</b>	<b>\$ 73,152</b>	<b>\$ 4,715</b>	<b>\$ 67,542</b>	<b>\$ 301,545</b>	<b>\$ 72,560</b>

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2022

	Guard Rail	Zoning Deposits	Swim Team Donations	Garage Capital	Library Leggett Donation Fund	Solar Canopy Project	Total
<b>ASSETS</b>							
Due from other funds	\$ 6,485	\$ 96	\$ 9,689	\$ 29,444	\$ 23,171	\$ -	\$ 1,785,806
<b>TOTAL ASSETS</b>	<u>\$ 6,485</u>	<u>\$ 96</u>	<u>\$ 9,689</u>	<u>\$ 29,444</u>	<u>\$ 23,171</u>	<u>\$ -</u>	<u>\$ 1,785,806</u>
<b>LIABILITIES</b>							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,272	\$ 281,004
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,272</u>	<u>281,004</u>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	96	-	-	23,171	-	515,409
Committed	-	-	-	29,444	-	-	1,245,487
Assigned	6,485	-	9,689	-	-	-	24,910
Unassigned	-	-	-	-	-	(204,272)	(281,004)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>6,485</u>	<u>96</u>	<u>9,689</u>	<u>29,444</u>	<u>23,171</u>	<u>(204,272)</u>	<u>1,504,802</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 6,485</u>	<u>\$ 96</u>	<u>\$ 9,689</u>	<u>\$ 29,444</u>	<u>\$ 23,171</u>	<u>\$ -</u>	<u>\$ 1,785,806</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Recreation Donations	Record Restoration	State Reappraisal Grants	Gravel Resurfacing	Bituminous Resurfacing	Street Signage	Municipal Planning Grant
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 28,386	\$ -	\$ -	\$ -	\$ -
Other income	4,683	25,620	-	5,269	13,000	-	-
TOTAL REVENUES	<u>4,683</u>	<u>25,620</u>	<u>28,386</u>	<u>5,269</u>	<u>13,000</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Capital outlay	-	-	-	45,059	424,552	-	-
Debt service:							
Interest	-	-	-	-	-	-	-
Program expenses	15,376	13,897	-	-	-	-	-
TOTAL EXPENDITURES	<u>15,376</u>	<u>13,897</u>	<u>-</u>	<u>45,059</u>	<u>424,552</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,693)</u>	<u>11,723</u>	<u>28,386</u>	<u>(39,790)</u>	<u>(411,552)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	34,199	355,578	-	-
Transfers (out)	-	-	-	-	-	(5,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,199</u>	<u>355,578</u>	<u>(5,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(10,693)	11,723	28,386	(5,591)	(55,974)	(5,000)	-
FUND BALANCES (DEFICITS) - JULY 1	<u>19,289</u>	<u>64,924</u>	<u>309,467</u>	<u>22,035</u>	<u>191,619</u>	<u>5,000</u>	<u>3,862</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 8,596</u>	<u>\$ 76,647</u>	<u>\$ 337,853</u>	<u>\$ 16,444</u>	<u>\$ 135,645</u>	<u>\$ -</u>	<u>\$ 3,862</u>



TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Killington Road Walkway	Equipment Replacement	Water Study	Winter Swim	SVFD Capital Account	Town Office Capital Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	3,889	-	-	-
TOTAL REVENUES	-	-	3,889	-	-	-
EXPENDITURES						
Capital outlay	16,555	173,432	-	-	-	9,180
Debt service:						
Interest	-	2,502	-	-	-	-
Program expenses	6,180	-	76,732	-	203,194	-
TOTAL EXPENDITURES	22,735	175,934	76,732	-	203,194	9,180
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(22,735)	(175,934)	(72,843)	-	(203,194)	(9,180)
OTHER FINANCING SOURCES (USES)						
Transfers in	122,911	210,000	-	-	233,000	15,249
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	122,911	210,000	-	-	233,000	15,249
NET CHANGE IN FUND BALANCES (DEFICITS)	100,176	34,066	(72,843)	-	29,806	6,069
FUND BALANCES (DEFICITS) - JULY 1	59,777	8,760	(3,889)	140	31,997	10,081
FUND BALANCES (DEFICITS) - JUNE 30	\$ 159,953	\$ 42,826	\$ (76,732)	\$ 140	\$ 61,803	\$ 16,150

