

**TOWN OF ROUND MOUNTAIN, NEVADA**

**REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTAL MATERIAL**

**YEAR ENDED JUNE 30, 2014**

**ROUND MOUNTAIN TOWN  
REPORT ON FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2014  
TABLE OF CONTENTS**

---

	<u>PAGE</u>
<b>INTRODUCTORY SECTION</b>	
Organization	1
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	2-3
Management's Discussion and Analysis	4-10
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</b>	
Statement of Net Position	11
Statement of Activities	12
<b>FUND FINANCIAL STATEMENTS:</b>	
<b>GOVERNMENTAL FUNDS:</b>	
Balance Sheet	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenses, and Changes in Fund Balances - Budget and Actual:	
- General Fund	17-19
- Capital Projects Fund	20
<b>PROPRIETARY FUNDS:</b>	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Net Position	22
Statement of Cash Flows	23
Notes to the Basic Financial Statements	24-38
<b>SUPPLEMENTARY INFORMATION:</b>	
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:</b>	
<b>MAJOR GOVERNMENTAL FUNDS:</b>	
<b>General Fund:</b>	
Comparative Balance Sheets	39
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	40-43
<b>Capital Projects Fund</b>	
Comparative Balance Sheets	44
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	45
<b>MAJOR ENTERPRISE FUND:</b>	
<b>Round Mountain Public Utilities Enterprise Fund</b>	
Comparative Statements of Net Position	46
Schedule of Revenues, Expenses, and Changes in Net Position - Budget (GAAP Basis) and Actual	47
Statement of Cash Flows	48

**TABLE OF CONTENTS (Continued)**

---

<b>SUPPLEMENTARY INFORMATION (Continued):</b>	<b><u>PAGE</u></b>
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued):</b>	
<b>NONMAJOR GOVERNMENTAL FUNDS:</b>	
Combining Balance Sheets	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	50
<b>NONMAJOR SPECIAL REVENUE FUND:</b>	
<b>Road Special Revenue Fund</b>	
Combining Balance Sheets	51
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	52
<b>NONMAJOR CAPITAL PROJECT FUND:</b>	
<b>Special Ad Valorem Capital Projects Fund</b>	
Combining Balance Sheets	53
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	54
<b>COMPLIANCE:</b>	
Independent Auditor's Report on Compliance	55-56

**TOWN OF ROUND MOUNTAIN, NEVADA  
ELECTED TOWN OFFICIALS  
JUNE 30, 2014**

---

**CHAIRPERSON**

Greg Schoen

**TOWN COUNCIL**

Jay Dixon

Vice-chairperson

Sheila Beery-Burggraff

Clerk

Elizabeth Keefner

Member

Darrell Browning

Member

**DANIEL C. McARTHUR, LTD.**  
*Certified Public Accountant*

Quail Park III • 501 So. Rancho Dr., Ste. E-30 • Las Vegas, NV 89106 • (702) 385-1899 • FAX (702) 385-9619

**INDEPENDENT AUDITOR'S REPORT**

Honorable Board Members  
Town of Round Mountain, Nevada  
Round Mountain, Nevada

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Round Mountain, Nevada (the Town), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**Opinions**

In my opinion, the 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 the Town, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Capital Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Prior Year Comparative Information*

I also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Town's basic financial statements for the year ended June 30, 2013, which are not presented with the accompanying financial statements and I expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements as a whole. The combining and individual fund financial statements and schedules, related to the 2013 financial statements 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 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 my opinion, the 2013 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.



Las Vegas, Nevada  
December 9, 2014

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

---

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the Town of Round Mountain, Nevada ("Town") and is designed to give the reader an easy-to-understand overview of the Town's financial position and results of operations for the year.

**FINANCIAL HIGHLIGHTS**

The assets of the Town exceeded its liabilities at the close of the 2014 fiscal year by \$7,655,202 (net position).

The Town's total net position decreased \$239,857.

At the close of the fiscal year 2014, the Town's governmental funds reported combined fund balances of \$3,376,808, a decrease of \$799,456 when compared to the previous year.

The Town's total revenue for the year was \$1,128,735.

The Town's total expenses were \$1,368,592.

At the end of the fiscal year, the fund balance for the General Fund was \$2,985,828.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements which consist of government-wide financial statements, fund financial statements, and accompanying notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with an overview of the Town's financial position, in a manner similar to a private-sector business.

The Statement of Net Position combines and consolidates all of the Town's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This includes combining current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting. Net position is separated into three components: invested in capital assets, net of related debt; restricted; and unrestricted net position. Net position is an indicator of the overall financial position of the Town and the change in net position from year to year is an indicator of the financial position improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

The government-wide financial statements report two types of activities: governmental activities and business-type activities. The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, and culture and recreation. The business-type activities include Water Utility operations.

The government-wide financial statements can be found on pages 11-12 of this report.

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

---

**Fund Financial Statements**

A fund is a grouping of accounts that is used to maintain control over revenues that are designated for a specific purpose within the government. The Town uses fund financial statements to provide detailed information about its most significant funds. The Town of Round Mountain funds are classified into two categories, governmental funds and proprietary funds.

*Governmental Funds* – Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements described above. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. To provide a better understanding of the relationship between the fund financial statements and government-wide financial statements, reconciliation is provided.

The Town maintains individual governmental funds. Information is presented separately in the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, each of which is considered to be a major fund. Data from the other governmental funds are combined into a single column for presentation. Individual fund information for each of these nonmajor governmental funds is provided in the combining and individual fund statements and schedules.

The Town adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the Town's governmental funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13-20 of this report.

*Proprietary Funds* –The Town maintains one type of proprietary fund, the Enterprise Fund. The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the Enterprise Fund to account for its water utility activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 21-23 of this report.

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-38 of this report.

**Other Information**

The combining statements and individual fund schedules are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 39-54 of this report.



**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide financial statements are structured to report financial information on the Town as a whole. Condensed financial information with comparative amounts from the prior year is presented along with the accompanying analysis.

Net position of the Town as of June 30, 2014, are summarized and analyzed below:

	Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
<b>Assets:</b>						
Current and other assets	\$ 3,429,541	\$ 4,231,832	\$ 422,361	\$ 331,027	\$ 3,851,902	\$ 4,562,859
Net capital assets	3,666,755	3,149,637	305,788	352,195	3,972,543	3,501,832
Total assets	<u>7,096,296</u>	<u>7,381,469</u>	<u>728,149</u>	<u>683,222</u>	<u>7,824,445</u>	<u>8,064,691</u>
<b>Liabilities:</b>						
Current liabilities	52,158	55,139	29,989	39,857	82,147	94,996
Long-term liabilities	85,370	62,794	1,726	11,842	87,096	74,636
Total liabilities	<u>137,528</u>	<u>117,933</u>	<u>31,715</u>	<u>51,699</u>	<u>169,243</u>	<u>169,632</u>
<b>Net Position:</b>						
Invested in capital assets, net of related debt	3,666,755	3,149,637	305,788	352,195	3,972,543	3,501,832
Restricted	390,980	422,663	-	-	390,980	422,663
Unrestricted	2,901,033	3,691,236	390,646	279,328	3,291,679	3,970,564
Total net position	<u>\$ 6,958,768</u>	<u>\$ 7,263,536</u>	<u>\$ 696,434</u>	<u>\$ 631,523</u>	<u>\$ 7,655,202</u>	<u>\$ 7,895,059</u>

The Town's assets exceeded liabilities by \$7,655,202 at the close of the current fiscal year and total net position decreased by \$239,857 or 3.03%.

The largest portion of the Town's net position, \$3,972,543 or 51.89%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), net of any related debt outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the Town had no debt related to capital assets for the years ended June 30, 2014 and 2013.

The Town's total net position of \$7,655,202 includes unrestricted net position totaling \$3,291,679. This is used to meet the ongoing obligations of the Town. Portions of net position are subject to external restrictions on how they may be used. In the current fiscal year, there were restricted assets of \$390,980.

The remaining portions of the Town's net position are unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

Changes in net position of the Town are summarized as follows:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 35,272	\$ 41,636	\$ 285,064	\$ 294,293	\$ 320,336	\$ 335,929
General revenues:						
Ad valorem taxes	461,966	1,303,679	-	-	461,966	1,303,679
Consolidated tax	245,857	261,957	-	-	245,857	261,957
Fuel taxes	63,295	67,158	-	-	63,295	67,158
Investment income	27,000	13,693	2,166	629	29,166	14,322
Miscellaneous	7,878	368	237	105	8,115	473
<b>Total revenues</b>	<b>841,268</b>	<b>1,688,491</b>	<b>287,467</b>	<b>295,027</b>	<b>1,128,735</b>	<b>1,983,518</b>
<b>Expenses:</b>						
General government	481,710	532,930	-	-	481,710	532,930
Public safety	265,141	271,018	-	-	265,141	271,018
Public works	48,140	53,123	-	-	48,140	53,123
Culture and recreation	351,045	263,363	-	-	351,045	263,363
Utility operations	-	-	222,556	316,155	222,556	316,155
<b>Total expenses</b>	<b>1,146,036</b>	<b>1,120,434</b>	<b>222,556</b>	<b>316,155</b>	<b>1,368,592</b>	<b>1,436,589</b>
Change in net position	(304,768)	568,057	64,911	(21,128)	(239,857)	546,929
Net position - beginning	7,263,536	6,695,479	631,523	652,651	7,895,059	7,348,130
Net position - ending	<u>\$ 6,958,768</u>	<u>\$ 7,263,536</u>	<u>\$ 696,434</u>	<u>\$ 631,523</u>	<u>\$ 7,655,202</u>	<u>\$ 7,895,059</u>

Program revenues include charges for services, fines and forfeitures, and certain licenses and permits.

