

Audited Financial Statements
and Other Financial Information

Town of Killington, Vermont

June 30, 2023
(Revised January 4, 2024)



Proven Expertise & Integrity

TOWN OF KILLINGTON, VERMONT

CONTENTS

JUNE 30, 2023

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5 - 12
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	13 - 14
STATEMENT B - STATEMENT OF ACTIVITIES	15 - 16
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	17
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	18
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	19
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	20
STATEMENT G - STATEMENT OF NET POSITION - PROPRIETARY FUNDS	21
STATEMENT H - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS	22
STATEMENT I - STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	23
NOTES TO FINANCIAL STATEMENTS	24 - 55
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	56

SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	57
SCHEDULE 2 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	58
SCHEDULE 3 - SCHEDULE OF CONTRIBUTIONS - PENSION	59
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	60
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	61
SCHEDULE A - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND REVENUES	62
SCHEDULE B - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	63 - 65
SCHEDULE C - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	66
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	67
SPECIAL REVENUE FUNDS DESCRIPTION	68
SCHEDULE E - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	69
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS	70
CAPITAL PROJECTS FUNDS DESCRIPTION	71
SCHEDULE G - COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS	72 - 75
SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS	76 - 79
GENERAL CAPITAL ASSETS DESCRIPTION	80

SCHEDULE I - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	81
SCHEDULE J - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	82
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 <i>GOVERNMENT AUDITING STANDARDS</i>	83 - 84



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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, 2023 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, 2023 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.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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, 2023 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
January 4, 2024

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

(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, 2023. 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 four 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, TIF District Planning and Town Office Capital 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 \$566,833 from \$11,085,244 to a balance of \$11,652,077. For business-type activities, the Town's total net position increased by \$193,640 from \$1,303,661 to a balance of \$1,497,301 .

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased for the governmental activities to a balance of \$1,054,982 at the end of the fiscal year. For the business-type activities, unrestricted net position increased to a balance of \$729,976.

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

	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022 (Restated)
Assets:				
Current Assets	\$ 5,576,095	\$ 3,308,334	\$ 1,017,331	\$ 805,544
Noncurrent Assets - Capital Assets	16,718,122	15,991,803	2,182,831	2,438,263
Total Assets	22,294,217	19,300,137	3,200,162	3,243,807
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	254,031	142,032	19,121	10,691
Total Deferred Outflows of Resources	254,031	142,032	19,121	10,691
Liabilities:				
Current Liabilities	2,554,431	1,161,573	597,210	512,733
Long-term Debt Outstanding	8,260,844	6,864,785	1,123,638	1,424,288
Total Liabilities	10,815,275	8,026,358	1,720,848	1,937,021
Deferred Inflows of Resources:				
Prepaid Taxes	65,833	147,015	-	-
Deferred Inflows Related to Pensions	15,063	183,552	1,134	13,816
Total Deferred Inflows of Resources	80,896	330,567	1,134	13,816
Net Position:				
Net Investment in Capital Assets	8,197,046	8,549,494	767,325	925,218
Restricted: Special Revenue Funds	215,484	38,004	-	-
Capital Projects Funds	2,184,565	516,807	-	-
Permanent Funds	-	58,875	-	-
Unrestricted	1,054,982	1,922,064	729,976	378,443
Total Net Position	\$ 11,652,077	\$ 11,085,244	\$ 1,497,301	\$ 1,303,661

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

	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 274,959	\$ 321,414	\$ 1,678,118	\$ 1,446,205
Operating grants and contributions	406,558	239,545	-	-
<i>General Revenues:</i>				
Taxes	18,394,252	14,927,863	-	-
Grants and contributions not restricted to specific programs	1,027,786	938,995	-	-
Miscellaneous	478,651	304,797	-	-
Total Revenues	20,582,206	16,732,614	1,678,118	1,446,205
Expenses				
General government	1,954,862	1,307,011	-	-
Public safety	474,832	5,435	-	-
Highways	956,385	1,495,306	-	-
Health and sanitation	70,395	67,953	-	-
Culture and recreation	476,431	518,625	-	-
Social services	22,030	36,985	-	-
Education	13,962,533	10,589,587	-	-
County tax	76,449	59,416	-	-
Program expenses	1,240,009	-	-	-
Interest on long-term debt	158,103	197,371	32,823	4,384
Capital outlay	-	66,943	-	-
Sewer	-	-	99,600	51,976
Golf course	-	-	1,035,481	1,003,090
Depreciation	-	-	340,097	314,238
Unclassified	599,821	1,046,835	-	-
Total Expenses	19,991,850	15,391,467	1,508,001	1,373,688
Transfers	(23,523)	(90,881)	23,523	90,881
Change in Net Position	566,833	1,250,266	193,640	163,398
Net Position - July 1, Restated	11,085,244	9,834,978	1,303,661	1,140,263
Net Position - June 30	\$ 11,652,077	\$ 11,085,244	\$ 1,497,301	\$ 1,303,661

Revenues and Expenses

Revenues for the Town of Killington, Vermont's governmental activities increased by 23.01% and total expenses increased by 29.89%. The increase in revenues was primarily due to miscellaneous revenue. Expenses increased in all areas except highways, culture and recreation, social services, interest on long term debt, capital outlay and unclassified.

Revenues for the business-type activities increased by 16.04%, while total expenses increased by 9.78%.

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>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Nonspendable	\$ 117,730	\$93,929	\$ 23,801
Committed	378,954	75,000	303,954
Unassigned	919,454	1,089,650	(170,196)
Total General Fund	<u>\$ 1,416,138</u>	<u>\$ 1,258,579</u>	<u>\$ 157,559</u>
TIF District Planning			
Unassigned (deficit)	\$ (1,638,367)	\$ (398,358)	\$ (1,240,009)
Total TIF District Planning	<u>\$ (1,638,367)</u>	<u>\$ (398,358)</u>	<u>\$ (1,240,009)</u>
Town Office Capital			
Committed	\$ 1,572,036	\$ 16,150	\$ 1,555,886
Total Town Office Capital	<u>\$ 1,572,036</u>	<u>\$ 16,150</u>	<u>\$ 1,555,886</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 215,484	\$ 96,879	\$ 118,605
Unassigned	(10,560)	(4,866)	(5,694)
Capital Projects Funds:			
Restricted	612,529	516,807	95,722
Committed	1,680,174	1,229,337	450,837
Assigned	49,135	24,910	24,225
Unassigned (deficit)	(458,927)	(281,004)	(177,923)
Total Nonmajor Funds	<u>\$ 2,087,835</u>	<u>\$ 1,582,063</u>	<u>\$ 505,772</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 \$5,404 versus last year of \$6,338. The Route 4 Sewer Fund had an increase in net position this fiscal year of \$55,145 versus last year of \$58,077. The Green Mountain National Golf Course Fund had an increase in net position this fiscal year of \$133,091 and versus last year \$98,983.

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 \$402,299. All revenue categories were received in excess of budgeted amounts except for charges for services.

The general fund actual expenditures were over budget by \$175,487. All expenditure categories were within or over budgeted amounts with the exception of public safety, health and sanitation and debt service - interest.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2023, the net book value of capital assets recorded by the Town increased by \$470,887 from the prior year. The increase is the result of capital additions of \$1,747,258 less current year disposals of \$55,057 and depreciation of \$1,221,314.

