

**TOWN OF ROUND MOUNTAIN, NEVADA**

**REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2015**

**ROUND MOUNTAIN TOWN  
REPORT ON FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015  
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**TOWN OF ROUND MOUNTAIN, NEVADA  
ELECTED TOWN OFFICIALS  
JUNE 30, 2015**

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**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*

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**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, 2015, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter Regarding Change in Accounting Principle**

As discussed in Note D-11 to the financial statements, the Town adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. My opinion is not modified with respect to this matter.

### **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 5-11, Schedule of the County's Contributions to the Public Employees Retirement System of the State of Nevada on page 43, and Schedule of the County's Proportionate Share of the Net Pension Liability Public Employees Retirement System of the State of Nevada on page 44 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, 2014, 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 for the year ended June 30, 2014 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 2014 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 2014 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated January 15, 2016 on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "William M. Smith", is written over the text of the signature block.

Las Vegas, Nevada  
January 15, 2016

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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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 Town adopted new accounting guidance, GASB Statement No. 68 *Accounting and Financial Report for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the Town to recognize its proportionate share of the net pension liability, deferred outflows and deferred inflows of resources, and related expenses from the Town's participation in the Public Employees' Retirement System of the State of Nevada (PERS). The effect of implementing these statements resulted in a restatement of beginning net position.

The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the 2015 fiscal year by \$7,105,850 (net position). Total net position represent approximately \$3,889,584 in capital assets, net of related debt, \$156,123 in assets restricted for capital projects, \$63,913 in assets restricted for public safety, and \$300,128 in assets restricted for public works. The remaining \$2,696,102 represents unrestricted net position which may be used to meet the Town's ongoing obligations to its citizens and creditors.

The government-wide net position of the Town decreased during the fiscal year 2015, from \$7,655,202 to \$7,105,850.

The Town's primary revenue sources for governmental activities were ad valorem taxes (property taxes) of \$1,044,514, and consolidated taxes (sales taxes) of \$258,482. These revenue sources comprised 70.21%, and 17.38% respectively, or 87.59%, of total governmental activities revenues.

The Town's total expenses were \$1,342,825. The greatest governmental activities expenses were \$442,436 in general government and \$303,507 in the public safety function. The business-type activities contributed \$278,582 to the Town's total expenses.

At the end of fiscal year 2015, the Town's governmental funds reported combined fund balances of \$3,938,817, an increase of \$562,009 when compared to the previous year. Approximately 6.87% of this amount, \$270,707, is available for spending at the government's discretion (unassigned fund balance).

**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.



**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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Government-Wide Financial Statements (Continued)

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 and sewer utility operations.

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, 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.

*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 and sewer utility activities.

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

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.

**Other Information**

The combining statements and individual fund schedules are presented immediately following the notes to the financial statements.

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

**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, 2015, is summarized and analyzed below:

**Net Position**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary Government</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Assets:</b>						
Current and other assets	\$ 3,977,199	\$ 3,429,541	\$ 403,600	\$ 422,361	\$ 4,380,799	\$ 3,851,902
Net capital assets	3,533,742	3,666,755	355,842	305,788	3,889,584	3,972,543
Total assets	<u>7,510,941</u>	<u>7,096,296</u>	<u>759,442</u>	<u>728,149</u>	<u>8,270,383</u>	<u>7,824,445</u>
<b>Deferred outflows of resources:</b>						
Deferred pension charge	111,575	-	13,962	-	125,537	-
<b>Liabilities:</b>						
Current liabilities	37,870	52,158	50,471	29,989	88,341	82,147
Long-term liabilities	872,346	85,370	102,253	1,726	974,599	87,096
Total liabilities	<u>910,216</u>	<u>137,528</u>	<u>152,724</u>	<u>31,715</u>	<u>1,062,940</u>	<u>169,243</u>
<b>Deferred inflows of resources:</b>						
Deferred pension charge	201,175	-	25,955	-	227,130	-
<b>Net Position:</b>						
Invested in capital assets, net of related debt	3,533,742	3,666,755	355,842	305,788	3,889,584	3,972,543
Restricted	520,164	442,382	-	-	520,164	442,382
Unrestricted	2,457,219	2,849,631	238,883	390,646	2,696,102	3,240,277
Total net position	<u>\$ 6,511,125</u>	<u>\$ 6,958,768</u>	<u>\$ 594,725</u>	<u>\$ 696,434</u>	<u>\$ 7,105,850</u>	<u>\$ 7,655,202</u>

The Town's assets exceeded liabilities by \$7,105,850 at the close of the current fiscal year and total net position decreased by \$549,352, or 7.18%.

The largest portion of the Town's net position, \$3,889,584, or 54.74%, 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, 2015 and 2014.

The Town's total net position of \$7,105,850 includes unrestricted net position totaling \$2,696,102. 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 \$520,164.