General revenues consist of taxes and interest. For governmental activities, the largest of these revenues was ad valorem taxes. The second largest revenue was consolidated taxes. The business-type general revenue came from charges for services related to Water Utility.

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

---

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

Governmental Funds

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$3,376,808. This is a decrease over the prior year of \$799,456 or 19.14%. Fund balance components have been classified as restricted, assigned and/or unassigned based on the extent to which the Town is to observe constraints on the use of the funds. Restricted fund balance is \$390,980, or 11.57%, of total. Spending of these funds is constrained by externally imposed (statutory, bond covenant, or grantors). The restricted fund balances include \$256,596 for public works and \$134,384 for capital projects.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the fund balance of the General Fund was \$2,985,828, a decrease of \$767,773, or 20.45%, over the prior year.

Factors in the change in the fund balance of the General Fund are as follows:

Revenues decreased by \$837,268, or 52.53%. Tax revenue decreased by \$836,326, or 65.39%, mainly due to a decrease in net proceeds of mines revenue. Intergovernmental revenues decreased by \$16,100, or 6.15%, due to a decrease in consolidated tax revenue.

Expenditures increased by \$23,525, or 2.35%. General Government expenditures decreased by \$5,844, or 1.1%, from the prior year due to a decrease in benefits in the administration function of the Town. Culture and Recreation expenditures increased by \$45,885, or 21.78%, mainly due to an increase in the wages and benefits due to a change in personnel. Public Safety expenditures decreased by \$20,866, or 8.61%, mainly due to a decrease in the purchase of fire equipment supplies.

Proprietary Funds

The net position of the Water Enterprise Fund increased by \$64,911, or 10.28%, from the prior year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Nevada Statutes require that the Town legally adopt budgets for all funds. Budgets are prepared in accordance with generally accepted accounting principles. The final appropriated budget is prepared by fund, function, and object. All appropriations lapse at year-end.

The original budget (2013-2014 Final Budget) was approved May 23, 2013.

The actual General Fund balance of \$2,985,828 was \$194,170 lower than anticipated to begin the 2014-2015 year.

The most significant difference between estimated revenues and actual revenues was net proceeds of mining tax of \$150,290.

Total expenditures in the General Fund were \$1,020,430 lower than budgeted. The General Government function expenditures were \$554,137 lower than anticipated; this was mainly due to lower purchases of supplies and equipment planned in the budget and a change in personnel that resulted in lower labor costs. The Public Safety function expenditures were \$243,833 lower than budgeted, this was mainly due to lower purchases of supplies and equipment and lower labor costs. The Culture and Recreation function expenditures were \$139,367 lower than planned, this was mainly due to lower purchases of supplies and equipment.

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**CAPITAL ASSETS**

At June 30, 2014, the Town's governmental type activity had \$3,666,755 (net) invested in capital assets, including land, building, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of \$517,118 from the previous year.

At June 30, 2014, the Town's business-type activity had \$305,788 (net) invested in capital assets. This amount represents a net decrease (including additions, disposals, and depreciation) of \$46,407 from the previous year.

Capital assets, net of related debt, reflect 51.89% of net position of the Town. The Town uses capital assets to provide services to the citizens of the Town of Round Mountain and consequently these assets are not available for future spending.

The Town has no significant commitments for the purchase or construction of capital assets.

This table reflects additions and disposals to capital assets for the governmental type activities:

**Governmental Activities:**

	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
<b>Capital assets being depreciated:</b>				
Building	2,891,561	603,603	0	3,495,164
Equipment	<u>1,691,463</u>	<u>117,254</u>	<u>5,117</u>	<u>1,803,600</u>
<b>Total capital assets being depreciated</b>	<u>4,583,024</u>	<u>720,857</u>	<u>5,117</u>	<u>5,298,764</u>
<b>Less accumulated depreciation for:</b>				
Building	653,186	97,512	0	750,698
Equipment	<u>1,261,617</u>	<u>106,227</u>	<u>5,117</u>	<u>1,362,727</u>
<b>Total accumulated depreciation</b>	<u>1,914,803</u>	<u>203,739</u>	<u>5,117</u>	<u>2,113,425</u>
<b>Total capital assets being depreciated, net</b>	<u>2,668,221</u>	<u>517,118</u>	<u>0</u>	<u>3,185,339</u>
<b>Governmental activities assets, net</b>	<u>\$ 3,149,637</u>	<u>\$ 517,118</u>	<u>\$ 0</u>	<u>\$ 3,666,755</u>

This table reflects additions and disposals to capital assets for the business-type activities:

	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
<b>Business-type Activities:</b>				
<b>Capital assets being depreciated:</b>				
Distribution system	1,120,870	1,638	0	1,122,508
<b>Less accumulated depreciation for:</b>				
Distribution system	<u>768,675</u>	<u>48,045</u>	<u>0</u>	<u>816,720</u>
<b>Business-type Activities assets, net</b>	<u>\$ 352,195</u>	<u>\$ (46,407)</u>	<u>\$ 0</u>	<u>\$ 305,788</u>

Buildings and improvements increased due to the completion of the gym expansion project for \$603,603.

Equipment additions include a back hoe, exercise equipment, and various other items.

There was no construction in progress at year end.

The disposal of capital assets is primarily due to the retirement of equipment.

Capitalization limits on capital assets was \$500 for the year ended June 30, 2014.

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

---

**DEBT ADMINISTRATION**

*Changes in Long-term Debt:* During the year ended June 30, 2014, the following changes occurred in long-term debt:

**Governmental Type Activities:**

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>
Compensated absences	\$ 62,794	\$ 22,576	\$ 0	\$ 85,370

**Business-Type Activities:**

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>
Compensated absences	\$ 11,842	\$ 0	\$ 10,116	\$ 1,726

**REQUESTS FOR INFORMATION**

This financial report is designed to provide its users with a general overview of the Town of Round Mountain, Nevada's finances and to demonstrate the Town's accountability for the revenues it receives. Any comments, further questions, or requests for additional information should be addressed to:

Town Administration  
Town of Round Mountain, Nevada  
PO Box 1369  
Round Mountain, Nevada 89045



***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

# **BASIC FINANCIAL STATEMENTS**

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Pooled cash and investments	\$ 3,344,921	\$ 335,544	\$ 3,680,465
Interest receivable	6,140	501	6,641
Taxes receivable	618	-	618
Due from other governments	77,862	-	77,862
Accounts receivable (net)	-	28,686	28,686
Prepaid expenses	-	1,914	1,914
Inventory	-	55,716	55,716
Capital assets, net of accumulated depreciation	<u>3,666,755</u>	<u>305,788</u>	<u>3,972,543</u>
 Total assets	 <u>7,096,296</u>	 <u>728,149</u>	 <u>7,824,445</u>
<b>Liabilities:</b>			
Accounts payable	14,690	1,215	15,905
Accrued payroll and benefits	37,468	16,315	53,783
Customer deposits	-	12,459	12,459
Current portion of long term liabilities:			
Accrued compensated absences	43,447	1,726	45,173
Long term liabilities:			
Accrued compensated absences	<u>41,923</u>	<u>-</u>	<u>41,923</u>
 Total liabilities	 <u>137,528</u>	 <u>31,715</u>	 <u>169,243</u>
<b>Net position:</b>			
Invested in capital assets, net of related debt	3,666,755	305,788	3,972,543
Restricted for:			
Capital projects	134,384	-	134,384
Public works	256,596	-	256,596
Unrestricted	<u>2,901,033</u>	<u>390,646</u>	<u>3,291,679</u>
Total net position	<u>\$ 6,958,768</u>	<u>\$ 696,434</u>	<u>\$ 7,655,202</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF ROUND MOUNTAIN, NEVADA**

**STATEMENT OF ACTIVITIES**

**JUNE 30, 2014**

Functions/Programs	Program Revenues		Changes in Net Position		
	Expenses	Charges for Service	Governmental Activities	Business-type Activities	Total
<b>Primary governments:</b>					
General government	\$ (481,710)	\$ 3,082	\$ (478,628)	\$ -	\$ (478,628)
Public safety	(265,141)	-	(265,141)	-	(265,141)
Public works	(48,140)	7,198	(40,942)	-	(40,942)
Culture and recreation	(351,045)	24,992	(326,053)	-	(326,053)
<b>Total governmental activities</b>	<b>(1,146,036)</b>	<b>35,272</b>	<b>(1,110,764)</b>	<b>-</b>	<b>(1,110,764)</b>
<b>Business-type activities:</b>					
Water	(222,556)	285,064	-	62,508	62,508
<b>Total primary governments</b>	<b>\$ (1,368,592)</b>	<b>\$ 320,336</b>	<b>(1,110,764)</b>	<b>62,508</b>	<b>(1,048,256)</b>
<b>General Revenues:</b>					
Property taxes			461,966	-	461,966
Consolidated taxes			245,857	-	245,857
Fuel taxes			63,295	-	63,295
Investment income			27,000	2,166	29,166
Miscellaneous			7,878	237	8,115
<b>Total general revenues</b>			<b>805,996</b>	<b>2,403</b>	<b>808,399</b>
<b>Change in net position</b>			<b>(304,768)</b>	<b>64,911</b>	<b>(239,857)</b>
<b>Net position - beginning of year</b>			<b>7,263,536</b>	<b>631,523</b>	<b>7,895,059</b>
<b>Net position - end of year</b>			<b>\$ 6,958,768</b>	<b>\$ 696,434</b>	<b>\$ 7,655,202</b>