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

	<u>2023</u>	<u>2022</u>
Land	\$ 527,221	\$ 527,221
Construction in progress	1,647,267	408,783
Buildings, building improvements and land improvements	7,549,694	7,995,976
Machinery, equipment and vehicles	3,329,886	3,256,362
Infrastructure	<u>5,846,885</u>	<u>6,241,724</u>
Total	<u>\$ 18,900,953</u>	<u>\$ 18,430,066</u>

Debt

At June 30, 2023, the Town had \$9,936,582 in bonds, notes from direct borrowings and lease liabilities outstanding versus \$9,096,527 last year, an increase of 6.94%. 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 2023 - 2024 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2023 - 2024 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, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,851,641	\$ 554,717	\$ 5,406,358
Investments	53,014	-	53,014
Accounts receivable (net of allowance for uncollectibles):			
Taxes	404,289	-	404,289
Due from golf course	350,267	-	350,267
Other	4,000	372,501	376,501
Prepaid items	117,730	20,000	137,730
Inventory	-	70,113	70,113
Internal balances	(204,846)	204,846	-
Total current assets	<u>5,576,095</u>	<u>1,222,177</u>	<u>6,798,272</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	2,174,488	-	2,174,488
Depreciable assets, net of accumulated depreciation	14,417,392	2,098,166	16,515,558
Right of use lease assets, net of accumulated depreciation	126,242	84,665	210,907
Total noncurrent assets	<u>16,718,122</u>	<u>2,182,831</u>	<u>18,900,953</u>
TOTAL ASSETS	<u>22,294,217</u>	<u>3,405,008</u>	<u>25,699,225</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	254,031	19,121	273,152
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>254,031</u>	<u>19,121</u>	<u>273,152</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 22,548,248</u>	<u>\$ 3,424,129</u>	<u>\$ 25,972,377</u>

STATEMENT A (CONTINUED)

TOWN OF KILLINGTON, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 56,006	\$ 61,829	\$ 117,835
Accrued expenses	150,559	404,252	554,811
Due to other governments	655	-	655
Expense note	1,500,000	-	1,500,000
Current portion of long-term obligations	847,211	335,975	1,183,186
Total current liabilities	<u>2,554,431</u>	<u>802,056</u>	<u>3,356,487</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	5,504,682	40,000	5,544,682
Notes from direct borrowings payable	2,073,753	1,007,044	3,080,797
Lease liability	95,430	32,487	127,917
Net pension liability	586,979	44,107	631,086
Total noncurrent liabilities	<u>8,260,844</u>	<u>1,123,638</u>	<u>9,384,482</u>
TOTAL LIABILITIES	<u>10,815,275</u>	<u>1,925,694</u>	<u>12,740,969</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	65,833	-	65,833
Deferred inflows related to pensions	15,063	1,134	16,197
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>80,896</u>	<u>1,134</u>	<u>82,030</u>
NET POSITION			
Net investment in capital assets	8,197,046	767,325	8,964,371
Restricted	2,400,049	-	2,400,049
Unrestricted	1,054,982	729,976	1,784,958
TOTAL NET POSITION	<u>11,652,077</u>	<u>1,497,301</u>	<u>13,149,378</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 22,548,248</u>	<u>\$ 3,424,129</u>	<u>\$ 25,972,377</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, 2023

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	\$ 1,954,862	\$ 94,863	\$ -	\$ -	\$ (1,859,999)	\$ -	\$ (1,859,999)
Public safety	474,832	16,755	605	-	(457,472)	-	(457,472)
Highways	956,385	-	90,339	-	(866,046)	-	(866,046)
Health and sanitation	70,395	35,722	-	-	(34,673)	-	(34,673)
Culture and recreation	476,431	127,619	-	-	(348,812)	-	(348,812)
Social services	22,030	-	-	-	(22,030)	-	(22,030)
Education	13,962,533	-	-	-	(13,962,533)	-	(13,962,533)
County tax	76,449	-	-	-	(76,449)	-	(76,449)
Program expenses	1,240,009	-	-	-	(1,240,009)	-	(1,240,009)
Interest on long-term debt	158,103	-	-	-	(158,103)	-	(158,103)
Unclassified	599,821	-	315,614	-	(284,207)	-	(284,207)
Total governmental activities	19,991,850	274,959	406,558	-	(19,310,333)	-	(19,310,333)
Business-type activities:							
Alpine Drive Sewer Fund	6,340	11,744	-	-	-	5,404	5,404
Rt. 4 Sewer Fund	154,757	209,902	-	-	-	55,145	55,145
Golf course	1,346,904	1,456,472	-	-	-	109,568	109,568
Total business-type activities	1,508,001	1,678,118	-	-	-	170,117	170,117
Total government	\$ 21,499,851	\$ 1,953,077	\$ 406,558	\$ -	(19,310,333)	170,117	(19,140,216)

STATEMENT B (CONTINUED)

TOWN OF KILLINGTON, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities	Business- type Activities	Total
Changes in net position:			
Net (expense) revenue	(19,310,333)	170,117	(19,140,216)
General revenues:			
Taxes, levied for general purposes	18,394,252	-	18,394,252
Grants and contributions not restricted to specific programs	1,027,786	-	1,027,786
Miscellaneous	478,651	-	478,651
Total general revenues	19,900,689	-	19,900,689
Transfers	(23,523)	23,523	-
Change in net position	566,833	193,640	760,473
NET POSITION - JULY 1, RESTATED	11,085,244	1,303,661	12,388,905
NET POSITION - JUNE 30	\$ 11,652,077	\$ 1,497,301	\$ 13,149,378

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

TOWN OF KILLINGTON, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	TIF District Planning	Town Office Capital	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,839,836	\$ -	\$ -	\$ 11,805	\$ 4,851,641
Investments	-	-	-	53,014	53,014
Accounts receivable (net of allowance for uncollectibles):					
Taxes	404,289	-	-	-	404,289
Due from golf course	350,267	-	-	-	350,267
Other	4,000	-	-	-	4,000
Prepaid items	117,730	-	-	-	117,730
Due from other funds	744,697	-	1,572,036	2,492,503	4,809,236
TOTAL ASSETS	\$ 6,460,819	\$ -	\$ 1,572,036	\$ 2,557,322	\$ 10,590,177
LIABILITIES					
Accounts payable	\$ 56,006	\$ -	\$ -	\$ -	\$ 56,006
Accrued expenses	150,559	-	-	-	150,559
Expense note	-	1,500,000	-	-	1,500,000
Due to other governments	655	-	-	-	655
Due to other funds	4,406,228	138,367	-	469,487	5,014,082
TOTAL LIABILITIES	4,613,448	1,638,367	-	469,487	6,721,302
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	65,833	-	-	-	65,833
Deferred tax revenues	365,400	-	-	-	365,400
TOTAL DEFERRED INFLOWS OF RESOURCES	431,233	-	-	-	431,233
FUND BALANCES (DEFICITS)					
Nonspendable	117,730	-	-	-	117,730
Restricted	-	-	1,572,036	828,013	2,400,049
Committed	378,954	-	-	1,680,174	2,059,128
Assigned	-	-	-	49,135	49,135
Unassigned	919,454	(1,638,367)	-	(469,487)	(1,188,400)
TOTAL FUND BALANCES (DEFICITS)	1,416,138	(1,638,367)	1,572,036	2,087,835	3,437,642
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 6,460,819	\$ -	\$ 1,572,036	\$ 2,557,322	\$ 10,590,177

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, 2023

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 3,437,642
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	16,718,122
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	365,400
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	254,031
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(5,959,208)
Notes from direct borrowings payable	(2,435,626)
Lease liability	(126,242)
Net pension liability	(586,979)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(15,063)</u>
Net position of governmental activities	<u>\$ 11,652,077</u>

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, 2023

	General Fund	TIF District Planning	Town Office Capital	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$18,413,463	\$ -	\$ -	\$ -	\$18,413,463
Intergovernmental	1,118,730	-	-	315,614	1,434,344
Charges for services	274,959	-	-	-	274,959
Miscellaneous revenues	429,540	-	-	49,111	478,651
TOTAL REVENUES	20,236,692	-	-	364,725	20,601,417
EXPENDITURES					
Current:					
General government	1,537,497	-	-	-	1,537,497
Public safety	452,066	-	-	-	452,066
Highways	1,141,174	-	-	-	1,141,174
Health and sanitation	70,395	-	-	-	70,395
Culture and recreation	504,149	-	-	-	504,149
Social services	22,030	-	-	-	22,030
Education	13,957,213	-	-	-	13,957,213
County tax	76,449	-	-	-	76,449
Program expenditures	-	1,240,009	-	-	1,240,009
Unclassified	-	-	-	577,933	577,933
Debt service:					
Principal	643,036	-	-	-	643,036
Interest	151,773	-	-	6,330	158,103
Capital outlay	-	-	59,873	758,759	818,632
TOTAL EXPENDITURES	18,555,782	1,240,009	59,873	1,343,022	21,198,686
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,680,910	(1,240,009)	(59,873)	(978,297)	(597,269)
OTHER FINANCING SOURCES (USES)					
Debt proceeds	-	-	1,600,000	-	1,600,000
Transfers in	-	-	15,759	1,694,392	1,710,151
Transfers (out)	(1,523,351)	-	-	(210,323)	(1,733,674)
TOTAL OTHER FINANCING SOURCES (USES)	(1,523,351)	-	1,615,759	1,484,069	1,576,477
NET CHANGE IN FUND BALANCES (DEFICITS)	157,559	(1,240,009)	1,555,886	505,772	979,208
FUND BALANCES (DEFICITS) - JULY 1	1,258,579	(398,358)	16,150	1,582,063	2,458,434
FUND BALANCES (DEFICITS) - JUNE 30	\$ 1,416,138	\$ (1,638,367)	\$ 1,572,036	\$ 2,087,835	\$ 3,437,642