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Library Capital Fund	Recreation Capital Improvement	Bridge Capital Fund	Traffic Control Devices	Planning Technical Services	Police Department Capital	Johnson Recreation Center	Golf Capital
REVENUES								
Intergovernmental	\$ -	\$ 800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	5,622	-	-	-	-	-
TOTAL REVENUES	-	800	5,622	-	-	-	-	-
EXPENDITURES								
Capital outlay	24,126	5,132	129,527	5,285	-	-	-	16,282
Debt service:								
Interest	3,880	-	-	-	-	-	-	-
Program expenses	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	28,006	5,132	129,527	5,285	-	-	-	16,282
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,006)	(4,332)	(123,905)	(5,285)	-	-	-	(16,282)
OTHER FINANCING SOURCES (USES)								
Transfers in	42,889	30,000	135,855	19,378	-	11,750	75,000	128,546
Transfers (out)	-	-	-	-	-	-	-	(61,669)
TOTAL OTHER FINANCING SOURCES (USES)	42,889	30,000	135,855	19,378	-	11,750	75,000	66,877
NET CHANGE IN FUND BALANCES (DEFICITS)	14,883	25,668	11,950	14,093	-	11,750	75,000	50,595
FUND BALANCES (DEFICITS) - JULY 1	31,550	78,515	174,922	59,059	4,715	55,792	226,545	21,965
FUND BALANCES (DEFICITS) - JUNE 30	\$ 46,433	\$ 104,183	\$ 186,872	\$ 73,152	\$ 4,715	\$ 67,542	\$ 301,545	\$ 72,560

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Guard Rail	Zoning Deposits	Swim Team Donations	Garage Capital	Library Leggett Donation Fund	Solar Canopy Project	Total
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,186
Other income	-	-	5,520	-	10,420	-	74,023
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>5,520</u>	<u>-</u>	<u>10,420</u>	<u>-</u>	<u>103,209</u>
EXPENDITURES							
Capital outlay	29,990	-	-	-	-	-	879,120
Debt service:							
Interest	-	-	-	-	-	-	6,382
Program expenses	-	-	1,843	-	12,937	204,272	534,431
TOTAL EXPENDITURES	<u>29,990</u>	<u>-</u>	<u>1,843</u>	<u>-</u>	<u>12,937</u>	<u>204,272</u>	<u>1,419,933</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(29,990)</u>	<u>-</u>	<u>3,677</u>	<u>-</u>	<u>(2,517)</u>	<u>(204,272)</u>	<u>(1,316,724)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	27,494	-	-	25,400	-	-	1,467,249
Transfers (out)	-	-	-	-	-	-	(66,669)
TOTAL OTHER FINANCING SOURCES (USES)	<u>27,494</u>	<u>-</u>	<u>-</u>	<u>25,400</u>	<u>-</u>	<u>-</u>	<u>1,400,580</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(2,496)	-	3,677	25,400	(2,517)	(204,272)	83,856
FUND BALANCES (DEFICITS) - JULY 1	<u>8,981</u>	<u>96</u>	<u>6,012</u>	<u>4,044</u>	<u>25,688</u>	<u>-</u>	<u>1,420,946</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 6,485</u>	<u>\$ 96</u>	<u>\$ 9,689</u>	<u>\$ 29,444</u>	<u>\$ 23,171</u>	<u>\$ (204,272)</u>	<u>\$ 1,504,802</u>

See accompanying independent auditor's 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  
JUNE 30, 2022

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
Public safety	\$ 527,221	\$ 6,338,509	\$ 2,159,727	\$ -	\$ 9,025,457
Highways	-	621,460	1,472,208	7,787,246	9,880,914
Library	-	865,140	17,583	96,299	979,022
Recreation	-	312,899	39,789	8,768	361,456
Education	-	-	53,200	-	53,200
Town-wide	408,783	35,040	78,186	135,929	657,938
Sewer fund	-	-	1,747,073	-	1,747,073
Golf course	-	6,007,277	810,217	-	6,817,494
Total General Capital Assets	936,004	14,180,325	6,377,983	8,028,242	29,522,554
Less: Accumulated Depreciation	-	(6,184,349)	(3,207,301)	(1,786,518)	(11,178,168)
Net General Capital Assets	<u>\$ 936,004</u>	<u>\$ 7,995,976</u>	<u>\$ 3,170,682</u>	<u>\$ 6,241,724</u>	<u>\$ 18,344,386</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF KILLINGTON, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2022

	General Capital Assets 7/1/21	Additions	Deletions	General Capital Assets 6/30/22
Public safety	\$ 9,006,054	\$ 39,398	\$ (19,995)	\$ 9,025,457
Highways	9,510,783	536,087	(165,956)	9,880,914
Library	876,128	102,894	-	979,022
Recreation	361,456	-	-	361,456
Education	53,200	-	-	53,200
Town-wide	140,956	516,982	-	657,938
Sewer fund	1,747,073	-	-	1,747,073
Golf course	6,575,778	259,870	(18,154)	6,817,494
Total General Capital Assets	28,271,428	1,455,231	(204,105)	29,522,554
Less: Accumulated Depreciation	<u>(10,185,263)</u>	<u>(1,160,583)</u>	<u>167,678</u>	<u>(11,178,168)</u>
Net General Capital Assets	<u>\$ 18,086,165</u>	<u>\$ 294,648</u>	<u>\$ (36,427)</u>	<u>\$ 18,344,386</u>

See accompanying independent auditor's report and notes to financial statements.



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Selectboard  
Town of Killington  
Killington, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Killington, Vermont as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Town of Killington, Vermont's basic financial statements and have issued our report thereon dated December 8, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Killington, Vermont's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Killington, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Killington, Vermont's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Killington, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Killington, Vermont in a separate letter dated December 8, 2022.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
Vermont Registration No. 092.0000697  
December 8, 2022