The notes to the financial statements are an integral part of this statement

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**BALANCE SHEET-GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	Major Fund		Other Governmental Funds	Total Governmental Funds
	General	Capital Projects		
<b><u>Assets</u></b>				
Pooled cash and investments	\$ 2,969,918	\$ 80,047	\$ 294,956	\$ 3,344,921
Interest receivable	5,686	-	454	6,140
Taxes receivable	618	-	-	618
Due from other governments	<u>61,644</u>	<u>-</u>	<u>16,218</u>	<u>77,862</u>
 Total assets	 <u>\$ 3,037,866</u>	 <u>\$ 80,047</u>	 <u>\$ 311,628</u>	 <u>\$ 3,429,541</u>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 13,995	\$ -	\$ 695	\$ 14,690
Accrued payroll	<u>37,468</u>	<u>-</u>	<u>-</u>	<u>37,468</u>
 Total liabilities	 <u>51,463</u>	 <u>-</u>	 <u>695</u>	 <u>52,158</u>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue-property taxes	<u>575</u>	<u>-</u>	<u>-</u>	<u>575</u>
<b><u>Fund Balance</u></b>				
Restricted for:				
Capital projects	-	80,047	54,337	134,384
Public works	-	-	256,596	256,596
Assigned for subsequent year	2,985,828	-	-	2,985,828
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total fund balance	 <u>2,985,828</u>	 <u>80,047</u>	 <u>310,933</u>	 <u>3,376,808</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 3,037,866</u>	 <u>\$ 80,047</u>	 <u>\$ 311,628</u>	 <u>\$ 3,429,541</u>

The notes to the financial statements are an integral part of this statement.



**TOWN OF ROUND MOUNTAIN, NEVADA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

---

**Total fund balance - governmental funds** **\$ 3,376,808**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets net of the related depreciation are not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the Statement of Net Position. 3,666,755

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 575

Certain liabilities, such as compensated absences, are not reported in the governmental funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position. (85,370)

**Total net position - governmental activities** **\$ 6,958,768**

The notes to the financial statements are an integral part of this statement.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Major Fund		Other Governmental Funds	Total Governmental Funds
	General	Capital Projects		
<b>Revenues:</b>				
Taxes	\$ 442,610	\$ -	\$ -	\$ 442,610
Licenses and permits	2,960	-	-	2,960
Intergovernmental	245,857	-	82,505	328,362
Charges for services	28,865	-	-	28,865
Fines and forfeitures	122	-	-	122
Miscellaneous	36,099	-	2,104	38,203
<b>Total revenues</b>	<u>756,513</u>	<u>-</u>	<u>84,609</u>	<u>841,122</u>
<b>Expenditures:</b>				
General government	523,772	-	-	523,772
Public safety	221,478	-	-	221,478
Public works	21,433	-	13,689	35,122
Culture and recreation	256,603	-	-	256,603
Capital projects	-	603,603	-	603,603
<b>Total expenditures</b>	<u>1,023,286</u>	<u>603,603</u>	<u>13,689</u>	<u>1,640,578</u>
Excess (deficiency) of revenues over expenditures	<u>(266,773)</u>	<u>(603,603)</u>	<u>70,920</u>	<u>(799,456)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	501,000	-	501,000
Operating transfers out	<u>(501,000)</u>	<u>-</u>	<u>-</u>	<u>(501,000)</u>
<b>Total other financing sources (uses):</b>	<u>(501,000)</u>	<u>501,000</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(767,773)</u>	<u>(102,603)</u>	<u>70,920</u>	<u>(799,456)</u>
<b>Fund balance:</b>				
Beginning of year	<u>3,753,601</u>	<u>182,650</u>	<u>240,013</u>	<u>4,176,264</u>
End of year	<u>\$ 2,985,828</u>	<u>\$ 80,047</u>	<u>\$ 310,933</u>	<u>\$ 3,376,808</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF ROUND MOUNTAIN, NEVADA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

---

**Net change in fund balance - governmental funds** **\$ (799,456)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over the estimated useful lives as annual depreciation expense in the Statement of Activities. 517,118

Property taxes that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenues in the Statement of Activities. 146

Generally, expenditures recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred. (22,576)

**Change in net position of governmental activities** **\$ (304,768)**

The notes to the financial statements are an integral part of this statement.

***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 345,541	\$ 345,541	\$ 292,320	\$ (53,221)
Net proceeds	-	-	150,290	150,290
Total taxes	<u>345,541</u>	<u>345,541</u>	<u>442,610</u>	<u>97,069</u>
<b>Licenses and permits:</b>				
Gaming licenses	2,000	2,000	1,800	(200)
Liquor licenses	<u>1,000</u>	<u>1,000</u>	<u>1,160</u>	<u>160</u>
Total licenses and permits	<u>3,000</u>	<u>3,000</u>	<u>2,960</u>	<u>(40)</u>
<b>Intergovernmental:</b>				
Consolidated tax	<u>231,340</u>	<u>231,340</u>	<u>245,857</u>	<u>14,517</u>
<b>Charges for services:</b>				
Swimming pool	4,000	4,000	4,050	50
Arcade/Vending	-	-	52	52
Weight room fees	15,000	15,000	17,565	2,565
Water charges	<u>5,000</u>	<u>5,000</u>	<u>7,198</u>	<u>2,198</u>
Total charges for services	<u>24,000</u>	<u>24,000</u>	<u>28,865</u>	<u>4,865</u>
<b>Fines and forfeitures</b>	<u>1,000</u>	<u>1,000</u>	<u>122</u>	<u>(878)</u>
<b>Miscellaneous:</b>				
Rent	4,000	4,000	3,325	(675)
Investment income	-	-	24,896	24,896
Other	<u>-</u>	<u>-</u>	<u>7,878</u>	<u>7,878</u>
Total miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>36,099</u>	<u>32,099</u>
<b>Total revenues</b>	<u>608,881</u>	<u>608,881</u>	<u>756,513</u>	<u>147,632</u>

The notes to the financial statements are an integral part of this statement.



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Administration:</b>				
Salaries and wages	\$ 384,141	\$ 384,141	\$ 94,371	\$ 289,770
Employee benefits	38,954	38,954	38,067	887
Services and supplies	131,600	131,600	82,126	49,474
Capital outlay	<u>23,000</u>	<u>23,000</u>	-	<u>23,000</u>
Total administration	<u>577,695</u>	<u>577,695</u>	<u>214,564</u>	<u>363,131</u>
<b>Building and Grounds:</b>				
Salaries and wages	98,909	98,909	94,401	4,508
Employee benefits	47,205	47,205	41,910	5,295
Services and supplies	121,000	121,000	75,667	45,333
Capital outlay	<u>233,100</u>	<u>233,100</u>	<u>97,230</u>	<u>135,870</u>
Total building and grounds	<u>500,214</u>	<u>500,214</u>	<u>309,208</u>	<u>191,006</u>
Total general government	<u>1,077,909</u>	<u>1,077,909</u>	<u>523,772</u>	<u>554,137</u>
<b>Public Safety:</b>				
<b>Hadley Station:</b>				
Salaries and wages	172,968	172,968	119,984	52,984
Employee benefits	126,443	126,443	69,969	56,474
Services and supplies	144,700	144,700	31,525	113,175
Capital outlay	<u>21,200</u>	<u>21,200</u>	-	<u>21,200</u>
Total public safety	<u>465,311</u>	<u>465,311</u>	<u>221,478</u>	<u>243,833</u>
<b>Public Works:</b>				
<b>Highways and Streets:</b>				
Services and supplies	20,000	20,000	13,823	6,177
<b>Round Mountain Water:</b>				
Services and supplies	<u>25,000</u>	<u>25,000</u>	<u>7,610</u>	<u>17,390</u>
Total public works	<u>45,000</u>	<u>45,000</u>	<u>21,433</u>	<u>23,567</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (Continued):</b>				
<b>Culture and Recreation:</b>				
<b>Swimming Pool:</b>				
Salaries and wages	\$ 56,880	\$ 56,880	\$ 13,526	\$ 43,354
Employee benefits	7,428	7,428	1,159	6,269
Services and supplies	44,200	44,200	19,154	25,046
Capital outlay	6,000	6,000	5,275	725
Total swimming pool	<u>114,508</u>	<u>114,508</u>	<u>39,114</u>	<u>75,394</u>
<b>Parks and recreation:</b>				
Salaries and wages	78,040	78,040	91,819	(13,779)
Employee benefits	41,270	41,270	37,169	4,101
Services and supplies	131,700	131,700	73,752	57,948
Capital outlay	30,452	30,452	14,749	15,703
Total parks and recreation	<u>281,462</u>	<u>281,462</u>	<u>217,489</u>	<u>63,973</u>
Total culture and recreation	<u>395,970</u>	<u>395,970</u>	<u>256,603</u>	<u>139,367</u>
<b>Contingency</b>	<u>59,526</u>	<u>59,526</u>	-	<u>59,526</u>
Total expenditures	<u>2,043,716</u>	<u>2,043,716</u>	<u>1,023,286</u>	<u>1,020,430</u>
Excess (deficiency) of revenues over expenditures	(1,434,835)	(1,434,835)	(266,773)	1,168,062
<b>Other financing sources (uses):</b>				
Operating transfers out	<u>(501,000)</u>	<u>(501,000)</u>	<u>(501,000)</u>	<u>-</u>
Net change in fund balance	(1,935,835)	(1,935,835)	(767,773)	1,168,062
<b>Fund balance:</b>				
Beginning of year	<u>3,083,272</u>	<u>3,083,272</u>	<u>3,753,601</u>	<u>670,329</u>
End of year	<u>\$ 1,147,437</u>	<u>\$ 1,147,437</u>	<u>\$ 2,985,828</u>	<u>\$ 1,838,391</u>

The notes to the financial statements are an integral part of this statement.