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, 2023

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 979,208</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	1,662,593
Capital asset disposals	(55,057)
Depreciation expense	<u>(881,217)</u>
	<u>726,319</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported	
Taxes and liens receivable	<u>(19,211)</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>111,999</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>897,882</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	
	<u>(1,976,649)</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>168,488.79</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>(321,204)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 566,833</u>

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

TOWN OF KILLINGTON, VERMONT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2023

	Enterprise Funds			
	Alpine Drive Sewer Fund	Route 4 Sewer Fund	Golf Course Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 554,717	\$ 554,717
Accounts receivable (net of allowance for uncollectibles)	2,359	370,142	-	372,501
Prepaid items	-	-	20,000	20,000
Inventory	-	-	70,113	70,113
Due from other funds	42,035	299,654	-	341,689
Total current assets	44,394	669,796	644,830	1,359,020
Noncurrent assets:				
Capital assets:				
Depreciated assets	-	1,747,073	7,024,559	8,771,632
Less: accumulated depreciation	-	(817,527)	(5,771,274)	(6,588,801)
Total noncurrent assets	-	929,546	1,253,285	2,182,831
TOTAL ASSETS	44,394	1,599,342	1,898,115	3,541,851
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	-	-	19,121	19,121
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	19,121	19,121
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 44,394	\$ 1,599,342	\$ 1,917,236	\$ 3,560,972
LIABILITIES				
Current liabilities:				
Accounts payable	\$ -	\$ -	\$ 61,829	\$ 61,829
Due to other funds	-	-	136,843	136,843
Due to Town	-	-	350,267	350,267
Accrued liabilities	-	-	53,985	53,985
Current portion of long-term obligations	-	-	335,975	335,975
Total current liabilities	-	-	938,899	938,899
Noncurrent liabilities:				
Noncurrent portion of long-term obligations:				
Bonds payable	-	-	40,000	40,000
Note from direct borrowings payable	-	-	1,007,044	1,007,044
Lease liability	-	-	32,487	32,487
Net pension liability	-	-	44,107	44,107
Total noncurrent liabilities	-	-	1,123,638	1,123,638
TOTAL LIABILITIES	-	-	2,062,537	2,062,537
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	-	-	1,134	1,134
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	1,134	1,134
NET POSITION (DEFICIT)				
Net investment in capital assets	-	929,546	(162,221)	767,325
Unrestricted	44,394	669,796	15,786	729,976
TOTAL NET POSITION (DEFICIT)	44,394	1,599,342	(146,435)	1,497,301
TOTAL LIABILITIES AND NET POSITION (DEFICIT)	\$ 44,394	\$ 1,599,342	\$ 1,917,236	\$ 3,560,972

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, 2023

	Enterprise Funds			Total
	Alpine Drive Sewer Fund	Route 4 Sewer Fund	Golf Course Fund	
OPERATING REVENUES				
Charges for services	\$ 11,744	\$ 209,902	\$ 1,456,472	\$ 1,678,118
TOTAL OPERATING REVENUES	<u>11,744</u>	<u>209,902</u>	<u>1,456,472</u>	<u>1,678,118</u>
OPERATING EXPENSES				
Sewer	6,340	93,260	-	99,600
Golf course	-	-	1,035,481	1,035,481
Depreciation	-	61,497	278,600	340,097
TOTAL OPERATING EXPENSES	<u>6,340</u>	<u>154,757</u>	<u>1,314,081</u>	<u>1,475,178</u>
OPERATING INCOME (LOSS)	<u>5,404</u>	<u>55,145</u>	<u>142,391</u>	<u>202,940</u>
NONOPERATING REVENUES (EXPENSES)				
Interest expense	-	-	(32,823)	(32,823)
Transfers in	-	-	50,370	50,370
Transfers (out)	-	-	(26,847)	(26,847)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>-</u>	<u>-</u>	<u>(9,300)</u>	<u>(9,300)</u>
CHANGE IN NET POSITION (DEFICIT)	5,404	55,145	133,091	193,640
NET POSITION (DEFICIT) - JANUARY 1/JULY 1, RESTATED	<u>38,990</u>	<u>1,544,197</u>	<u>(279,526)</u>	<u>1,303,661</u>
NET POSITION (DEFICIT) - JUNE 30	<u>\$ 44,394</u>	<u>\$ 1,599,342</u>	<u>\$ (146,435)</u>	<u>\$ 1,497,301</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, 2023

	Enterprise Funds			
	Alpine Drive Sewer Fund	Route 4 Sewer Fund	Golf Course Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 12,449	\$ 172,332	\$ 1,465,313	\$ 1,650,094
Internal activity - receipts (payments) from/to other funds	(6,109)	(79,072)	55,757	(29,424)
Payments to suppliers	(6,340)	(93,260)	(1,027,541)	(1,127,141)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	-	493,529	493,529
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfer from Town	-	-	50,370	50,370
Transfers to other funds	-	-	(26,847)	(26,847)
Proceeds from long-term debt	-	-	84,665	84,665
Interest paid on long-term debt	-	-	(32,823)	(32,823)
Capital asset additions	-	-	(84,665)	(84,665)
Principal payments on long-term debt	-	-	(323,377)	(323,377)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	(332,677)	(332,677)
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	160,852	160,852
CASH AND CASH EQUIVALENTS - JANUARY 1/JULY 1	-	-	393,865	393,865
CASH AND CASH EQUIVALENTS - JUNE 30	\$ -	\$ -	\$ 554,717	\$ 554,717
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 5,404	\$ 55,145	\$ 142,391	\$ 202,940
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	-	61,497	278,600	340,097
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	705	(37,570)	8,841	(28,024)
(Increase) decrease in inventory	-	-	(22,911)	(22,911)
(Increase) decrease in due from other funds	(6,109)	(79,072)	-	(85,181)
(Increase) decrease in deferred outflows related to pension	-	-	(8,430)	(8,430)
Increase (decrease) in accounts payable	-	-	33,003	33,003
Increase (decrease) in due to Town	-	-	(8,526)	(8,526)
Increase (decrease) in accrued liabilities	-	-	(5,176)	(5,176)
Increase (decrease) in due to other funds	-	-	64,283	64,283
Increase (decrease) in deferred inflows related to pension	-	-	(12,682)	(12,682)
Increase (decrease) in net pension liability	-	-	24,136	24,136
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ -	\$ 493,529	\$ 493,529
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid during the year for:				
Interest	\$ -	\$ -	\$ 32,823	\$ 32,823

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

TOWN OF KILLINGTON, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 96 "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023

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 TIF District Planning Fund is used to account for proceeds from a current expense note related to capital infrastructure expenditures such as water, sewer and road projects.
- c. The Town Office Capital Fund is used to account for assets held by the Town from a current expense note to fund the purchase of a new town administrative building.

TOWN OF KILLINGTON, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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, 2023

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, 2023. Accounts receivable netted with allowances for uncollectible accounts were \$726,768 for the year ended June 30, 2023.