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  
FOR THE YEAR ENDED JUNE 30, 2015**

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 41,788	\$ 35,272	\$ 287,336	\$ 285,064	\$ 329,124	\$ 320,336
General revenues:						
Ad valorem taxes	1,044,514	461,966	-	-	1,044,514	461,966
Consolidated taxes	258,482	245,857	-	-	258,482	245,857
Public safety sales taxes	63,695	-	-	-	63,695	-
Fuel taxes	58,414	63,295	-	-	58,414	63,295
Investment income	20,748	27,000	1,882	2,166	22,630	29,166
Miscellaneous	-	7,878	35	237	35	8,115
<b>Total revenues</b>	<b>1,487,641</b>	<b>841,268</b>	<b>289,253</b>	<b>287,467</b>	<b>1,776,894</b>	<b>1,128,735</b>
<b>Expenses:</b>						
General government	442,436	481,710	-	-	442,436	481,710
Public safety	303,507	265,141	-	-	303,507	265,141
Public works	51,428	48,140	-	-	51,428	48,140
Culture and recreation	266,872	351,045	-	-	266,872	351,045
Utility operations	-	-	278,582	222,556	278,582	222,556
<b>Total expenses</b>	<b>1,064,243</b>	<b>1,146,036</b>	<b>278,582</b>	<b>222,556</b>	<b>1,342,825</b>	<b>1,368,592</b>
<b>Change in net position</b>	<b>423,398</b>	<b>(304,768)</b>	<b>10,671</b>	<b>64,911</b>	<b>434,069</b>	<b>(239,857)</b>
Net position - beginning	6,958,768	7,263,536	696,434	631,523	7,655,202	7,895,059
Restatement per GASB 68	(871,041)	-	(112,380)	-	(983,421)	-
Net position - restated	6,087,727	7,263,536	584,054	631,523	6,671,781	7,895,059
<b>Net position - ending</b>	<b>\$ 6,511,125</b>	<b>\$ 6,958,768</b>	<b>\$ 594,725</b>	<b>\$ 696,434</b>	<b>\$ 7,105,850</b>	<b>\$ 7,655,202</b>

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 (mainly sales tax). The business-type general revenue came from charges for services related to water and sewer utility.

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**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 \$3,938,817. This is an increase over the prior year of \$562,009, or 16.64%. 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 \$520,164, or 13.21%, of the total. Spending of these funds is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use. The restricted fund balances include \$300,128 for public works, \$63,913 for public safety, and \$156,123 for capital projects.

Major Funds

**General Fund:** 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 \$3,418,653, an increase of \$432,825, or 14.50%, over the prior year.

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

Revenues increased by \$585,552, or 77.40%. Tax revenue increased by \$580,458, or 131.14%, mainly due to an increase in net proceeds of mines revenue. Intergovernmental revenues increased by \$12,625, or 5.14%, due to an increase in consolidated tax revenue.

Expenditures decreased by \$114,046, or 11.15%. General government expenditures decreased by \$114,566, or 21.87%, from the prior year due to a decrease in salaries and wages in the administration function of the Town and a reduction in capital outlay for buildings and grounds. Culture and recreation expenditures decreased by \$37,484, or 14.61%, due to a decrease in the wages and benefits due to a change in personnel. Public safety expenditures increased by \$13,592, or 6.14%, mainly due to an increase in salaries, benefits, and supplies. Public works expenditures increased by \$24,412, or 113.90% due to an increase in capital outlay.

Proprietary Funds – Major Enterprise Fund

The Town's water and sewer utility enterprise fund financial statement provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise fund totaled \$238,883. Total net position of the enterprise fund decreased \$101,709, or 14.60%, due to a restatement per GASB 68 of \$112,380 and a current year change in net position of \$10,671.

Operating revenues increased \$2,272, or .80%. Operating expenses increased \$56,026 or 25.17% due to an increase in services and supplies.

**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 actual General Fund balance of \$3,418,653 was \$270,707 higher than anticipated to begin the 2015-2016 year.

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

**GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)**

The most significant difference between estimated revenues and actual revenues was net proceeds of mining tax of \$690,170 and consolidated taxes of \$27,142. Overall revenues were \$738,043 over budget.

Total expenditures in the General Fund were \$1,154,243 lower than budgeted. The General Government function expenditures were \$583,915 lower than anticipated. The Public Safety function expenditures were \$267,088 lower than budgeted. The Culture and Recreation function expenditures were \$279,085 lower than planned.

**CAPITAL ASSETS**

At June 30, 2015, the Town's governmental type activity had \$3,533,742 (net) invested in capital assets, including land, building, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of \$133,013 from the previous year.

At June 30, 2015, the Town's business-type activity had \$355,842 (net) invested in capital assets. This amount represents a net increase (including additions, disposals, and depreciation) of \$50,054 from the previous year.

Capital assets, net of related debt, reflect 54.74% 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, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2015</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
<b>Capital assets being depreciated:</b>				
Building	3,495,164	0	0	3,495,164
Equipment	<u>1,803,600</u>	<u>66,492</u>	<u>0</u>	<u>1,870,092</u>
<b>Total capital assets being depreciated</b>	<u>5,298,764</u>	<u>66,492</u>	<u>0</u>	<u>5,365,256</u>
<b>Less accumulated depreciation for:</b>				
Building	750,698	97,512	0	848,210
Equipment	<u>1,362,727</u>	<u>101,993</u>	<u>0</u>	<u>1,464,720</u>
<b>Total accumulated depreciation</b>	<u>2,113,425</u>	<u>199,505</u>	<u>0</u>	<u>2,312,930</u>
<b>Total capital assets being depreciated, net</b>	<u>3,185,339</u>	<u>(133,013)</u>	<u>0</u>	<u>3,052,326</u>
<b>Governmental activities assets, net</b>	<u>\$ 3,666,755</u>	<u>\$ (133,013)</u>	<u>\$ 0</u>	<u>\$ 3,533,742</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

**CAPITAL ASSETS (Continued)**

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

<b>Business-type Activities:</b>	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
<b>Capital assets being depreciated:</b>				
Distribution system	\$ 1,122,508	\$ 83,864	\$ 0	\$ 1,206,372
<b>Less accumulated depreciation for:</b>				
Distribution system	<u>816,720</u>	<u>33,810</u>	<u>0</u>	<u>850,530</u>
<b>Business-type Activities assets, net</b>	<u>\$ 305,788</u>	<u>\$ 50,054</u>	<u>\$ 0</u>	<u>\$ 355,842</u>

Equipment additions include various items.