***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
<b>Capital projects</b>	<u>613,568</u>	<u>613,568</u>	<u>603,603</u>	<u>9,965</u>
Excess (deficiency) of revenues over expenditures	(613,568)	(613,568)	(603,603)	9,965
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>501,000</u>	<u>501,000</u>	<u>501,000</u>	<u>-</u>
Net change in fund balance	(112,568)	(112,568)	(102,603)	9,965
<b>Fund balance:</b>				
Beginning of year	<u>180,810</u>	<u>180,810</u>	<u>182,650</u>	<u>1,840</u>
End of year	<u>\$ 68,242</u>	<u>\$ 68,242</u>	<u>\$ 80,047</u>	<u>\$ 11,805</u>

The notes to the financial statements are an integral part of this statement.

***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

2014

**ASSETS**

Current assets:

Pooled cash and investments	\$	335,544
Interest receivable		501
Accounts receivable (net)		28,686
Prepaid expenses		1,914
Inventory		55,716
Total current assets		422,361

Capital assets:

Equipment		1,122,508
Less accumulated depreciation		(816,720)
Capital assets (net of accumulated depreciation)		305,788
Total assets		728,149

**LIABILITIES**

Current liabilities:

Accounts payable		1,215
Accrued payroll		16,315
Customer deposits		12,459
Accrued compensated absences		1,726
Total current liabilities		31,715

Long term liabilities:

Accrued compensated absences		-
Total liabilities		31,715

**NET POSITION**

Invested in capital assets, net of related debt		305,788
Unrestricted		390,646
Total net position	\$	696,434

The notes to the financial statements are an integral part of this statements

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION - PROPRIETARY FUND - ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

2014

**Operating Revenues:**

Charges for services \$ 285,064

**Operating Expenses:**

Utility operations:

Salaries and wages 46,946

Employee benefits 25,218

Services and supplies 102,347

Depreciation 48,045

Total operating expenses 222,556

**Operating income (loss)** 62,508

**Non-operating revenues (expenses):**

Investment income 2,166

Miscellaneous income 237

Total non-operating revenues (expenses): 2,403

Net income (loss) 64,911

**Net Position:**

Beginning of year 631,523

End of year \$ 696,434

The notes to the financial statements are an integral part of this statements

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	2014
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 290,117
Cash paid for salaries and employee benefits	(80,816)
Cash paid for services and supplies	<u>(114,124)</u>
Cash provided by operating activities	<u>95,177</u>
<b>Cash flows from capital and related financing activities:</b>	
Purchase of capital assets	(1,638)
Miscellaneous	<u>237</u>
Cash provided by capital and related financing activities	<u>(1,401)</u>
<b>Cash flows from investing activities:</b>	
Investment income	<u>2,018</u>
Net increase in cash	95,794
<b>Cash:</b>	
Beginning of year	<u>239,750</u>
End of year	<u>\$ 335,544</u>
<b>Reconciliation of operating income (loss) to cash provided by operating activities:</b>	
Operating income (loss)	<u>\$ 62,508</u>
<b>Adjustments to reconcile operating income (loss) to cash provided by operating activities:</b>	
Depreciation	48,045
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	6,194
(Increase) decrease in prepaid expenses	(1,914)
(Increase) decrease in inventory	328
Increase (decrease) in accounts payable	(10,191)
Increase (decrease) in accrued payroll	1,464
Increase (decrease) in compensated absences	(10,116)
Increase (decrease) in customer deposits	<u>(1,141)</u>
Total adjustments	<u>32,669</u>
<b>Cash provided by operating activities</b>	<u><b>\$ 95,177</b></u>

The notes to the financial statements are an integral part of this statements



**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town 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).

**1. Reporting Entity**

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Town of Round Mountain ("Town"). The Town is governed by an elected five member board. The Board is legally separate and fiscally independent from other governing bodies; therefore, the Town is a primary government and the Town is not reported as a component unit by any other governmental unit.

**2. Basic Financial Statements**

The Town's basic financial statements consist of government-wide statements and the fund financial statements. The government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities. These statements include the aggregated financial information of the Town as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The fund financial statements include financial information for the two fund types: governmental and proprietary. Reconciliations between the fund statements, the Statement of Net Position, and the Statement of Activities are also included along with statements of revenues, expenditures and changes in fund balances that show an original to final budget comparison for the Town's General Fund and Capital Projects Fund.

**3. Basis of Presentation - Government-wide Financial Statements**

The government-wide financial statements are made up of the statement of net position and the statement of activities. These statements include the aggregated financial information of the Town as a whole. Governmental activities are reported separately from business-type activities. As a general rule, the effect of interfund activity has been removed from these statements. While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

The Statement of Net Position presents the consolidated financial position of the Town at year-end, in separate columns, for both governmental and business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Program revenues include charges for services, operating grants and contributions and investment earnings legally restricted to support a specific program. Taxes and other revenues properly not included among program revenues are reported instead as general revenues. This statement provides a net cost or net revenue of specific programs and functions within the Town. Those functions with a net cost are generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Basis of Presentation - Fund Financial Statements**

The financial accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, deferred outflows and inflows, fund equity, revenues, and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds and proprietary funds.

The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the Town. It is used to account for all resources and cost of operations traditionally associated with governments which are not required to be accounted for in other funds.

**Capital Projects Fund** - The Capital Projects Fund is used to account for general acquisition and construction projects of the Town, as well as the purchase equipment.

Additionally the Town reports the following fund types:

**Proprietary Fund**

**Enterprise Funds** – Enterprise Funds are used to account for the goods or services to the public for a fee that makes the entity self-supporting. Currently, there is one Enterprise Fund.

**Round Mountain Utility Enterprise Fund** - The Round Mountain Utility Fund is used to account for the revenue and expenses associated with providing the delivery of water services.

**5. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Measurement Focus and Basis of Accounting (Continued)**

The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered “measurable” when in the hands of intermediary collecting governments and are then recognized as revenue. The government considers revenues to be “available” if they are collected within 60 days of the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and the payment seems certain. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences and claims and judgments, are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The major revenue sources of the Town include consolidated taxes (generally sales taxes) ad valorem taxes (property taxes) and net proceeds tax (tax on net proceeds of mines).

Property taxes, consolidated taxes, net proceeds tax, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

**6. Budgetary Information**

Nevada Revised Statutes and Town policies and regulations require that local governments legally adopt budgets for all funds. The budgets are filed as a matter of public record with the County Clerk and the State Department of Taxation. The Town staff uses the following procedures to establish, modify, and control the budgetary data reflected in the financial statements:

1. The statutes provide for the following timetable in adoption of budgets:
  - a) Before April 15, the Town submits to the Nevada State Department of Taxation a tentative budget for the upcoming year. The tentative budget includes proposed expenditures and the means to finance them.
  - b) Before the public hearing conducted on the third Thursday in May, a minimum of seven days’ notice of the public hearing on the final budget must be published in a local newspaper.
  - c) On or Before June 1, the Town Board must adopt a final budget.
2. NRS 354.598005(1) provides that the Town Board may augment the budget at any time by a majority vote of the Board providing the Board publishes notice of its intention to act in a newspaper of general circulation within its county at least three days before the date set for adoption of the resolution.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Budgetary Information (Continued)**

3. Nevada Revised Statute 354.598005(5) allows appropriations to be transferred between functions, funds or contingency accounts if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions. The Town Manager may transfer appropriations within any function within a fund. They may also transfer appropriations between functions within a fund, if the Town Board is advised of the action at the next regular meeting, and the action is recorded in the official minutes of the meeting. The Town Board may authorize the transfer of appropriations between funds or from the contingency account if the Town Board announces the transfer of appropriations at a regularly scheduled meeting sets forth the exact amounts to be transferred and the accounts, functions, programs and funds affected. The Town Board must also set forth reasons for the transfer, and the action must be recorded in the official minutes of the meeting.
4. Statutory regulations require budget control to be exercised at the function level within the funds.
5. Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles.
6. There were no budgets augmented during the year.
7. All appropriations lapse at the end of the fiscal year.

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**a. Pooled Cash and Investments**

Cash includes cash in the hands of Town officers, cash in the custody of the Nye County Treasurer and cash deposited in interest-bearing accounts at banks by the Nye County Treasurer. The majority of cash and investment transactions of the Town are handled by the Nye County Treasurer's office. Cash balances are combined and invested as permitted by law in combination with County funds. Investments consist of investment in the Nye County Treasurer's Investment Pool. Investments are stated at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of Town investments are part of investment income that is included in revenue from other sources on the Statement of Activities. (See Note D1)

The Town's cash and cash equivalents in both governmental and proprietary fund types are considered to be cash on hand, cash in custody of the Nye County Treasurer, demand deposits, non-negotiable certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

The majority of the Town's cash and cash equivalents are in the custody of the Nye County Treasurer as required by Nevada Revised Statutes.