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023, the Town's cash balance of \$5,406,358 was comprised of deposits amounting to \$5,585,063. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. Of these deposits, \$260,957 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$5,324,106 were covered by an irrevocable standby letter of credit.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 5,574,106
Savings accounts	10,957
	<u>\$ 5,585,063</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 \$53,014 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, 2023, the Town's investments of \$53,014 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, 2023

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ 744,697	\$ 4,406,228
TIF District Planning	-	138,367
Public Safety Building	1,572,036	-
Nonmajor Special Revenue Funds	150,665	10,560
Nonmajor Capital Projects Funds	2,341,838	458,927
Alpine Drive Sewer Fund	42,035	-
Route 4 Sewer Fund	299,654	-
Golf Course Fund	-	136,843
	<u>\$ 5,150,925</u>	<u>\$ 5,150,925</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, 2023 consisted of the following:

	<u>Transfers To</u>	<u>Transfers From</u>
General Fund	\$ -	\$ 1,523,351
Town Office Capital Fund	15,759	-
Nonmajor Special Revenue Funds	12,500	-
Nonmajor Capital Projects Funds	1,681,892	210,323
Golf Course Fund	50,370	26,847
	<u>\$ 1,760,521</u>	<u>\$ 1,760,521</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, 2023

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance 7/1/22 (Restated)	Additions	Disposals	Balance, 6/30/23
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 527,221	\$ -	\$ -	\$ 527,221
Construction in progress	408,783	1,238,484	-	1,647,267
	<u>936,004</u>	<u>1,238,484</u>	<u>-</u>	<u>2,174,488</u>
Depreciated assets:				
Land improvements	322,444	-	-	322,444
Buildings and improvements	7,850,604	-	-	7,850,604
Vehicles	2,876,354	142,552	(79,726)	2,939,180
Machinery and equipment	944,339	127,500	(264,106)	807,733
Infrastructure	8,028,242	-	-	8,028,242
Right of use lease asset	-	154,057	-	154,057
	<u>20,021,983</u>	<u>424,109</u>	<u>(343,832)</u>	<u>20,102,260</u>
Less: accumulated depreciation	<u>(4,966,184)</u>	<u>(881,217)</u>	<u>288,775</u>	<u>(5,558,626)</u>
	<u>15,055,799</u>	<u>(457,108)</u>	<u>(55,057)</u>	<u>14,543,634</u>
Net governmental capital assets	<u>\$ 15,991,803</u>	<u>\$ 781,376</u>	<u>\$ (55,057)</u>	<u>\$ 16,718,122</u>
<u>Business-type activities</u>				
Depreciated assets:				
Land improvements	\$ 5,945,100	\$ -	\$ -	\$ 5,945,100
Buildings and improvements	62,177	-	-	62,177
Machinery and equipment	2,578,615	71,108	-	2,649,723
Vehicles	28,079	-	-	28,079
Right of use lease asset	72,996	13,557	-	86,553
	<u>8,686,967</u>	<u>84,665</u>	<u>-</u>	<u>8,771,632</u>
Less: accumulated depreciation	<u>(6,248,704)</u>	<u>(340,097)</u>	<u>-</u>	<u>(6,588,801)</u>
	<u>2,438,263</u>	<u>(255,432)</u>	<u>-</u>	<u>2,182,831</u>
Net business-type capital assets	<u>\$ 2,438,263</u>	<u>\$ (255,432)</u>	<u>\$ -</u>	<u>\$ 2,182,831</u>
Current year depreciation:				
<u>Governmental activities</u>				
Public safety				\$ 254,736
Highway				528,769
Library				46,039
Recreation				24,465
Education				5,320
Town-wide				21,888
Total governmental activities depreciation expense				<u>\$ 881,217</u>
<u>Business-type activities</u>				
Route 4 Sewer				\$ 61,497
Golf Course				278,600
Total business-type activities depreciation expense				<u>\$ 340,097</u>

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - SHORT-TERM OBLIGATIONS

On May 20, 2022, the Town issued a current expense note through Mascoma Bank. The credit was for \$204,271 at a fixed rate of 2.5% interest per annum. The note was paid in full in April 21, 2023 with an interest expense of \$3820.

On July 28, 2022, the Town issued a current expense note for TIF District Planning expenses through Mascoma Bank. The note is for \$1,500,000 at a fixed rate of 2.85% interest per annum payable on July 28, 2023.

On June 22, 2023, the Town issued a current expense note for \$700,000 through Mascoma Bank. The note is for \$700,000 at a fixed rate of 4.4% interest per annum payable on June 22, 2024.

Short-term debt activity for the year ended June 30, 2023, was as follows:

	Balance, 7/1/22	Additions	Repayments	Balance, 6/30/23
Current expense notes	\$ -	\$ 2,404,271	\$ (204,271)	\$ 2,200,000

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2023:

	Balance, 7/1/22 Restated	Additions	Deletions	Balance, 6/30/23	Current Portion
Governmental activities:					
Bonds payable	\$ 6,413,734	\$ -	\$ (454,526)	\$ 5,959,208	\$ 454,526
Notes from direct borrowings payable	1,028,575	1,822,418	(415,367)	2,435,626	361,873
Lease liability	-	154,231	(27,989)	126,242	30,812
Totals	<u>\$ 7,442,309</u>	<u>\$ 1,976,649</u>	<u>\$ (897,882)</u>	<u>\$ 8,521,076</u>	<u>\$ 847,211</u>
Business-type activities:					
Bonds payable	\$ 150,000	\$ -	\$ (55,000)	\$ 95,000	\$ 55,000
Note from direct borrowings payable	1,441,868	71,108	(248,470)	1,264,506	257,462
Lease liability	62,350	13,557	(19,907)	56,000	23,513
Totals	<u>\$ 1,654,218</u>	<u>\$ 84,665</u>	<u>\$ (323,377)</u>	<u>\$ 1,415,506</u>	<u>\$ 335,975</u>

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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.	\$ 30,000
\$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.	140,000
\$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.	532,560
\$5,775,000, 2020 General Obligation Bonds due in annual principal payments of \$259,166, through November of 2050.	<u>5,256,648</u>
Total governmental activities bonds payable	<u>\$ 5,959,208</u>

Governmental activities notes from direct borrowings payable:

\$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.	100,000
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.	51,163
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.	77,037
\$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.	411,600
\$1,600,000, 2023 Note Payable due in annual payments of \$197,301, through April of 2023. Interest is charged at a fixed rate of 4.00% per annum.	1,600,000
The Town leases a police cruiser under a non-cancelable lease agreement. The term of the lease is a five-year period expiring in October, 2027. Annual payments are \$11,500.	41,284
The Town leases a police cruiser under a non-cancelable lease agreement. The term of the lease is a five-year period expiring in October, 2027. Annual payments are \$11,629.	48,134
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 April, 2029. Interest is charged at a fixed rate of 5.19% per annum. Annual principal and interest payments are \$21,092	<u>106,408</u>
Total governmental activities notes from direct borrowings payable	<u>\$ 2,435,626</u>

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Governmental activities lease liabilities:

The Town entered into a right of use lease for Highway Department equipment under a non-cancelable agreement. The term of the lease is a five-year period expiring in August, 2027. Annual payments are \$23,622.	94,487
The Town entered into a right of use lease for Copiers with Konica Minolta. The term of the lease is for a five-year period expiring in November 2028. Monthly payments are \$599.	<u>31,755</u>
Total governmental activities lease liabilities	<u>\$ 126,242</u>
Total governmental activities debt payable	<u>\$ 8,521,076</u>

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.	\$ 60,000
\$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.	<u>35,000</u>
Total business-type activities bonds payable	<u>\$ 95,000</u>

Business-type activities note from direct borrowings payable:

The Town leases golf carts under a lease purchase agreement. The terms of the lease is 54 months expiring in December of 2024. Payments are \$12,329.27 for 6 months per year.	\$ 72,698
\$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.	1,035,125
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.	94,182
The Town leases turf equipment under a non-cancelable lease agreement. The term of the lease is for 60 months expiring in October of 2027. Monthly payments are \$525.	22,738
The Town leases a John Deere Tractor under a non-cancelable lease agreement. The terms of the lease is for 60 months expiring in October of 2027. Monthly payments are \$746.	33,524
The Town leases a John Deere Loader under a non-cancelable lease agreement. The terms of the lease is 60 months expiring in April of 2028. Monthly payments are \$126.	<u>6,239</u>
Total business-type activities bonds payable	<u>\$ 1,264,506</u>

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.	\$ 44,101
The Town leases copiers under a non-cancelable lease agreement. The terms of the lease is 60 months expiring in December of 2027. Monthly payments are \$226.	<u>11,899</u>
Total business-type lease liability	<u>\$ 56,000</u>
Total business-type activities debt payable	<u>\$ 1,415,506</u>