There was no construction in progress at year end.

Capitalization limits on capital assets was \$500 for the year ended June 30, 2015.

**DEBT ADMINISTRATION**

*Changes in Long-term Debt:* During the year ended June 30, 2015, the following changes occurred in long-term debt:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>	<u>Due within one year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 85,730	\$ 6,555	\$ 0	\$ 92,285	\$ 26,094
Net Pension Liability	<u>984,234</u>	<u>0</u>	<u>204,173</u>	<u>780,061</u>	<u>0</u>
<b>Total Governmental Activities     Long-Term Liabilities</b>	<u>\$ 1,069,964</u>	<u>\$ 6,555</u>	<u>\$204,173</u>	<u>\$ 872,346</u>	<u>\$ 26,094</u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 1,726	\$ 0	\$ 115	\$ 1,611	\$ 1,611
Net Pension Liability	<u>126,985</u>	<u>0</u>	<u>26,343</u>	<u>100,642</u>	<u>0</u>
<b>Total Business-Type Activities     Long-Term Liabilities</b>	<u>\$ 128,711</u>	<u>\$ 0</u>	<u>\$ 26,458</u>	<u>\$ 102,253</u>	<u>\$ 1,611</u>

**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

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***For the year ended June 30, 2015***

# **BASIC FINANCIAL STATEMENTS**



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Pooled cash and investments	\$ 3,899,534	\$ 317,952	\$ 4,217,486
Interest receivable	6,509	590	7,099
Taxes receivable	522	-	522
Due from other governments	70,634	-	70,634
Accounts receivable (net)	-	29,014	29,014
Inventory	-	56,044	56,044
Capital assets, net of accumulated depreciation	<u>3,533,742</u>	<u>355,842</u>	<u>3,889,584</u>
 Total assets	 <u>7,510,941</u>	 <u>759,442</u>	 <u>8,270,383</u>
<b>Deferred outflows of resources:</b>			
Deferred pension charge	<u>111,575</u>	<u>13,962</u>	<u>125,537</u>
<b>Liabilities:</b>			
Accounts payable	8,871	32,042	40,913
Accrued payroll and benefits	28,999	4,867	33,866
Customer deposits	-	13,562	13,562
Current portion of long term liabilities:			
Accrued compensated absences	26,094	1,611	27,705
Long term liabilities:			
Accrued compensated absences	66,191	-	66,191
Net pension liability	<u>780,061</u>	<u>100,642</u>	<u>880,703</u>
 Total liabilities	 <u>910,216</u>	 <u>152,724</u>	 <u>1,062,940</u>
<b>Deferred inflows of resources:</b>			
Deferred pension charge	<u>201,175</u>	<u>25,955</u>	<u>227,130</u>
<b>Net position:</b>			
Invested in capital assets, net of related debt	3,533,742	355,842	3,889,584
Restricted for:			
Capital projects	156,123	-	156,123
Public safety	63,913	-	63,913
Public works	300,128	-	300,128
Unrestricted	<u>2,457,219</u>	<u>238,883</u>	<u>2,696,102</u>
Total net position	<u>\$ 6,511,125</u>	<u>\$ 594,725</u>	<u>\$ 7,105,850</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF ACTIVITIES**  
**JUNE 30, 2015**

Functions/Programs	Program Revenues		Changes in Net Position		
	Expenses	Charges for Service	Governmental Activities	Business-type Activities	Total
<b>Primary governments:</b>					
General government	\$ (442,436)	\$ 4,083	\$ (438,353)	\$ -	\$ (438,353)
Public safety	(303,507)	-	(303,507)	-	(303,507)
Public works	(51,428)	5,763	(45,665)	-	(45,665)
Culture and recreation	(266,872)	31,942	(234,930)	-	(234,930)
<b>Total governmental activities</b>	<b>(1,064,243)</b>	<b>41,788</b>	<b>(1,022,455)</b>	<b>-</b>	<b>(1,022,455)</b>
<b>Business-type activities:</b>					
Water and sewer	(278,582)	287,336	-	8,754	8,754
<b>Total primary governments</b>	<b>\$ (1,342,825)</b>	<b>\$ 329,124</b>	<b>(1,022,455)</b>	<b>8,754</b>	<b>(1,013,701)</b>
<b>General Revenues:</b>					
Property taxes			1,044,514	-	1,044,514
Consolidated taxes			258,482	-	258,482
Public safety sales taxes			63,695	-	63,695
Fuel taxes			58,414	-	58,414
Investment income			20,748	1,882	22,630
Miscellaneous			-	35	35
<b>Total general revenues</b>			<b>1,445,853</b>	<b>1,917</b>	<b>1,447,770</b>
<b>Change in net position</b>			<b>423,398</b>	<b>10,671</b>	<b>434,069</b>
<b>Net position - beginning of year as restated</b>			<b>6,087,727</b>	<b>584,054</b>	<b>6,671,781</b>
<b>Net position - end of year</b>			<b>\$ 6,511,125</b>	<b>\$ 594,725</b>	<b>\$ 7,105,850</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, 2015**