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**a. Pooled Cash and Investments (Continued)**

Nevada Revised Statutes authorize the Town to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not exceed more than 10 years from the date of purchase.
2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$250,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 20 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.

The Town has not established an investment policy further limiting its investments.

**b. Property Taxes Receivable**

Taxes on real property are levied in July of each year and are due in July. They can be paid in quarterly installments in August, October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10 percent per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien.

Article X, Section 2 of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any County (i.e., the County, the County School District, the State, and any other City, Town, or special District) to an amount not to exceed \$5 per \$100 of assessed valuation of the property being taxed. The Nevada Legislature enacted provisions whereby the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation. (See Note D2 and D4)

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**b. Property Taxes Receivable (Continued)**

Taxes for the net proceeds of mines are paid on an annual and quarterly basis. Payments for net proceeds received on estimated business from January 1, 2014 through December 31, 2014 are reflected in the financial statements. In addition, the financial statements reflect quarterly payments related to actual production in excess of the original projections for the period of January 1, 2013 through December 31, 2013. Additional amounts due, based on actual business for the period ending December 31, 2014 are determined subsequent to December 31, 2014. Credits for overpayments of estimated tax received for the production year ending December 31, 2014 are applied to future tax payments in accordance with NRS 362.130. The impact to the Town of future additional amounts due or future credits is not determinable at June 30, 2014, and is not reflected in the financial statement.

**c. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. The proprietary type funds reports inventory expense when consumed rather than when purchased. As of June 30, 2014, inventory reported in the proprietary funds was \$55,716

Payments to vendors that will benefit periods beyond June 30, 2014, are recorded as expenditures in the fund financial statements. They are recorded as prepaid expenses in the government-wide financial statements. As of June 30, 2014, prepaid expenses for the business-type activities are \$1,914.

**d. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of \$500 or more and an estimated useful life in excess of one year. If purchased or constructed, capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are valued at their estimated value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The Town is required to capitalize and report its major general infrastructure assets acquired in fiscal years ending after June 30, 1980. In addition, infrastructure assets acquired before June 30, 1980, that received significant reconstruction must be capitalized. Round Mountain Town has no infrastructure assets that were acquired or constructed that must be capitalized.

Land and construction in progress are not depreciated. The other property, plant and equipment of the Town are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings and Improvements	25-50
Vehicles	8
Various Other Equipment	5-20
Infrastructure	25-50



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**e. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents 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 no items that qualify for reporting in this category.

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

**f. Compensated Absences**

Vacation leave and sick leave included in accrued salaries and benefits and recorded as expenditures in governmental fund types is the amount normally liquidated from "available spendable resources" (See Note D5).

In governmental funds, the current portion is recorded as payroll expenditure. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements. In proprietary funds, compensated absences are recorded when the liabilities are incurred.

**g. Accrued Salaries and Benefits**

Town salaries earned but not paid by June 30, 2014, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2014.

**h. Interfund Activity**

During the course of operations, the Town may have activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, balances between the funds included in the governmental activities are eliminated. The town has one enterprise fund; therefore there is no interfund activity between business-type funds.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported as operating transfers in or out. While reported in fund financial statements, transfers between the funds included in governmental activities are eliminated in the governmental activities column.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**i. Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts as well as deferred losses and gains, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures during the current period. Deferred charges related to the refunding of debt are reported as a deferred outflow of resources. They are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an "other financing source." Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

**j. Governmental Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

- (1) **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact, such as inventories and prepaids.
- (2) **Restricted** –Amounts that can be spent only for a specific purpose because of state or federal laws, or externally imposed conditions by grantors or creditors.
- (3) **Committed** – These amounts can only be used for specific purposes as set forth by the Town Board. The Board must take formal action (vote approval by majority) in order to establish an ending fund balance commitment for any specific purpose. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.
- (4) **Assigned** –Assignments are neither restrictions nor commitments and represent the Town's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the Town's ending fund balance. Intent can be expressed by the Town Board or Town Manager.
- (5) **Unassigned** – All amounts not included in other spendable classifications for the General Fund.

**k. Fund Balance Flow Assumptions**

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**l. Net Position Policies**

In the government-wide statements, net position on the Statement of Net Position includes the following:

**(1) Invested in Capital Assets, net of Related Debt**

This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.

**(2) Restricted Assets**

This is the component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation.

**(3) Unrestricted**

This is the component of net position that is the difference between the assets and liabilities not reported as Invested in Capital Assets, Net of Related Debt; and Restricted Assets.

**m. Net Position Flow Assumption**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**n. Comparative Data/Reclassifications**

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**o. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**8. Revenues and Expenditures/Expenses**

**a. Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**8. Revenues and Expenditures/Expenses (Continued)**

**b. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of certain differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities." The detail of this difference is as follows:

Capital outlay	\$ 720,857
Depreciation expense	<u>(203,739)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 517,118</u>

Another element of that reconciliation states that "Generally, expenditures recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred." The details of this difference are as follows:

Compensated absences	<u>\$ ( 22,576)</u>
----------------------	---------------------

**NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**1. Compliance and Accountability**

NRS 354.626 requires that the Town report expenditures that exceed budgeted appropriations at the function level for the general fund, special revenue funds, and capital projects funds. For the year ended June 30, 2014, no expenditures were over appropriations.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE D – DETAILED NOTES ON ALL FUNDS**

**1. Pooled Cash and Investments**

Through the Nye County Treasurer, the Town maintains a cash and investment pool that is available for use by all funds. The majority of all cash and investments of the Town are included in the cash and investment pool of the Nye County Treasurer. At June 30, 2014, this pool is displayed by the statement of net position and on the governmental funds balance sheet as “Pooled Cash and Investments.”

A reconciliation of cash and investments as shown on the Statement of Net Position for the Town follows:

	Governmental Activities	Business-type Activities	Totals
Cash in the hands of officers	\$ 35,307	\$ 52,683	\$ 87,990
Pooled cash and investments - Nye County Treasurer	3,309,614	282,861	3,592,475
Total	\$ 3,344,921	\$ 335,544	\$ 3,680,465

Pursuant to policy established by the Nye County Treasurer in accordance with Nevada Revised Statutes Chapter 355.168, the Town has elected to be part of the Nye County Treasurer’s Investment Pool. Any local government within Nye County whose money is held under the custody of the Nye County Treasurer may invest its money with the investment pool. The County Treasurer may invest the money of the investment pool in investments which have been authorized as investments by Nevada Revised Statutes (See Note A7a). As noted, Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. Detailed information concerning the investment pool is in the annual financial report of Nye County, Nevada.

Investment gain or loss is apportioned to the Town funds monthly based on the average balance invested for the month.

The fair value of the Town’s investment in the Nye County Treasurer’s Investment Pool was determined by multiplying the pool’s fair value per share factor times the Town’s portion of pool balance as of June 30, 2014.

**Interest Rate Risk:** Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. To limit exposure to interest rate risk, the Nevada Revised Statutes limits bankers’ acceptances to 180 days of maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. The approximate weighted average maturity of investments in the Nye County Treasurer’s investment pool was 2.72 years.

As of June 30, 2014 Town investments held in the Nye County Treasurer’s investment pool are categorized as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6-10	>10
U.S. Treasuries	32.80%	0.00%	100.00%	0.00%	0.00%
U.S. Agencies	47.10%	32.90%	66.20%	0.90%	0.00%
Money Market Funds	3.20%	100.00%	0.00%	0.00%	0.00%
Corporate Obligations	3.60%	27.20%	72.80%	0.00%	0.00%
Asset Backed Securities	3.30%	0.00%	67.30%	8.00%	24.70%
Collateralized Mortgage Obligation	1.70%	0.00%	27.50%	0.00%	72.50%
Negotiable Certificates of Deposit	8.30%	0.00%	100.00%	0.00%	0.00%
	100.00%				

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**1. Pooled Cash and Investments (Continued)**

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The Nye County Treasurer investment pool includes instruments which have been authorized by Nevada Revised Statutes. (See Note A7a) At June 30, 2014, the Nye County Treasurer's investment pool ratings were as follows:

Investment Type	Aaa	Aa1	Aa2	A1	A2	A3	N/A
U.S. Treasuries	100%	0%	0%	0%	0%	0%	0%
U.S. Agencies	91%	0%	0%	0%	0%	0%	9%
Money Market Funds	100%	0%	0%	0%	0%	0%	0%
Corporate Obligations	0%	4%	13%	27%	33%	23%	0%
Asset Backed Securities	67%	0%	0%	0%	0%	0%	33%*
Collateralized Mortgage Obligation	49%	0%	0%	0%	0%	0%	51%*
Negotiable Certificates of Deposit	0%	0%	0%	0%	0%	0%	100%

\* Securities rated AAA by Standard and Poor's

**Custodial Credit Risk:** Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Town's deposits may not be returned. The Town's bank deposits are covered by FDIC insurance. Deposits in excess of FDIC insurance coverage in the Nye County Treasurer cash and investment pool are collateralized by securities held by the Office of the State Treasurer/Nevada Collateral Pool.