TOWN OF KILLINGTON, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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		Lease Liability		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 454,526	\$ 142,201	\$ 361,873	\$ 101,580	\$ 30,812	\$ -	\$ 1,090,992
2025	284,526	132,745	563,711	82,831	30,812	-	1,094,625
2026	284,526	129,344	219,688	62,588	30,812	-	726,958
2027	284,526	125,765	201,715	53,441	30,812	-	696,259
2028	284,526	121,961	190,271	44,665	2,994	-	644,417
2029-2033	1,222,630	534,089	898,368	109,232	-	-	2,764,319
2034-2038	922,630	407,391	-	-	-	-	1,330,021
2039-2043	922,630	279,357	-	-	-	-	1,201,987
2044-2048	821,190	148,542	-	-	-	-	969,732
2049-2053	477,498	24,876	-	-	-	-	502,374
	<u>\$ 5,959,208</u>	<u>\$ 2,046,271</u>	<u>\$ 2,435,626</u>	<u>\$ 454,337</u>	<u>\$ 126,242</u>	<u>\$ -</u>	<u>\$ 11,021,684</u>

Business-type activities:

	Bonds Payable		Notes from Direct Borrowings Payable		Lease Liability		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 55,000	\$ (3,939)	\$ 257,462	\$ 36,042	\$ 20,960	\$ -	\$ 365,525
2025	20,000	1,785	186,103	27,079	20,960	-	255,927
2026	20,000	595	187,514	20,989	10,315	-	239,413
2027	-	-	184,757	15,868	2,711	-	203,336
2028	-	-	152,824	11,961	1,054	-	165,839
2029-2033	-	-	295,846	11,889	-	-	307,735
	<u>\$ 95,000</u>	<u>\$ (1,559)</u>	<u>\$ 1,264,506</u>	<u>\$ 123,828</u>	<u>\$ 56,000</u>	<u>\$ -</u>	<u>\$ 1,537,775</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, 2023 was \$32,823.

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, 2023

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, 2023:

	Balance, 7/1/22	Additions	Deletions	Balance, 6/30/23	Current Portion
<u>Governmental activities:</u>					
Net pension liability	\$ 265,775	\$ 388,489	\$ (67,285)	\$ 586,979	\$ -
<u>Business-type activities:</u>					
Net pension liability	\$ 19,971	\$ 29,158	\$ (5,022)	\$ 44,107	\$ -

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, 2023:

<u>Governmental Activities</u>	
Invested in Capital assets	\$ 22,276,748
Accumulated depreciation	(5,558,626)
Outstanding capital related debt	(8,521,076)
	<u>\$ 8,197,046</u>
 <u>Business-type activities</u>	
Invested in Capital assets	\$ 8,771,632
Accumulated depreciation	(6,588,801)
Outstanding capital related debt	(1,353,156)
Other non-debt capital related liabilities	(62,350)
	<u>\$ 767,325</u>

NOTE 10 - NONSPENDABLE FUND BALANCE

At June 30, 2023, the Town had the following restricted fund balance:

General fund:	
Prepaid items	<u>\$ 117,730</u>

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 - RESTRICTED NET POSITION AND FUND BALANCES

At June 30, 2023, the Town had the following restricted net position and fund balances:

Town Office Capital Fund	1,572,036
Nonmajor Special Revenue Funds (Schedule E)	215,484
Nonmajor Capital Projects Funds (Schedule G)	612,529
	<u>\$ 2,400,049</u>

NOTE 12 - COMMITTED FUND BALANCES

At June 30, 2023, the Town had the following committed fund balances:

General fund:	
Use of fund balance FY 2024 budget	\$ 378,954
Nonmajor Capital Projects Funds (Schedule G)	1,680,174
	<u>\$ 2,059,128</u>

NOTE 13 - ASSIGNED FUND BALANCES

At June 30, 2023, the Town had the following assigned fund balances:

Nonmajor Capital Projects Funds (Schedule G)	<u>\$ 49,135</u>
--	------------------

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, 2023

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, 2023

NOTE 16 - DEFICIT FUND BALANCES

At June 30, 2023, the Town had the following deficit fund balances:

TIF District Planning	\$ 1,638,367
High school equipment	267
Hazard Mitigation	5,043
VOREC grant	3,750
Zoning by-law	1,500
Water Study	79,655
Archie Baker Bridge Grant	175,000
Solar Canopy	204,272
	<u>\$ 2,107,854</u>

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, 2021 (the most recent data available), the retirement system consisted of 16,158 participating members.

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

VMERS	Group A	Group B	Group C	Group D
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, 2023

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, 2022 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	3.500% of gross salary	5.875% of gross salary	11.000% of gross salary	12.350% of gross salary
Employer Contributions	5.000% of gross salary	6.500% of gross salary	8.250% of gross salary	10.850% 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, 2023 totaled \$62,361. The Town contributed \$68,995 for the year ended June 30, 2023. The Town's total payroll for the year ended June 30, 2023 for all employees covered under this plan was \$1,061,457.

Pension Liabilities

At June 30, 2023, the Town reported a liability of \$631,086 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2021. 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, 2022, the Town's proportion was 0.20802% for VMERS, which was a increase of 0.01388% from its proportion measured as of June 30, 2021 for VMERS.

TOWN OF KILLINGTON, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, the Town recognized pension expense of \$40,716 for the VMERS plan. At June 30, 2023, 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	\$ 47,395	\$ -
Changes of assumptions	32,264	-
Net difference between projected and actual earnings on pension plan investments	102,457	-
Changes in proportion and differences between contributions and proportionate share of contributions	22,041	16,197
Contributions subsequent to the measurement date	68,995	-
Total	\$ 273,152	\$ 16,197

\$68,995 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, 2024. 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:		
2023	\$	50,475
2024		46,952
2025		21,165
2026		69,368
2027		-
Thereafter		-

TOWN OF KILLINGTON, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2022 measurement date was determined by rolling forward the total pension liability as of June 30, 2021 to June 30, 2022. 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, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Healthy Post-Retirement - Beneficiaries:

- Groups A/B/C - 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019.
- Group D - Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019.

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, 2023 COLA is 2.00% for Group A members and 3.00% 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

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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%.

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Passive Global Equities	24.00%	4.30%
Active Global Equities	5.00%	4.30%
US Equity - Large Cap	4.00%	3.25%
US Equity - Small/Mid Cap	3.00%	3.75%
Non-US Developed Market Equities	7.00%	5.00%
Non-US Equity - Small Cap	0.00%	0.00%
Emerging Market Debt	4.00%	3.50%
Core Fixed Income	19.00%	0.00%
Private and Alternative Credit	10.00%	4.75%
US TIPS	3.00%	-0.50%
Core Real Estate	3.00%	3.50%
Non-Core Real Estate	4.00%	6.00%
Private Equity	10.00%	6.50%
Infrastructure/Farmland	4.00%	4.25%

TOWN OF KILLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

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	\$ 945,655	\$ 631,086	\$ 372,340

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).

TOWN OF KILLINGTON, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 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, 2023, employee contributions totaled \$8,624 and the Town made employer contributions of \$8,839. As of June 30, 2023, 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 21, 2023, 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 \$20,000,000 letter of credit expires on June 21, 2024. There were no draws for the year ended June 30, 2023.

NOTE 20 - RESTATEMENTS

The beginning net position for the business-type activities was restated at July 1, 2022. \$141,173 was added to long term debt outstanding and noncurrent capital assets were increased by \$85,680. The overall effect of these restatements decreases net position by \$55,493 from a balance of \$1,359,154 to \$1,303,661.