	<u>Major Fund</u>		
	General	Other Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>			
Pooled cash and investments	\$ 3,398,373	\$ 501,161	\$ 3,899,534
Interest receivable	5,874	635	6,509
Taxes receivable	522	-	522
Due from other governments	<u>52,072</u>	<u>18,562</u>	<u>70,634</u>
 Total assets	 <u>\$ 3,456,841</u>	 <u>\$ 520,358</u>	 <u>\$ 3,977,199</u>
<b><u>Liabilities</u></b>			
Accounts payable	\$ 8,677	\$ 194	\$ 8,871
Accrued payroll	<u>28,999</u>	<u>-</u>	<u>28,999</u>
 Total liabilities	 <u>37,676</u>	 <u>194</u>	 <u>37,870</u>
<b><u>Deferred Inflows of Resources</u></b>			
Unavailable revenue-property taxes	<u>512</u>	<u>-</u>	<u>512</u>
<b><u>Fund Balance</u></b>			
Restricted for:			
Capital projects	-	156,123	156,123
Public safety	-	63,913	63,913
Public works	-	300,128	300,128
Assigned for subsequent year	3,147,946	-	3,147,946
Unassigned	<u>270,707</u>	<u>-</u>	<u>270,707</u>
 Total fund balance	 <u>3,418,653</u>	 <u>520,164</u>	 <u>3,938,817</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 3,456,841</u>	 <u>\$ 520,358</u>	 <u>\$ 3,977,199</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, 2015**

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**Total fund balance - governmental funds** **\$ 3,938,817**

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 statement because they are not current financial resources, but they are reported in the Statement of Net Position. 3,533,742

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 512

Certain liabilities, such as compensated absences are not reported in the governmental funds financial statement because they are not due and payable, but they are presented as liabilities in the Statement of Net Position. (92,285)

The Town's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred outflows from pension activity.	111,575
Net pension liability.	(780,061)
Deferred inflows from pension activity.	<u>(201,175)</u>

**Total net position - governmental activities** **\$ 6,511,125**

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, 2015**

	<u>Major Fund</u>		
	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 1,023,068	\$ -	\$ 1,023,068
Licenses and permits	3,233	-	3,233
Intergovernmental	258,482	143,618	402,100
Charges for services	33,372	-	33,372
Fines and forfeitures	850	-	850
Miscellaneous	<u>23,060</u>	<u>2,021</u>	<u>25,081</u>
 Total revenues	 <u>1,342,065</u>	 <u>145,639</u>	 <u>1,487,704</u>
<b>Expenditures:</b>			
General government	409,206	-	409,206
Public safety	235,070	-	235,070
Public works	45,845	16,455	62,300
Culture and recreation	<u>219,119</u>	<u>-</u>	<u>219,119</u>
 Total expenditures	 <u>909,240</u>	 <u>16,455</u>	 <u>925,695</u>
 Excess (deficiency) of revenues over expenditures	 432,825	 129,184	 562,009
<b>Fund balance:</b>			
Beginning of year	<u>2,985,828</u>	<u>390,980</u>	<u>3,376,808</u>
 End of year	 <u>\$ 3,418,653</u>	 <u>\$ 520,164</u>	 <u>\$ 3,938,817</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, 2015**

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<b>Net change in fund balance - governmental funds</b>	<b>\$ 562,009</b>
 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.	(133,013)
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 relate to prior periods that first become available in the current period should not be reported as revenue in the Statement of Activities.	(63)
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.	(6,915)
 Net differences between pension system contributions recognized in the fund statement of revenues, expenditures, and changes in fund balances and the Statement of Activities:	
Pension contributions made after measurement date (2015 contributions).	104,558
Net pension expense.	<u>(103,178)</u>
 <b>Change in net position of governmental activities</b>	 <b><u>\$ 423,398</u></b>

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

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***For the year ended June 30, 2015***