**Credit Concentration Risk:** Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments with a single issuer within the Nye County Treasurer Investment pool that represent five percent or more of total investments as of June 30, 2014 are as follows:

Federal Home Loan Banks (FHLB)	7.96%
Federal Home Loan Mortgage Corporation (FHLMC)	11.76%
Federal National Mortgage Association (FNMA)	27.03%
U.S. Treasury Notes	32.83%

**2. Receivables**

Below is the detail of receivables for each major fund and the nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Capital Projects	Other Governmental	Enterprise	Total
Receivables:					
Property taxes	\$ 618	\$ 0	\$ 0	\$ 0	\$ 618
Interest receivable	5,686	0	454	501	6,641
Due from other governments:					
Consolidated taxes	61,644	0	0	0	61,644
Fuel taxes	0	0	11,049	0	11,049
Gaming taxes	0	0	5,169	0	5,169
Net accounts receivable - utility	0	0	0	28,686	28,686
Net total receivables	<u>\$ 67,948</u>	<u>\$ 0</u>	<u>\$ 16,672</u>	<u>\$ 29,187</u>	<u>\$ 113,807</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**3. Capital Assets**

Capital assets activity for the year ended June 30, 2014, was as follows:

**Governmental Activities:**

	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
<b>Capital assets being depreciated:</b>				
Building	2,891,561	603,603	0	3,495,164
Equipment	<u>1,691,463</u>	<u>117,254</u>	<u>5,117</u>	<u>1,803,600</u>
<b>Total capital assets being depreciated</b>	<u>4,583,024</u>	<u>720,857</u>	<u>5,117</u>	<u>5,298,764</u>
<b>Less accumulated depreciation for:</b>				
Building	653,186	97,512	0	750,698
Equipment	<u>1,261,617</u>	<u>106,227</u>	<u>5,117</u>	<u>1,362,727</u>
<b>Total accumulated depreciation</b>	<u>1,914,803</u>	<u>203,739</u>	<u>5,117</u>	<u>2,113,425</u>
<b>Total capital assets being depreciated, net</b>	<u>2,668,221</u>	<u>517,118</u>	<u>0</u>	<u>3,185,339</u>
<b>Governmental activities assets, net</b>	<u>\$ 3,149,637</u>	<u>\$ 517,118</u>	<u>\$ 0</u>	<u>\$ 3,666,755</u>

**Business-type Activities:**

	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
<b>Capital assets being depreciated:</b>				
Distribution system	1,120,870	1,638	0	1,122,508
<b>Less accumulated depreciation for:</b>				
Distribution system	<u>768,675</u>	<u>48,045</u>	<u>0</u>	<u>816,720</u>
<b>Business-type Activities assets, net</b>	<u>\$ 352,195</u>	<u>\$ (46,407)</u>	<u>\$ 0</u>	<u>\$ 305,788</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental activities:**

General government	\$ 48,352
Public safety	47,857
Public works	13,018
Culture and recreation	<u>94,512</u>
	<u>\$ 203,739</u>

**Business activities:**

Water and sewer	<u>\$ 48,045</u>
-----------------	------------------

**Construction commitments:**

The Town has no active construction projects as of June 30, 2014.

**4. Unavailable Revenue**

Delinquent taxes receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. Unavailable tax revenue in the General Fund was \$575 as of June 30, 2014.

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**5. Long-term Debt**

**Changes in General Long-Term Liabilities**

During the year ended June 30, 2014, the following changes occurred:

**Governmental Type Activities:**

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>
Compensated absences	\$ 62,794	\$ 22,576	\$ 0	\$ 85,370

**Business-Type Activities:**

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>
Compensated absences	\$ 11,842	\$ 0	\$ 10,116	\$ 1,726

Governmental Type compensated absence liabilities will be liquidated primarily by the General Fund.

**6. Interfund Transfers**

Interfund transfers are made from one fund to another fund to support expenditures in accordance with authority established for the individual funds. In the fund financial statements, interfund transfers are shown as other financing sources or uses. Transfers between funds during the year ended June 30, 2014, are as follows:

	<u>Total Transfers In</u>	<u>Transfers Out</u> <u>General Fund</u>
Capital Projects Fund	\$ 501,000	\$ 501,000

\$501,000 was transferred from the General Fund to the Capital Projects Fund for construction of a recreation facility.

**6. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has joined together with other local governments throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for members. The Town pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 annual aggregate per member. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown and money and securities. As a participatory member the maintenance deductible is \$500 for each insured event.

The Town participates in the Public Agency Compensation Trust (PACT). The PACT covers workers' compensation claims. Premiums are paid on a quarterly basis based on a percentage of the employees' wages.

The Town is self-insured for unemployment claims.

The Town purchases health care benefits for its employees through a commercial carrier.

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**7. Contingent Liabilities**

**Litigation**

Counsel and Management for the Town has indicated there are no pending actions against the Town.

**8. Defined Benefit Pension Plan**

**Plan Description.** The Town contributes to the Public Employees’ Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer, defined benefit plan administered by the Public Employees’ Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS Chapter 286 establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

**Funding Policy.** Benefits for plan members are funded under the employer pay contribution plan. The Town is required to contribute all amounts under the plan. Per Chapter 286 of the Nevada Revised Statutes, the Town’s contribution was based on the actuarially determined statutory rates for regular members as a percentage of gross compensation. These benefit provisions may only be amended through legislation. The Town’s contributions to PERS for the years ended June 30, 2014, 2013, and 2012, were equal to the required contributions for each year, at the actuarially determined statutory rates.

The Town’s contribution rates and amounts contributed for the current and preceding two years are as follows:

<u>Fiscal Year</u>	<u>Contribution Rates</u>		<u>Total Contribution</u>
	<u>Regular Members</u>	<u>Police and Firemen</u>	
2013-2014	25.75%	40.50 %	\$ 127,797
2012-2013	23.75%	39.75%	\$ 127,055
2011-2012	23.75%	39.75%	\$ 114,414

**9. Postemployment Health Care Plan**

The Town administers a single-employer defined benefit healthcare plan. The plan provides medical, dental, prescription, and life insurance benefits to eligible retired Town employees. The plan provides healthcare insurance for eligible retirees through the Town’s group health insurance plan, which covers both active and retired members. Retirees may choose to stay on the Town’s health insurance plan upon retirement. The retiree is required to pay the full amount of their coverage. The Town does not contribute to the cost of coverage. As of June 30, 2014, there were no retirees using the plan.

With no participating retired employees, at June 30, 2014, the Town’s annual other postemployment benefit costs (expense) and net obligation is deemed to be zero.

## **SUPPLEMENTARY INFORMATION**



## **MAJOR FUNDS**

### **GENERAL FUND**

**The General Fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.**

### **CAPITAL PROJECTS FUND**

**The Capital Projects Fund is used to account for general acquisitions of the Town as well as purchases of public safety equipment.**

***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

**TOWN OF ROUND MOUNTAIN, NEVADA  
MAJOR FUND - GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2014 AND 2013**

	2014	2013
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 2,969,918	\$ 3,755,596
Interest receivable	5,686	5,427
Taxes receivable	618	572
Due from other governments	<u>61,644</u>	<u>46,915</u>
Total assets	<u>\$ 3,037,866</u>	<u>\$ 3,808,510</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 13,995	\$ 18,431
Accrued payroll	<u>37,468</u>	<u>36,049</u>
Total liabilities	<u>51,463</u>	<u>54,480</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Unavailable revenue-property taxes	<u>575</u>	<u>429</u>
<b><u>FUND BALANCE</u></b>		
Assigned for subsequent year	2,985,828	3,083,272
Unassigned	<u>-</u>	<u>670,329</u>
Total fund balance	<u>2,985,828</u>	<u>3,753,601</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,037,866</u>	<u>\$ 3,808,510</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2013)**

	2014		Variance -	
	Budget	Actual	Positive (Negative)	2013 Actual
<b>Revenues:</b>				
Taxes	\$ 345,541	\$ 442,610	\$ 97,069	\$ 1,278,936
Licenses and permits	3,000	2,960	(40)	3,208
Intergovernmental	231,340	245,857	14,517	261,957
Charges for services	24,000	28,865	4,865	31,213
Fines and forfeitures	1,000	122	(878)	475
Miscellaneous	4,000	36,099	32,099	17,992
<b>Total revenues</b>	<u>608,881</u>	<u>756,513</u>	<u>147,632</u>	<u>1,593,781</u>
<b>Expenditures:</b>				
General government	1,077,909	523,772	554,137	529,616
Public safety	465,311	221,478	243,833	242,344
Public works	45,000	21,433	23,567	17,083
Culture and recreation	395,970	256,603	139,367	210,718
Contingency	59,526	-	59,526	-
<b>Total expenditures</b>	<u>2,043,716</u>	<u>1,023,286</u>	<u>1,020,430</u>	<u>999,761</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,434,835)</b>	<b>(266,773)</b>	<b>1,168,062</b>	<b>594,020</b>
<b>Other financing sources (uses):</b>				
Operating transfers out	(501,000)	(501,000)	-	-
<b>Net change in fund balance</b>	<b>(1,935,835)</b>	<b>(767,773)</b>	<b>1,168,062</b>	<b>594,020</b>
<b>Fund balance:</b>				
Beginning of year	3,083,272	3,753,601	670,329	3,159,581
End of year	<u>\$ 1,147,437</u>	<u>\$ 2,985,828</u>	<u>\$ 1,838,391</u>	<u>\$ 3,753,601</u>