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, 2023

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,258,579	\$ 1,258,579	\$ 1,258,579	\$ -
Resources (Inflows):				
Property taxes	18,297,058	18,297,058	18,413,463	116,405
Intergovernmental	883,265	883,265	1,118,730	235,465
Charges for services	282,970	282,970	274,959	(8,011)
Miscellaneous revenues	371,100	371,100	429,540	58,440
Amounts Available for Appropriation	21,092,972	21,092,972	21,495,271	402,299
Charges to Appropriations (Outflows):				
General government	1,461,520	1,461,520	1,537,497	(75,977)
Public safety	502,772	502,772	452,066	50,706
Highways	1,025,100	1,025,100	1,141,174	(116,074)
Health and sanitation	83,300	83,300	70,395	12,905
Culture and recreation	476,514	476,514	504,149	(27,635)
Social services	17,755	17,755	22,030	(4,275)
Education	13,957,213	13,957,213	13,957,213	-
County tax	61,000	61,000	76,449	(15,449)
Debt service:				
Principal	629,065	629,065	643,036	(13,971)
Interest	166,056	166,056	151,773	14,283
Unclassified	-	-	-	-
Transfers to other funds	1,523,351	1,523,351	1,523,351	-
Total Charges to Appropriations	19,903,646	19,903,646	20,079,133	(175,487)
Budgetary Fund Balance, June 30	\$ 1,189,326	\$ 1,189,326	\$ 1,416,138	\$ 226,812
Utilization of Unassigned Fund Balance	\$ 69,253	\$ 69,253	\$ -	\$ (69,253)

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*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>VMERS:</u>										
Proportion of the net pension liability	0.21%	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	\$ 631,086	\$ 285,746	\$ 487,011	\$ 358,706	\$ 351,430	\$ 305,296	\$ 320,079	\$ 199,153	\$ 23,005	\$ 89,333
Covered payroll	\$ 832,749	\$ 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	75.78%	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	73.60%	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*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>VMERS:</u>										
Contractually required contribution	\$ 68,995	\$ 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	(68,995)	(52,047)	(43,164)	(39,899)	(39,725)	(37,067)	(41,152)	(37,800)	(36,109)	(32,515)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,061,457	\$ 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	6.50%	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, 2023

Changes of Assumptions

VMERS Pension Plan:

The July 1, 2023 COLA assumption was increased from 2.00% to 3.00% for Groups B, C and D members.

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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 18,297,058	\$ 18,297,058	\$ 18,413,463	\$ 116,405
Intergovernmental revenues:				
Federal and state payments	300,000	300,000	376,649	76,649
State aid - highways	111,000	111,000	90,339	(20,661)
Local option taxes	472,265	472,265	651,137	178,872
Other	-	-	605	605
Charges for services:				
Fees and fines	-	-	4,388	4,388
Clerk revenue	116,050	116,050	62,855	(53,195)
Zoning revenue	10,000	10,000	27,620	17,620
Police revenue	20,720	20,720	16,755	(3,965)
Recreation revenue	101,200	101,200	127,619	26,419
Solid waste revenue	35,000	35,000	35,722	722
Other income:				
Interest and penalties	75,000	75,000	134,880	59,880
Interest income	15,000	15,000	76,853	61,853
Other income	281,100	281,100	217,807	(63,293)
TOTAL REVENUES	<u>\$ 19,834,393</u>	<u>\$ 19,834,393</u>	<u>\$ 20,236,692</u>	<u>\$ 402,299</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, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES					
General government:					
Legislating	\$ 13,000	\$ -	\$ 13,000	\$ 13,926	\$ (926)
Managing municipality	145,890	-	145,890	149,583	(3,693)
Town meeting and elections	7,000	-	7,000	6,016	984
Town/school treasurer	26,400	-	26,400	29,295	(2,895)
Bookkeeping and secretarial	140,180	-	140,180	141,456	(1,276)
Auditing	14,500	-	14,500	21,060	(6,560)
Listing	35,700	-	35,700	33,257	2,443
Tax collecting	11,800	-	11,800	13,805	(2,005)
Town clerk	147,370	-	147,370	123,834	23,536
Board of Civil Authority	5,000	-	5,000	1,300	3,700
Insurance	113,000	-	113,000	87,796	25,204
Planning comm. and Board of Adj.	12,300	-	12,300	14,261	(1,961)
Town planner and zoning	179,600	-	179,600	166,034	13,566
Town buildings	53,600	-	53,600	43,616	9,984
Office equipment	9,000	-	9,000	993	8,007
Carpentry shop	43,180	-	43,180	48,634	(5,454)
Employee benefits	504,000	-	504,000	642,631	(138,631)
	<u>1,461,520</u>	<u>-</u>	<u>1,461,520</u>	<u>1,537,497</u>	<u>(75,977)</u>
Public safety:					
Police	205,278	-	205,278	208,151	(2,873)
Fire department	290,850	-	290,850	236,727	54,123
Traffic control devices	3,000	-	3,000	3,544	(544)
Fire warden	400	-	400	400	-
Ambulance service	3,244	-	3,244	3,244	-
	<u>502,772</u>	<u>-</u>	<u>502,772</u>	<u>452,066</u>	<u>50,706</u>

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Highways:					
Summer roads	192,920	-	192,920	173,492	19,428
Winter roads	435,540	-	435,540	474,372	(38,832)
Walkway, welcome signs, roadway	39,000	-	39,000	42,769	(3,769)
Town garage	40,900	-	40,900	51,152	(10,252)
Facility maintenance	94,840	-	94,840	92,944	1,896
Street lights	19,400	-	19,400	21,313	(1,913)
Street signage capital	8,000	-	8,000	8,000	-
Emergency generator	5,000	-	5,000	5,000	-
Vehicle repairs and maintenance	48,000	-	48,000	77,924	(29,924)
Vehicle repair supplies	10,000	-	10,000	37,717	(27,717)
Vehicles	131,500	-	131,500	156,491	(24,991)
	<u>1,025,100</u>	<u>-</u>	<u>1,025,100</u>	<u>1,141,174</u>	<u>(116,074)</u>
Health and sanitation:					
Solid waste	83,300	-	83,300	70,395	12,905
	<u>83,300</u>	<u>-</u>	<u>83,300</u>	<u>70,395</u>	<u>12,905</u>
Culture and recreation:					
Library	221,181	-	221,181	229,594	(8,413)
Recreation	255,333	-	255,333	274,555	(19,222)
	<u>476,514</u>	<u>-</u>	<u>476,514</u>	<u>504,149</u>	<u>(27,635)</u>
Social services	<u>17,755</u>	<u>-</u>	<u>17,755</u>	<u>22,030</u>	<u>(4,275)</u>
Education	<u>13,957,213</u>	<u>-</u>	<u>13,957,213</u>	<u>13,957,213</u>	<u>-</u>
County tax	<u>61,000</u>	<u>-</u>	<u>61,000</u>	<u>76,449</u>	<u>(15,449)</u>

TOWN OF KILLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Debt service:					
Principal	629,065	-	629,065	643,036	(13,971)
Interest	166,056	-	166,056	151,773	14,283
	<u>795,121</u>	<u>-</u>	<u>795,121</u>	<u>794,809</u>	<u>312</u>
Unclassified:					
Strategic investments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to other funds:					
Town office capital fund	15,759	-	15,759	15,759	-
Town garage capital	26,219	-	26,219	26,219	-
Public safety capital	71,750	-	71,750	71,750	-
Fire department capital	233,000	-	233,000	233,000	-
Recreation capital fund	18,000	-	18,000	18,000	-
Library capital fund	42,889	-	42,889	42,889	-
Gravel resurfacing	36,500	-	36,500	36,500	-
Bituminous resurfacing capital fund	409,050	-	409,050	409,050	-
Guard rail	38,749	-	38,749	38,749	-
Bridges/culverts	126,110	-	126,110	126,110	-
Equipment replacement capital fund	207,125	-	207,125	207,125	-
Street lights	19,700	-	19,700	19,700	-
Cemeteries	10,000	-	10,000	10,000	-
Recreation pool fund	75,000	-	75,000	75,000	-
Trail improvement	16,000	-	16,000	16,000	-
Golf capital	100,000	-	100,000	100,000	-
Special projects P.C.	75,000	-	75,000	75,000	-
Wellness	2,500	-	2,500	2,500	-
	<u>1,523,351</u>	<u>-</u>	<u>1,523,351</u>	<u>1,523,351</u>	<u>-</u>
Total Departmental Operations	<u>\$ 19,903,646</u>	<u>\$ -</u>	<u>\$ 19,903,646</u>	<u>\$ 20,079,133</u>	<u>\$ (175,487)</u>