**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, 2015**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 340,682	\$ 340,682	\$ 332,898	\$ (7,784)
Net proceeds	-	-	690,170	690,170
Total taxes	<u>340,682</u>	<u>340,682</u>	<u>1,023,068</u>	<u>682,386</u>
<b>Licenses and permits:</b>				
Gaming licenses	2,000	2,000	2,273	273
Liquor licenses	<u>1,000</u>	<u>1,000</u>	<u>960</u>	<u>(40)</u>
Total licenses and permits	<u>3,000</u>	<u>3,000</u>	<u>3,233</u>	<u>233</u>
<b>Intergovernmental:</b>				
Consolidated tax	<u>231,340</u>	<u>231,340</u>	<u>258,482</u>	<u>27,142</u>
<b>Charges for services:</b>				
Swimming pool	4,000	4,000	3,266	(734)
Weight room fees	15,000	15,000	24,043	9,043
Water charges	<u>5,000</u>	<u>5,000</u>	<u>6,063</u>	<u>1,063</u>
Total charges for services	<u>24,000</u>	<u>24,000</u>	<u>33,372</u>	<u>9,372</u>
<b>Fines and forfeitures</b>	<u>1,000</u>	<u>1,000</u>	<u>850</u>	<u>(150)</u>
<b>Miscellaneous:</b>				
Rent	4,000	4,000	3,350	(650)
Investment income	<u>-</u>	<u>-</u>	<u>18,727</u>	<u>18,727</u>
Total miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>23,060</u>	<u>19,060</u>
<b>Total revenues</b>	<u>604,022</u>	<u>604,022</u>	<u>1,342,065</u>	<u>738,043</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, 2015**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Administration:</b>				
Salaries and wages	\$ 373,713	\$ 373,713	\$ 63,887	\$ 309,826
Employee benefits	35,990	35,990	37,147	(1,157)
Services and supplies	141,600	141,600	76,768	64,832
Capital outlay	59,000	59,000	8,151	50,849
Total administration	<u>610,303</u>	<u>610,303</u>	<u>185,953</u>	<u>424,350</u>
<b>Building and Grounds:</b>				
Salaries and wages	102,863	102,863	93,865	8,998
Employee benefits	52,455	52,455	45,125	7,330
Services and supplies	123,000	123,000	66,510	56,490
Capital outlay	104,500	104,500	17,753	86,747
Total building and grounds	<u>382,818</u>	<u>382,818</u>	<u>223,253</u>	<u>159,565</u>
Total general government	<u>993,121</u>	<u>993,121</u>	<u>409,206</u>	<u>583,915</u>
<b>Public Safety:</b>				
<b>Hadley Station:</b>				
Salaries and wages	177,959	177,959	125,322	52,637
Employee benefits	135,499	135,499	74,816	60,683
Services and supplies	144,700	144,700	34,932	109,768
Capital outlay	44,000	44,000	-	44,000
Total public safety	<u>502,158</u>	<u>502,158</u>	<u>235,070</u>	<u>267,088</u>
<b>Public Works:</b>				
<b>Highways and Streets:</b>				
Services and supplies	20,000	20,000	14,923	5,077
Capital outlay	25,000	25,000	23,750	1,250
<b>Round Mountain Water:</b>				
Services and supplies	25,000	25,000	7,172	17,828
Total public works	<u>70,000</u>	<u>70,000</u>	<u>45,845</u>	<u>24,155</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, 2015**

	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	\$ 65,280	\$ 65,280	\$ 20,325	\$ 44,955
Employee benefits	8,637	8,637	3,789	4,848
Services and supplies	44,200	44,200	15,250	28,950
Capital outlay	37,600	37,600	4,650	32,950
Total swimming pool	<u>155,717</u>	<u>155,717</u>	<u>44,014</u>	<u>111,703</u>
<b>Parks and recreation:</b>				
Salaries and wages	110,038	110,038	59,204	50,834
Employee benefits	55,749	55,749	14,592	41,157
Services and supplies	154,700	154,700	83,795	70,905
Capital outlay	22,000	22,000	17,514	4,486
Total parks and recreation	<u>342,487</u>	<u>342,487</u>	<u>175,105</u>	<u>167,382</u>
Total culture and recreation	<u>498,204</u>	<u>498,204</u>	<u>219,119</u>	<u>279,085</u>
Total expenditures	<u>2,063,483</u>	<u>2,063,483</u>	<u>909,240</u>	<u>1,154,243</u>
Excess (deficiency) of revenues over expenditures	(1,459,461)	(1,459,461)	432,825	1,892,286
<b>Fund balance:</b>				
Beginning of year	<u>3,179,998</u>	<u>3,179,998</u>	<u>2,985,828</u>	<u>(194,170)</u>
End of year	<u>\$ 1,720,537</u>	<u>\$ 1,720,537</u>	<u>\$ 3,418,653</u>	<u>\$ 1,698,116</u>

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

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***For the year ended June 30, 2015***

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

2015

**ASSETS**

Current assets:

Pooled cash and investments	\$	317,952
Interest receivable		590
Accounts receivable (net)		29,014
Inventory		56,044
Total current assets		403,600

Capital assets:

Equipment		1,206,372
Less accumulated depreciation		(850,530)
Capital assets (net of accumulated depreciation)		355,842
Total assets		759,442

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred pension charge		13,962
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**LIABILITIES**

Current liabilities:

Accounts payable		32,042
Accrued payroll		4,867
Customer deposits		13,562
Accrued compensated absences		1,611
Total current liabilities		52,082

Long term liabilities:

Net pension liability		100,642
Total liabilities		152,724

**DEFERRED INFLOWS OF RESOURCES**

Deferred pension charge		25,955
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**NET POSITION**

Invested in capital assets, net of related debt		355,842
Unrestricted		238,883
Total net position	\$	594,725

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, 2015**

	2015
<b>Operating Revenues:</b>	
Charges for services	\$ 287,336
<b>Operating Expenses:</b>	
Utility operations:	
Salaries and wages	40,940
Employee benefits	28,558
Services and supplies	175,274
Depreciation	33,810
Total operating expenses	<u>278,582</u>
<b>Operating income (loss)</b>	<u>8,754</u>
<b>Non-operating revenues (expenses):</b>	
Investment income	1,882
Miscellaneous income	35
Total non-operating revenues (expenses):	<u>1,917</u>
Net income (loss)	<u>10,671</u>
<b>Net Position:</b>	
Beginning of year	696,434
Restatement per GASB 68	<u>(112,380)</u>
Beginning of year as restated	<u>584,054</u>
End of year	<u>\$ 594,725</u>