***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014		Variance -	
	Budget	Actual	Positive (Negative)	2013 Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 345,541	\$ 292,320	\$ (53,221)	\$ 316,421
Net proceeds	-	150,290	150,290	962,515
Total taxes	<u>345,541</u>	<u>442,610</u>	<u>97,069</u>	<u>1,278,936</u>
<b>Licenses and permits:</b>				
Gaming licenses	2,000	1,800	(200)	2,048
Liquor licenses	1,000	1,160	160	1,160
Total licenses and permits	<u>3,000</u>	<u>2,960</u>	<u>(40)</u>	<u>3,208</u>
<b>Intergovernmental:</b>				
Consolidated tax	<u>231,340</u>	<u>245,857</u>	<u>14,517</u>	<u>261,957</u>
<b>Charges for services:</b>				
Swimming pool	4,000	4,050	50	2,328
Arcade/vending	-	52	52	40
Weight room fees	15,000	17,565	2,565	22,090
Water charges	<u>5,000</u>	<u>7,198</u>	<u>2,198</u>	<u>6,755</u>
Total charges for services	<u>24,000</u>	<u>28,865</u>	<u>4,865</u>	<u>31,213</u>
<b>Fines and forfeitures</b>	<u>1,000</u>	<u>122</u>	<u>(878)</u>	<u>475</u>
<b>Miscellaneous:</b>				
Rent	4,000	3,325	(675)	6,740
Investment income	-	24,896	24,896	10,884
Other	<u>-</u>	<u>7,878</u>	<u>7,878</u>	<u>368</u>
Total miscellaneous	<u>4,000</u>	<u>36,099</u>	<u>32,099</u>	<u>17,992</u>
<b>Total revenues</b>	<u>\$ 608,881</u>	<u>\$ 756,513</u>	<u>\$ 147,632</u>	<u>\$ 1,593,781</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014		Variance -	
	Budget	Actual	Positive (Negative)	2013 Actual
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Administration:</b>				
Salaries and wages	\$ 384,141	\$ 94,371	\$ 289,770	\$ 81,974
Employee benefits	38,954	38,067	887	154,581
Services and supplies	131,600	82,126	49,474	68,392
Capital outlay	<u>23,000</u>	<u>-</u>	<u>23,000</u>	<u>1,555</u>
Total administration	<u>577,695</u>	<u>214,564</u>	<u>363,131</u>	<u>306,502</u>
<b>Building and Grounds:</b>				
Salaries and wages	98,909	94,401	4,508	93,346
Employee benefits	47,205	41,910	5,295	38,050
Services and supplies	121,000	75,667	45,333	66,517
Capital outlay	<u>233,100</u>	<u>97,230</u>	<u>135,870</u>	<u>25,201</u>
Total building and grounds	<u>500,214</u>	<u>309,208</u>	<u>191,006</u>	<u>223,114</u>
Total general government	<u>1,077,909</u>	<u>523,772</u>	<u>554,137</u>	<u>529,616</u>
<b>Public Safety:</b>				
<b>Hadley Station:</b>				
Salaries and wages	172,968	119,984	52,984	115,227
Employee benefits	126,443	69,969	56,474	65,158
Services and supplies	144,700	31,525	113,175	40,963
Capital outlay	<u>21,200</u>	<u>-</u>	<u>21,200</u>	<u>20,996</u>
Total public safety	<u>465,311</u>	<u>221,478</u>	<u>243,833</u>	<u>242,344</u>
<b>Public Works:</b>				
<b>Highways and Streets:</b>				
Services and supplies	20,000	13,823	6,177	13,257
<b>Round Mountain Water:</b>				
Services and supplies	<u>25,000</u>	<u>7,610</u>	<u>17,390</u>	<u>3,826</u>
Total public works	<u>45,000</u>	<u>21,433</u>	<u>23,567</u>	<u>17,083</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2013)**

	2014		Variance -	
	Budget	Actual	Positive (Negative)	2013 Actual
<b>Expenditures (Continued):</b>				
<b>Culture and Recreation:</b>				
<b>Swimming Pool:</b>				
Salaries and wages	\$ 56,880	\$ 13,526	\$ 43,354	\$ 6,659
Employee benefits	7,428	1,159	6,269	988
Services and supplies	44,200	19,154	25,046	15,993
Capital outlay	<u>6,000</u>	<u>5,275</u>	<u>725</u>	<u>5,121</u>
Total swimming pool	<u>114,508</u>	<u>39,114</u>	<u>75,394</u>	<u>28,761</u>
<b>Parks and recreation:</b>				
Salaries and wages	78,040	91,819	(13,779)	68,212
Employee benefits	41,270	37,169	4,101	30,240
Services and supplies	131,700	73,752	57,948	76,078
Capital outlay	<u>30,452</u>	<u>14,749</u>	<u>15,703</u>	<u>7,427</u>
Total parks and recreation	<u>281,462</u>	<u>217,489</u>	<u>63,973</u>	<u>181,957</u>
Total culture and recreation	<u>395,970</u>	<u>256,603</u>	<u>139,367</u>	<u>210,718</u>
<b>Contingency</b>	<u>59,526</u>	<u>-</u>	<u>59,526</u>	<u>-</u>
Total expenditures	<u>2,043,716</u>	<u>1,023,286</u>	<u>1,020,430</u>	<u>999,761</u>
Excess (deficiency) of revenues over expenditures	(1,434,835)	(266,773)	1,168,062	594,020
<b>Other financing sources (uses):</b>				
Operating transfers out	<u>(501,000)</u>	<u>(501,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,935,835)	(767,773)	1,168,062	594,020
<b>Fund balance:</b>				
Beginning of year	<u>3,083,272</u>	<u>3,753,601</u>	<u>670,329</u>	<u>3,159,581</u>
End of year	<u>\$ 1,147,437</u>	<u>\$ 2,985,828</u>	<u>\$ 1,838,391</u>	<u>\$ 3,753,601</u>



**TOWN OF ROUND MOUNTAIN, NEVADA  
 MAJOR FUND - CAPITAL PROJECTS FUND  
 COMPARATIVE BALANCE SHEETS  
 JUNE 30, 2014 AND 2013**

	2014	2013
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 80,047	\$ 182,379
Interest receivable	<u>-</u>	<u>271</u>
 Total assets	 <u>\$ 80,047</u>	 <u>\$ 182,650</u>
 <b><u>FUND BALANCE</u></b>		
Restricted for capital projects	<u>\$ 80,047</u>	<u>\$ 182,650</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**

(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	2014		Variance - Positive (Negative)	2013 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ -	\$ -	\$ -	\$ 1,840
<b>Expenditures:</b>				
<b>Capital projects</b>	<u>613,568</u>	<u>603,603</u>	<u>9,965</u>	<u>543,726</u>
Excess (deficiency) of revenues over expenditures	(613,568)	(603,603)	9,965	(541,886)
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>501,000</u>	<u>501,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(112,568)	(102,603)	9,965	(541,886)
<b>Fund balance:</b>				
Beginning of year	<u>180,810</u>	<u>182,650</u>	<u>1,840</u>	<u>724,536</u>
End of year	<u>\$ 68,242</u>	<u>\$ 80,047</u>	<u>\$ 11,805</u>	<u>\$ 182,650</u>

***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

## **MAJOR ENTERPRISE FUND**

**The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Town’s management is that the costs of providing goods and services be financed or recovered primarily through user charges.**

**Round Mountain Public Utility Fund is used to account for revenues and expenses of the utility services provided for the residents of the unincorporated Town of Round Mountain, Nevada.**

***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**JUNE 30, 2014 AND 2013**

	2014	2013
<b><u>ASSETS</u></b>		
Current assets:		
Pooled cash and investments	\$ 335,544	\$ 239,750
Interest receivable	501	353
Accounts receivable (net)	28,686	34,880
Prepaid expenses	1,914	-
Inventory	<u>55,716</u>	<u>56,044</u>
Total current assets	<u>422,361</u>	<u>331,027</u>
Capital assets:		
Equipment	1,122,508	1,120,870
Less accumulated depreciation	<u>(816,720)</u>	<u>(768,675)</u>
Capital assets (net of accumulated depreciation)	<u>305,788</u>	<u>352,195</u>
 Total assets	 <u>728,149</u>	 <u>683,222</u>
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable	1,215	11,406
Accrued payroll	16,315	14,851
Customer deposits	12,459	13,600
Accrued compensated absences	<u>1,726</u>	<u>11,842</u>
Total current liabilities	31,715	51,699
Long term liabilities:		
Accrued compensated absences	<u>-</u>	<u>-</u>
 Total liabilities	 <u>31,715</u>	 <u>51,699</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets, net of related debt	305,788	352,195
Unrestricted	<u>390,646</u>	<u>279,328</u>
 Total net position	 <u>\$ 696,434</u>	 <u>\$ 631,523</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2013)**

	2014		Variance - Positive (Negative)	2013 Actual
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 260,000	\$ 285,064	\$ 25,064	\$ 294,293
<b>Operation expenses:</b>				
Utility operations:				
Salaries and wages	123,548	46,946	76,602	107,484
Employee benefits	54,759	25,218	29,541	41,978
Services and supplies	168,750	102,347	66,403	108,635
Depreciation	60,000	48,045	11,955	58,058
 Total operating expenses	 407,057	 222,556	 184,501	 316,155
<b>Operating income (loss)</b>	<b>(147,057)</b>	<b>62,508</b>	<b>209,565</b>	<b>(21,862)</b>
<b>Non-operating revenues (expenses):</b>				
Investment income	-	2,166	2,166	629
Miscellaneous	-	237	237	105
Total non-operating revenues (expenses)	-	2,403	2,403	734
 Change in net position	 \$ (147,057)	 64,911	 \$ 211,968	 (21,128)
<b>Net position:</b>				
Beginning of year		631,523		652,651
 End of year		 \$ 696,434		 \$ 631,523