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

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 11,805	\$ -	\$ 11,805
Investments	53,014	-	53,014
Due from other funds	150,665	2,341,838	2,492,503
TOTAL ASSETS	<u>\$ 215,484</u>	<u>\$ 2,341,838</u>	<u>\$ 2,557,322</u>
LIABILITIES			
Due to other funds	\$ 10,560	\$ 458,927	\$ 469,487
TOTAL LIABILITIES	<u>10,560</u>	<u>458,927</u>	<u>469,487</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	215,484	612,529	828,013
Committed	-	1,680,174	1,680,174
Assigned	-	49,135	49,135
Unassigned (Deficit)	(10,560)	(458,927)	(469,487)
TOTAL FUND BALANCES	<u>204,924</u>	<u>1,882,911</u>	<u>2,087,835</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 215,484</u>	<u>\$ 2,341,838</u>	<u>\$ 2,557,322</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, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Interest income	\$ 5,196		\$ 5,196
Intergovernmental	228,982	86,632	315,614
Other	768	43,147	43,915
TOTAL REVENUES	<u>234,946</u>	<u>129,779</u>	<u>364,725</u>
EXPENDITURES			
Capital outlay	-	758,759	758,759
Debt service:			
Interest	-	6,330	6,330
Program expenses	134,535	443,398	577,933
TOTAL EXPENDITURES	<u>134,535</u>	<u>1,208,487</u>	<u>1,343,022</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>100,411</u>	<u>(1,078,708)</u>	<u>(978,297)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	12,500	1,681,892	1,694,392
Transfers (out)	-	(210,323)	(210,323)
TOTAL OTHER FINANCING SOURCES (USES)	<u>12,500</u>	<u>1,471,569</u>	<u>1,484,069</u>
NET CHANGE IN FUND BALANCES	112,911	392,861	505,772
FUND BALANCES - JULY 1	<u>92,013</u>	<u>1,490,050</u>	<u>1,582,063</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 204,924</u>	<u>\$ 1,882,911</u>	<u>\$ 2,087,835</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, 2023

	Wellness	ARPA	High School Equipment	Hazardous Mitigation	VOREC Grant	Zoning Bylaw	Sherburne Village Cemetery Fund	Total
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,805	\$ 11,805
Investments	-	-	-	-	-	-	53,014	53,014
Due from other funds	2,844	147,821	-	-	-	-	-	150,665
TOTAL ASSETS	\$ 2,844	\$ 147,821	\$ -	\$ -	\$ -	\$ -	\$ 64,819	\$ 215,484
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ 267	\$ 5,043	\$ 3,750	\$ 1,500	\$ -	\$ 10,560
TOTAL LIABILITIES	-	-	267	5,043	3,750	1,500	-	10,560
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	2,844	147,821	-	-	-	-	64,819	215,484
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	(267)	(5,043)	(3,750)	(1,500)	-	(10,560)
TOTAL FUND BALANCES (DEFICITS)	2,844	147,821	(267)	(5,043)	(3,750)	(1,500)	64,819	204,924
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 2,844	\$ 147,821	\$ -	\$ -	\$ -	\$ -	\$ 64,819	\$ 215,484

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, 2023

	Wellness	ARPA	High School Equipment	Hazardous Mitigation	VOREC Grant	Zoning Bylaw	Sherburne Village Cemetery Fund	Total
REVENUES								
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,196	\$ 5,196
Intergovernmental	-	113,048	36,900	3,784	71,250	4,000	-	228,982
Other income	393	-	-	-	-	-	375	768
TOTAL REVENUES	<u>393</u>	<u>113,048</u>	<u>36,900</u>	<u>3,784</u>	<u>71,250</u>	<u>4,000</u>	<u>5,571</u>	<u>234,946</u>
EXPENDITURES								
Program expenses	3,280	-	33,471	8,307	74,350	5,500	9,627	134,535
TOTAL EXPENDITURES	<u>3,280</u>	<u>-</u>	<u>33,471</u>	<u>8,307</u>	<u>74,350</u>	<u>5,500</u>	<u>9,627</u>	<u>134,535</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,887)</u>	<u>113,048</u>	<u>3,429</u>	<u>(4,523)</u>	<u>(3,100)</u>	<u>(1,500)</u>	<u>(4,056)</u>	<u>100,411</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	2,500	-	-	-	-	-	10,000	12,500
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>2,500</u>
NET CHANGE IN FUND BALANCES	(387)	113,048	3,429	(4,523)	(3,100)	(1,500)	5,944	112,911
FUND BALANCES (DEFICITS) - JULY 1	<u>3,231</u>	<u>34,773</u>	<u>(3,696)</u>	<u>(520)</u>	<u>(650)</u>	<u>-</u>	<u>58,875</u>	<u>92,013</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 2,844</u>	<u>\$ 147,821</u>	<u>\$ (267)</u>	<u>\$ (5,043)</u>	<u>\$ (3,750)</u>	<u>\$ (1,500)</u>	<u>\$ 64,819</u>	<u>\$ 204,924</u>

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, 2023

	Recreation Donations	Record Restoration	State Reappraisal Grants	Gravel Resurfacing	Bituminous Resurfacing	Street Signage	Municipal Planning Grant
ASSETS							
Due from other funds	\$ 10,700	\$ 83,747	\$ 351,257	\$ 32,740	\$ 544,695	\$ 243	\$ 3,862
TOTAL ASSETS	\$ 10,700	\$ 83,747	\$ 351,257	\$ 32,740	\$ 544,695	\$ 243	\$ 3,862
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	351,257	-	-	-	3,862
Committed	-	83,747	-	32,740	544,695	243	-
Assigned	10,700	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	10,700	83,747	351,257	32,740	544,695	243	3,862
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 10,700	\$ 83,747	\$ 351,257	\$ 32,740	\$ 544,695	\$ 243	\$ 3,862

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2023

	Killington Road Walkway	Equipment Replacement	Water Study	Winter Swim	SVFD Capital Account	Special Projects P.C.	Public Safety Building
ASSETS							
Due from other funds	\$ -	\$ 26,596	\$ -	\$ 140	\$ 38,638	\$ 99,185	\$ 42,112
TOTAL ASSETS	\$ -	\$ 26,596	\$ -	\$ 140	\$ 38,638	\$ 99,185	\$ 42,112
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ 79,655	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	79,655	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	26,596	-	-	38,638	99,185	42,112
Assigned	-	-	-	140	-	-	-
Unassigned	-	-	(79,655)	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	-	26,596	(79,655)	140	38,638	99,185	42,112
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ 26,596	\$ -	\$ 140	\$ 38,638	\$ 99,185	\$ 42,112

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2023

	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	\$ 53,949	\$ 103,698	\$ 205,428	\$ 92,852	\$ 4,715	\$ 30,159	\$ 376,545	\$ 136,843
TOTAL ASSETS	<u>\$ 53,949</u>	<u>\$ 103,698</u>	<u>\$ 205,428</u>	<u>\$ 92,852</u>	<u>\$ 4,715</u>	<u>\$ 30,159</u>	<u>\$ 376,545</u>	<u>\$ 136,843</u>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	92,852	4,715	-	-	136,843
Committed	53,949	103,698	205,428	-	-	30,159	376,545	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>53,949</u>	<u>103,698</u>	<u>205,428</u>	<u>92,852</u>	<u>4,715</u>	<u>30,159</u>	<u>376,545</u>	<u>136,843</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 53,949</u>	<u>\$ 103,698</u>	<u>\$ 205,428</u>	<u>\$ 92,852</u>	<u>\$ 4,715</u>	<u>\$ 30,159</u>	<u>\$ 376,545</u>	<u>\$ 136,843</u>

TOWN OF KILLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2023

	Guard Rail	Zoning Deposits	Swim Team Donations	Garage Capital	Library Leggett Donation Fund	Archie Baker Bridge Grant	Solar Canopy Project	Total
ASSETS								
Due from other funds	\$ 28,075	\$ 96	\$ 10,220	\$ 42,439	\$ 22,904	\$ -	\$ -	\$ 2,341,838
TOTAL ASSETS	\$ 28,075	\$ 96	\$ 10,220	\$ 42,439	\$ 22,904	\$ -	\$ -	\$ 2,341,838
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ 204,272	\$ 458,927
TOTAL LIABILITIES	-	-	-	-	-	175,000	204,272	458,927
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	96	-	-	22,904	-	-	612,529
Committed	-	-	-	42,439	-	-	-	1,680,174
Assigned	28,075	-	10,220	-	-	-	-	49,135
Unassigned	-	-	-	-	-	(175,000)	(204,272)	(458,927)
TOTAL FUND BALANCES (DEFICITS)	28,075	96	10,220	42,439	22,904	(175,000)	(204,272)	1,882,911
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 28,075	\$ 96	\$ 10,220	\$ 42,439	\$ 22,904	\$ -	\$ -	\$ 2,341,838