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, 2015**

	2015
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 288,111
Cash paid for salaries and employee benefits	(80,806)
Cash paid for services and supplies	<u>(142,861)</u>
Cash provided by operating activities	<u>64,444</u>
<b>Cash flows from capital and related financing activities:</b>	
Purchase of capital assets	(83,864)
Miscellaneous	<u>35</u>
Cash provided by capital and related financing activities	<u>(83,829)</u>
<b>Cash flows from investing activities:</b>	
Investment income	<u>1,793</u>
Net increase in cash	(17,592)
<b>Cash:</b>	
Beginning of year	<u>335,544</u>
End of year	<u>\$ 317,952</u>
<b>Reconciliation of operating income (loss) to cash provided by operating activities:</b>	
Operating income (loss)	<u>\$ 8,754</u>
<b>Adjustments to reconcile operating income (loss) to cash provided by operating activities:</b>	
Depreciation	33,810
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(328)
(Increase) decrease in prepaid expenses	1,914
(Increase) decrease in inventory	(328)
Increase (decrease) in accounts payable	30,827
Increase (decrease) in accrued payroll	(11,448)
Increase (decrease) in compensated absences	(115)
Increase (decrease) in customer deposits	1,103
Increase (decrease) in net pension liability	(26,342)
Increase (decrease) in pension expenses	<u>26,597</u>
Total adjustments	<u>55,690</u>
<b>Cash provided by operating activities</b>	<u><b>\$ 64,444</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, 2015**

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**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.

**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, 2015**

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**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 balance, 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 fund:

**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.

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 and sewer 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, 2015**

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**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, 2015**

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**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, 2015**

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**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**

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, 2015**

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

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

**c. Net Proceeds**

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, 2015 through December 31, 2015 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, 2014 through December 31, 2014. Additional amounts due, based on actual business for the period ending December 31, 2015 are determined subsequent to December 31, 2015. Credits for overpayments of estimated tax received for the production year ending December 31, 2015 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, 2015, and is not reflected in the financial statement.

**d. 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, 2015, inventory reported in the proprietary funds was \$56,044.

Payments to vendors that will benefit periods beyond June 30, 2015, 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, 2015, prepaid expenses for the business-type activities are \$0.

**e. 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, 2015**

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

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

**f. 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. Deferred outflows include the Town's pension related contributions subsequent to the measurement date but before the end of the fiscal year and changes in proportion of the Town's contributions to the Town's proportionate contributions.

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.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The difference between projected and actual experience and investment earnings are related to the deferred inflows of pensions and the calculation of net pension liability reported on the statement of net position.

**g. Pensions**

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

**h. 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.

**i. Accrued Salaries and Benefits**

Town salaries earned but not paid by June 30, 2015, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2015.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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

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

**j. 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.

**k. 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.

**l. 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.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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

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

**m. 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.

**n. 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.

**o. 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.

**p. 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.

**q. 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.

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

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

**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.

**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	\$ 66,492
Depreciation expense	<u>(199,505)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (133,013)</u>

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

**1. Compliance and Accountability**

The Town conformed to significant statutory requirements regarding financial administration during the year. 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, 2015, no expenditures were over appropriations.



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**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, 2015, 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	\$ 2,457	\$ 31,804	\$ 34,261
Pooled cash and investments - Nye County Treasurer	<u>3,897,077</u>	<u>286,148</u>	<u>4,183,225</u>
<b>Total</b>	<b><u>\$ 3,899,534</u></b>	<b><u>\$ 317,952</u></b>	<b><u>\$ 4,217,486</u></b>

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, 2015.

**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 1.95 years.

As of June 30, 2015 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 to 10	>10
U.S. Treasuries	11.79%	36.95%	63.05%	0.00%	0.00%
U.S. Agencies	46.36%	24.40%	75.31%	0.29%	0.00%
Corporate Obligations	3.57%	3.33%	96.67%	0.00%	0.00%
Money market mutual fund	16.02%	100.00%	0.00%	0.00%	0.00%
Negotiable Certificates of Deposit	18.38%	6.68%	93.32%	0.00%	0.00%
NV Local Government Investment Pool	0.92%	100.00%	0.00%	0.00%	0.00%
Collateralized Mortgage Obligations	1.63%	22.88%	11.82%	8.78%	56.52%
Asset Backed Securities	1.33%	0.00%	72.97%	27.03%	0.00%
	<u>100.00%</u>				

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

**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, 2015, the Nye County Treasurer's investment pool ratings were as follows:

Investment Type	Quality Ratings by Moody's							
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	N/A
U.S. Treasuries	100%	0%	0%	0%	0%	0%	0%	0%
U.S. Agencies	100%	0%	0%	0%	0%	0%	0%	0%
Corporate Obligations	4%	5%	13%	4%	27%	30%	17%	0%
Money market mutual fund	100%	0%	0%	0%	0%	0%	0%	0%
Negotiable Certificates of Deposit	0%	0%	0%	0%	0%	0%	0%	100%
NV Local Government Investment Pool	0%	0%	0%	0%	0%	0%	0%	100%
Collateralized Mortgage Obligations	71%	0%	0%	0%	0%	0%	0%	29% *
Asset Backed Securities	64%	0%	0%	0%	0%	0%	0%	36% *

\*Securities rated AAA by Standard & 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, 2015 are as follows:

Federal Home Loan Banks (FHLB)	9.43%
Federal Home Loan Mortgage Corporation (FHLMC)	14.50%
Federal National Mortgage Association (FNMA)	18.53%
U.S. Treasury Notes	11.43%

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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