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 290,117	\$ 292,772
Cash paid for salaries, wages and employee benefits	(80,816)	(154,681)
Cash paid for services and supplies	(114,124)	(108,747)
Cash provided by operating activities	<u>95,177</u>	<u>29,344</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchase of capital assets	(1,638)	(10,426)
Miscellaneous	237	105
Cash provided by capital and related financing activities	<u>(1,401)</u>	<u>(10,321)</u>
<b>Cash flows from investing activities:</b>		
Cash received from investments	<u>2,018</u>	<u>880</u>
Net increase in cash	95,794	19,903
<b>Cash:</b>		
Beginning of year	<u>239,750</u>	<u>219,847</u>
End of year	<u>\$ 335,544</u>	<u>\$ 239,750</u>
<b>Reconciliation of operating income (loss) to cash provided by operating activities:</b>		
Operating income (loss)	<u>\$ 62,508</u>	<u>\$ (21,862)</u>
<b>Adjustments to reconcile operating income (loss) to cash provided by operating activities:</b>		
Depreciation	48,045	58,058
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	6,194	(2,971)
(Increase) decrease in prepaid expenses	(1,914)	-
(Increase) decrease in inventory	328	(693)
Increase (decrease) in accounts payable	(10,191)	581
Increase (decrease) in accrued payroll	1,464	11,583
Increase (decrease) in compensated absences	(10,116)	(16,802)
Increase (decrease) in customer deposits	(1,141)	1,450
Total adjustments	<u>32,669</u>	<u>51,206</u>
<b>Cash provided by operating activities</b>	<u>\$ 95,177</u>	<u>\$ 29,344</u>



***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

# **NONMAJOR GOVERNMENTAL FUNDS**

**Combining statements of all nonmajor  
governmental activity.**

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2014 Totals	2013 Totals
<b><u>ASSETS</u></b>				
Pooled cash and investments	\$ 240,676	\$ 54,280	\$ 294,956	\$ 229,096
Interest receivable	397	57	454	275
Due from other governments	<u>16,218</u>	<u>-</u>	<u>16,218</u>	<u>11,301</u>
 Total assets	 <u>\$ 257,291</u>	 <u>\$ 54,337</u>	 <u>\$ 311,628</u>	 <u>\$ 240,672</u>
 <b><u>LIABILITIES</u></b>				
Accounts payable	<u>\$ 695</u>	<u>\$ -</u>	<u>\$ 695</u>	<u>\$ 659</u>
 <b><u>FUND BALANCE</u></b>				
Restricted for capital projects	-	54,337	54,337	34,819
Restricted for public works	<u>256,596</u>	<u>-</u>	<u>256,596</u>	<u>205,194</u>
 Total fund balance	 <u>256,596</u>	 <u>54,337</u>	 <u>310,933</u>	 <u>240,013</u>
 Total liabilities and fund balance	 <u>\$ 257,291</u>	 <u>\$ 54,337</u>	 <u>\$ 311,628</u>	 <u>\$ 240,672</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2014  
(With Comparative Totals for June 30, 2013)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2014 Totals	2013 Totals
<b>Revenues:</b>				
Intergovernmental	\$ 63,295	\$ 19,210	\$ 82,505	\$ 92,186
Miscellaneous	<u>1,796</u>	<u>308</u>	<u>2,104</u>	<u>969</u>
 Total revenues	 <u>65,091</u>	 <u>19,518</u>	 <u>84,609</u>	 <u>93,155</u>
<b>Expenditures:</b>				
Public works	13,689	-	13,689	17,447
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
 Total expenditures	 <u>13,689</u>	 <u>-</u>	 <u>13,689</u>	 <u>167,447</u>
 Excess (deficiency) of revenues over expenditures	 51,402	 19,518	 70,920	 (74,292)
<b>Fund balance:</b>				
Beginning of year	<u>205,194</u>	<u>34,819</u>	<u>240,013</u>	<u>314,305</u>
 End of year	 <u>\$ 256,596</u>	 <u>\$ 54,337</u>	 <u>\$ 310,933</u>	 <u>\$ 240,013</u>

***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

# **NONMAJOR SPECIAL REVENUE FUND**

## **ROAD FUND**

**Road Fund is used to account for gas tax money received and expenditures for maintenance of Town roads.**

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR FUND - ROAD SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2014 and 2013**

	2014	2013
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 240,676	\$ 194,277
Interest receivable	397	275
Due from other governments	<u>16,218</u>	<u>11,301</u>
 Total assets	 <u>\$ 257,291</u>	 <u>\$ 205,853</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 695	\$ 659
 <b><u>FUND BALANCE</u></b>		
Restricted for public works	<u>256,596</u>	<u>205,194</u>
 Total liabilities and fund balance	 <u>\$ 257,291</u>	 <u>\$ 205,853</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND - ROAD SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014**

**(With Comparative Actual Amounts for the Year Ended June 30, 2013)**

	2014		Variance - Positive (Negative)	2013 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Gas tax \$1.75	\$ 40,000	\$ 63,295	\$ 23,295	\$ 67,158
<b>Miscellaneous:</b>				
Investment income	-	1,796	1,796	498
Total revenues	<u>40,000</u>	<u>65,091</u>	<u>25,091</u>	<u>67,656</u>
<b>Expenditures:</b>				
<b>Public works:</b>				
Services and supplies	90,000	13,689	76,311	17,447
Capital outlay	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>-</u>
Total expenditures	<u>102,000</u>	<u>13,689</u>	<u>88,311</u>	<u>17,447</u>
Excess (deficiency) of revenues over expenditures	(62,000)	51,402	113,402	50,209
<b>Fund balance:</b>				
Beginning of year	<u>174,714</u>	<u>205,194</u>	<u>30,480</u>	<u>154,985</u>
End of year	<u>\$ 112,714</u>	<u>\$ 256,596</u>	<u>\$ 143,882</u>	<u>\$ 205,194</u>



***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

## **NONMAJOR CAPITAL PROJECTS**

**Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.**

**Special Ad Valorem Capital Projects Fund is used to account for a special tax levy to be used for capital improvements.**

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2014 AND 2013**

	2014	2013
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 54,280	\$ 34,819
Interest receivable	<u>57</u>	<u>-</u>
Total assets	<u>\$ 54,337</u>	<u>\$ 34,819</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE</u></b>		
Restricted for capital projects	<u>54,337</u>	<u>34,819</u>
Total liabilities and fund balance	<u>\$ 54,337</u>	<u>\$ 34,819</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2013)**

	2014		Variance - Positive (Negative)	2013 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
County	\$ 20,000	\$ 19,210	\$ (790)	\$ 25,028
<b>Miscellaneous:</b>				
Investment income	-	308	308	471
Total revenues	20,000	19,518	(482)	25,499
<b>Expenditures:</b>				
Capital projects	-	-	-	150,000
Excess (deficiency) of revenues over expenditures	20,000	19,518	(482)	(124,501)
<b>Fund balance:</b>				
Beginning of year	29,320	34,819	5,499	159,320
End of year	\$ 49,320	\$ 54,337	\$ 5,017	\$ 34,819

***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***

DANIEL C. McARTHUR, LTD.  
*Certified Public Accountant*

Quail Park III • 501 So. Rancho Dr., Ste. E-30 • Las Vegas, NV 89106 • (702) 385-1899 • FAX (702) 385-9619

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

Honorable Members of the Town Board  
Town of Round Mountain, Nevada

I have audited in accordance with auditing standards generally accepted in the United States of America the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Round Mountain, Nevada (the Town) as of and for the year ended June 30, 2014, and the notes to the financial statements which collectively comprise the Town's basic financial statements and have issued my report thereon dated December 9, 2014.

In connection with my audit, nothing came to my attention that caused me to believe that the funds established by the Town as listed in Nevada Revised Statutes (NRS) 354.624 Sec 5 (a) (1) through (5) (II), and NRS 354.6113 failed to comply with the express purposes required by NRS 354.6241 Sec 1 (a), (b), (c), (d), (e), and (f) and NRS 354.6113 Sec 4 (a), (b), (c), and (d), respectively. Nothing came to my attention that caused me to believe there were instances of noncompliance that are required to be reported under Nevada Revised Statutes (NRS) 354.624 Sec 4.

As required by NRS 354.6113 Sec 4, a schedule of capital projects activity is included in Appendix A.

This report is intended for the information of the Town Board, management, others within the Town, and the Nevada Department of Taxation.



Las Vegas, Nevada  
December 9, 2014

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**SCHEDULE OF CAPITAL PROJECTS ACTIVITY**  
**APPENDIX A**  
**JUNE 30, 2014**

---

The following are responses to requirements of NRS 354.6113:

NRS 354.6113 Sec 4 requires that the audit specifically identify the fund and;

1. Indicate in detail the capital projects that have been constructed with money from the fund.

Response

Expenditures were as follows:

Capital Projects Fund:

Public Safety Building	<u>\$ 603,603</u>
------------------------	-------------------

There were no expenditures during the year in the Special Capital Projects Fund.

2. Specify the amount of money that will be deposited in the fund for the next fiscal year.

Response

There is no anticipated revenue for the Capital Projects Fund for the next fiscal year.

3. Specify the proposed capital projects that will be constructed with money from the fund during the next fiscal year.

Response

There are no plans to spend money out of the Capital Projects Fund

4. Identify any planned accumulation of money in the fund.

Response

The Town plans to accumulate money in the Capital Projects Fund for future projects.

***This Page Left Blank Intentionally***

***For the year ended June 30, 2014***