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, 2023

	Recreation Donations	Record Restoration	State Reappraisal Grants	Gravel Resurfacing	Bituminous Resurfacing	Street Signage	Municipal Planning Grant
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 28,510	\$ -	\$ -	\$ -	\$ -
Other income	4,883	17,450	-	-	-	8,000	-
TOTAL REVENUES	4,883	17,450	28,510	-	-	8,000	-
EXPENDITURES							
Capital outlay	-	-	-	20,204	-	-	-
Debt service:							
Interest	-	-	-	-	-	-	-
Program expenses	2,779	10,350	15,106	-	-	7,757	-
TOTAL EXPENDITURES	2,779	10,350	15,106	20,204	-	7,757	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,104	7,100	13,404	(20,204)	-	243	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	36,500	409,050	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	36,500	409,050	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	2,104	7,100	13,404	16,296	409,050	243	-
FUND BALANCES (DEFICITS) - JULY 1	8,596	76,647	337,853	16,444	135,645	-	3,862
FUND BALANCES (DEFICITS) - JUNE 30	\$ 10,700	\$ 83,747	\$ 351,257	\$ 32,740	\$ 544,695	\$ 243	\$ 3,862

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Killington Road Walkway	Equipment Replacement	Water Study	Winter Swim	SVFD Capital Account	Special Projects P.C.	Public Safety Building
REVENUES							
Intergovernmental	\$ -	\$ 18,474	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	-	18,474	-	-	-	-	-
EXPENDITURES							
Capital outlay	-	239,036	-	-	-	-	9,286
Debt service:							
Interest	-	2,793	-	-	-	-	-
Program expenses	-	-	2,923	-	256,165	135,768	-
TOTAL EXPENDITURES	-	241,829	2,923	-	256,165	135,768	9,286
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(223,355)	(2,923)	-	(256,165)	(135,768)	(9,286)
OTHER FINANCING SOURCES (USES)							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	-	207,125	-	-	233,000	234,953	50,000
Transfers (out)	(159,953)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(159,953)	207,125	-	-	233,000	234,953	50,000
NET CHANGE IN FUND BALANCES (DEFICITS)	(159,953)	(16,230)	(2,923)	-	(23,165)	99,185	40,714
FUND BALANCES (DEFICITS) - JULY 1	159,953	42,826	(76,732)	140	61,803	-	1,398
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ 26,596	\$ (79,655)	\$ 140	\$ 38,638	\$ 99,185	\$ 42,112

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	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	\$ -	\$ 39,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	39,648	-	-	-	-	-	-
EXPENDITURES								
Capital outlay	31,836	74,133	107,554	-	-	59,133	-	12,193
Debt service:								
Interest	3,537	-	-	-	-	-	-	-
Program expenses	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	35,373	74,133	107,554	-	-	59,133	-	12,193
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(35,373)	(34,485)	(107,554)	-	-	(59,133)	-	(12,193)
OTHER FINANCING SOURCES (USES)								
Loan proceeds	-	-	-	-	-	-	-	-
Transfers in	42,889	34,000	126,110	19,700	-	21,750	75,000	126,846
Transfers (out)	-	-	-	-	-	-	-	(50,370)
TOTAL OTHER FINANCING SOURCES (USES)	42,889	34,000	126,110	19,700	-	21,750	75,000	76,476
NET CHANGE IN FUND BALANCES (DEFICITS)	7,516	(485)	18,556	19,700	-	(37,383)	75,000	64,283
FUND BALANCES (DEFICITS) - JULY 1	46,433	104,183	186,872	73,152	4,715	67,542	301,545	72,560
FUND BALANCES (DEFICITS) - JUNE 30	\$ 53,949	\$ 103,698	\$ 205,428	\$ 92,852	\$ 4,715	\$ 30,159	\$ 376,545	\$ 136,843

TOWN OF KILLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Guard Rail	Zoning Deposits	Swim Team Donations	Garage Capital	Library Leggett Donation Fund	Archie Baker Bridge Grant	Solar Canopy Project	Total
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,632
Other income	-	-	2,989	-	9,825	-	-	43,147
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>2,989</u>	<u>-</u>	<u>9,825</u>	<u>-</u>	<u>-</u>	<u>129,779</u>
EXPENDITURES								
Capital outlay	17,160	-	-	13,224	-	175,000	-	758,759
Debt service:								
Interest	-	-	-	-	-	-	-	6,330
Program expenses	-	-	2,458	-	10,092	-	-	443,398
TOTAL EXPENDITURES	<u>17,160</u>	<u>-</u>	<u>2,458</u>	<u>13,224</u>	<u>10,092</u>	<u>175,000</u>	<u>-</u>	<u>1,383,487</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,160)</u>	<u>-</u>	<u>531</u>	<u>(13,224)</u>	<u>(267)</u>	<u>(175,000)</u>	<u>-</u>	<u>(1,078,708)</u>
OTHER FINANCING SOURCES (USES)								
Loan proceeds	-	-	-	-	-	-	-	-
Transfers in	38,750	-	-	26,219	-	-	-	1,681,892
Transfers (out)	-	-	-	-	-	-	-	(210,323)
TOTAL OTHER FINANCING SOURCES (USES)	<u>38,750</u>	<u>-</u>	<u>-</u>	<u>26,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,471,569</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>21,590</u>	<u>-</u>	<u>531</u>	<u>12,995</u>	<u>(267)</u>	<u>(175,000)</u>	<u>-</u>	<u>392,861</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>6,485</u>	<u>96</u>	<u>9,689</u>	<u>29,444</u>	<u>23,171</u>	<u>-</u>	<u>(204,272)</u>	<u>1,490,050</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 28,075</u>	<u>\$ 96</u>	<u>\$ 10,220</u>	<u>\$ 42,439</u>	<u>\$ 22,904</u>	<u>\$ (175,000)</u>	<u>\$ (204,272)</u>	<u>\$ 1,882,911</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, 2023

	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	\$ 2,222,553	\$ -	\$ 9,088,283
Highways	-	621,460	1,453,710	7,787,246	9,862,416
Library	-	865,140	31,140	96,299	992,579
Recreation	-	312,899	39,789	8,768	361,456
Education	-	-	53,200	-	53,200
Town-wide	1,647,267	35,040	100,578	135,929	1,918,814
Sewer fund	-	-	1,747,073	-	1,747,073
Golf course	-	6,007,277	1,017,282	-	7,024,559
Total General Capital Assets	2,174,488	14,180,325	6,665,325	8,028,242	31,048,380
Less: Accumulated Depreciation	-	(6,630,631)	(3,335,439)	(2,181,357)	(12,147,427)
Net General Capital Assets	\$ 2,174,488	\$ 7,549,694	\$ 3,329,886	\$ 5,846,885	\$ 18,900,953

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, 2023

	General Capital Assets 7/1/22 (Restated)	Additions	Deletions	General Capital Assets 6/30/23
Public safety	\$ 9,025,457	\$ 142,552	\$ (79,726)	\$ 9,088,283
Highways	9,880,914	245,608	(264,106)	9,862,416
Library	979,022	13,557	-	992,579
Recreation	361,456	-	-	361,456
Education	53,200	-	-	53,200
Town-wide	657,938	1,260,876	-	1,918,814
Sewer fund	1,747,073	-	-	1,747,073
Golf course	6,939,894	84,665	-	7,024,559
Total General Capital Assets	29,644,954	1,747,258	(343,832)	31,048,380
Less: Accumulated Depreciation	<u>(11,214,888)</u>	<u>(1,221,314)</u>	<u>288,775</u>	<u>(12,147,427)</u>
Net General Capital Assets	<u>\$ 18,430,066</u>	<u>\$ 525,944</u>	<u>\$ (55,057)</u>	<u>\$ 18,900,953</u>

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



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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, 2023 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 January 4, 2024.

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.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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 November 17, 2023

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
January 4, 2024