**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	Other Governmental	Enterprise	Total
<b>Receivables:</b>				
Interest receivable	\$ 5,874	\$ 635	\$ 590	\$ 7,099
Property taxes	522	0	0	522
<b>Due from other governments:</b>				
Consolidated taxes	48,492	0	0	48,492
Centrally assessed taxes	1,540	0	0	1,540
Fuel taxes	0	10,356	0	10,356
Public safety sales taxes	0	8,206	0	8,206
Other	2,040	0	0	2,040
Net accounts receivable-utility	<u>0</u>	<u>0</u>	<u>29,014</u>	<u>29,014</u>
Net total receivables	<u>\$ 58,468</u>	<u>\$ 19,197</u>	<u>\$ 29,604</u>	<u>\$ 107,269</u>

**3. Capital Assets**

Capital assets activity for the year ended June 30, 2015, was as follows:

**Governmental Activities:**

	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
<b>Capital assets not being depreciated:</b>					
Land	\$ 481,416	\$ 0	\$ 0	\$ 0	\$ 481,416
<b>Capital assets being depreciated</b>					
Building	3,495,164	0	0	0	3,495,164
Equipment	<u>1,803,600</u>	<u>66,492</u>	<u>0</u>	<u>0</u>	<u>1,870,092</u>
<b>Total capital assets being depreciated</b>	<u>5,298,764</u>	<u>66,492</u>	<u>0</u>	<u>0</u>	<u>5,365,256</u>
<b>Less accumulated depreciation for:</b>					
Building	750,698	97,512	0	0	848,210
Equipment	<u>1,362,727</u>	<u>101,993</u>	<u>0</u>	<u>0</u>	<u>1,464,720</u>
<b>Total accumulated depreciation</b>	<u>2,113,425</u>	<u>199,505</u>	<u>0</u>	<u>0</u>	<u>2,312,930</u>
<b>Total capital assets depreciated, net</b>	<u>3,185,339</u>	<u>(133,013)</u>	<u>0</u>	<u>0</u>	<u>3,052,326</u>
<b>Governmental activities assets, net</b>	<u>\$ 3,666,755</u>	<u>\$ (133,013)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,533,742</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2015**

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

**3. Capital Assets (Continued)**

**Business-Type Activities:**

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Capital assets being depreciated:</b>					
Distribution system	\$ 1,122,508	\$ 83,864	\$ 0	\$ 0	\$ 1,206,372
<b>Less accumulated depreciation for:</b>					
Distribution system	<u>816,720</u>	<u>33,810</u>	<u>0</u>	<u>0</u>	<u>850,530</u>
<b>Business-type activities assets, net</b>	<u>\$ 305,788</u>	<u>\$ 50,054</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 355,842</u>

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

**Governmental activities:**

General government	\$ 47,337
Public safety	46,926
Public works	12,878
Culture and recreation	<u>92,364</u>
	<u>\$ 199,505</u>

**Business activities:**

Water and sewer	<u>\$ 33,810</u>
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**Construction commitments:**

The Town has no active construction projects as of June 30, 2015.

**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 \$512 as of June 30, 2015.

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

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

**5. Long-Term Debt**

**Changes in General Long-Term Liabilities**

During the year ended June 30, 2015, the following changes occurred:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Due within one year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 85,730	\$ 6,555	\$ 0	\$ 92,285	\$ 26,094
Net Pension Liability	984,234	0	204,173	780,061	0
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,069,964</u>	<u>\$ 6,555</u>	<u>\$204,173</u>	<u>\$ 872,346</u>	<u>\$ 26,094</u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 1,726	\$ 0	\$ 115	\$ 1,611	\$ 1,611
Net Pension Liability	126,985	0	26,343	100,642	0
Total Business-Type Activities Long-Term Liabilities	<u>\$ 128,711</u>	<u>\$ 0</u>	<u>\$ 26,458</u>	<u>\$ 102,253</u>	<u>\$ 1,611</u>

Governmental type 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. There were no transfers between funds during the year ended June 30, 2015.

**7. 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, 2015**

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

**8. Contingent Liabilities**

**Litigation**

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

**9. Defined Benefit Pension Plan**

**Plan Description.** Half time and greater Town employees are provided pension benefits through 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 can be obtained at [www.nvpers.org](http://www.nvpers.org) under Quick Links — Publications.

**Benefits Provided.** Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

**Contributions:** Benefits for plan members are funded under the employer pay contribution plan. The Town is required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The Town's required contribution rate for the year ending June 30, 2015, was 25.75% for regular members and 40.50% for police and firemen. The Town has fully funded the amount due for the year ending June 30, 2015, of \$117,615.

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015**

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

**9. Defined Benefit Pension Plan (Continued)**

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

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

At June 30, 2015, the Town reported a liability of \$880,703 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2014. At June 30, 2014, the Town's proportion was 0.00845% percent.

For the year ended June 30, 2015, the Town recognized pension expense of \$116,490. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 0	\$ 42,146
Net difference between projected and actual earnings on pension plan investments	0	184,984
Changes in proportion and differences between Town contributions and proportionate share of contributions	7,922	0
Town Contributions subsequent to measurement date	117,615	0
Total	\$ 125,537	\$ 227,130

The Town reported \$117,615 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 52,250
2017	52,250
2018	52,250
2019	52,250
2020	6,004
2021	4,204
	\$ 219,208

**TOWN OF ROUND MOUNTAIN, NEVADA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2015**

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

**9. Defined Benefit Pension Plan (Continued)**

**Actuarial Assumptions:** The System's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.50%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	8.00%
Productivity pay increase	0.75%
Projected Salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%

Mortality rates were based on the RP-2000 Combined Healthy Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of the experience review completed in 2013. The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the Board-adopted policy target asset allocation as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed	30%	0.25%
Private Markets	10%	6.80%

\*As of June 30, 2014, PERS' long-term inflation assumption was 3.5%

**Discount Rate.** The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.



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***For the year ended June 30, 2015***

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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

**9. Defined Benefit Pension Plan (Continued)**

**Sensitivity of the Town's proportionate share of the net pension liability to change in the discount rate.** The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	<b>1.0% Decrease (7.0%)</b>	<b>Discount Rate (8.0%)</b>	<b>1.0% Increase (9.0%)</b>
Town's proportionate share of the net pension liability	\$ 1,371,598	\$ 880,703	\$ 475,009

**Pension Plan Fiduciary Net Position:** Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

**Pension contributions payable.** At June 30, 2015, the Town reported payables to the defined benefit pension plan of \$11,322 for legally required employer contributions which had not yet been remitted to PERS.

**10. Post-Employment 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, 2015, there were no retirees using the plan.

With no participating retired employees, at June 30, 2015, the Town's annual other postemployment benefit costs (expense) and net obligation is deemed to be zero.

**11. Change in Accounting Principle**

Effective July 1, 2014, the Town adopted GASB 68, *Accounting and Financial Reporting for Pensions* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements address accounting and financial reporting for pensions provided to the Town employees that are administered by the Public Employees' Retirement System of the State of Nevada (PERS). The statements also require various note disclosures and required supplementary information. As a result, beginning of year net position has been restated as follows:

	<b>Governmental- Type</b>	<b>Business- Type</b>
Net position previously reported, July 1, 2014	\$ 6,958,768	\$ 696,434
Net pension liability	(984,234)	(126,985)
Deferred outflows of resources for contributions made subsequent to the measurement date	113,193	14,605
Net position as restated	\$ 6,087,727	\$ 584,054

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***For the year ended June 30, 2015***

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF ROUND MOUNTAIN, NEVADA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO THE  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA  
JUNE 30, 2015**

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June 30,	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 117,615	\$ 127,797	\$ 127,055
Contributions in relation to the contractually required contribution	<u>117,615</u>	<u>127,797</u>	<u>127,055</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 381,663	\$ 441,946	\$ 457,098
Contributions as a percentage of covered-employee payroll	30.82%	28.92%	27.80%

*Information for 2006 through 2012 is not available.*

**TOWN OF ROUND MOUNTAIN, NEVADA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA  
JUNE 30, 2015**

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Reporting Year Ended June 30:	2015
Measurement Date June 30:	2014
Town's proportion of the net pension liability	0.00845%
Town's proportionate share of the net pension liability	880,703
Town's covered-employee payroll	441,946
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	199.28%
Plan fiduciary net position as a percentage of the total pension liability	76.31%

*Information for 2006 through 2014 is not available.*

## **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.**



**TOWN OF ROUND MOUNTAIN, NEVADA  
MAJOR FUND - GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2015 AND 2014**

	2015	2014
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 3,398,373	\$ 2,969,918
Interest receivable	5,874	5,686
Taxes receivable	522	618
Due from other governments	<u>52,072</u>	<u>61,644</u>
 Total assets	 <u>\$ 3,456,841</u>	 <u>\$ 3,037,866</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 8,677	\$ 13,995
Accrued payroll	<u>28,999</u>	<u>37,468</u>
 Total liabilities	 <u>37,676</u>	 <u>51,463</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Unavailable revenue-property taxes	<u>512</u>	<u>575</u>
<b><u>FUND BALANCE</u></b>		
Assigned for subsequent year	3,147,946	2,985,828
Unassigned	<u>270,707</u>	<u>-</u>
 Total fund balance	 <u>3,418,653</u>	 <u>2,985,828</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 3,456,841</u>	 <u>\$ 3,037,866</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, 2015**

(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance -	2014
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
Taxes	\$ 340,682	\$ 1,023,068	\$ 682,386	\$ 442,610
Licenses and permits	3,000	3,233	233	2,960
Intergovernmental	231,340	258,482	27,142	245,857
Charges for services	24,000	33,372	9,372	28,865
Fines and forfeitures	1,000	850	(150)	122
Miscellaneous	4,000	23,060	19,060	36,099
<b>Total revenues</b>	<u>604,022</u>	<u>1,342,065</u>	<u>738,043</u>	<u>756,513</u>
<b>Expenditures:</b>				
General government	993,121	409,206	583,915	523,772
Public safety	502,158	235,070	267,088	221,478
Public works	70,000	45,845	24,155	21,433
Culture and recreation	498,204	219,119	279,085	256,603
<b>Total expenditures</b>	<u>2,063,483</u>	<u>909,240</u>	<u>1,154,243</u>	<u>1,023,286</u>
Excess (deficiency) of revenues over expenditures	(1,459,461)	432,825	1,892,286	(266,773)
<b>Other financing sources (uses):</b>				
Operating transfers out	-	-	-	(501,000)
<b>Net change in fund balance</b>	(1,459,461)	432,825	1,892,286	(767,773)
<b>Fund balance:</b>				
Beginning of year	<u>3,179,998</u>	<u>2,985,828</u>	<u>(194,170)</u>	<u>3,753,601</u>
End of year	<u>\$ 1,720,537</u>	<u>\$ 3,418,653</u>	<u>\$ 1,698,116</u>	<u>\$ 2,985,828</u>

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***For the year ended June 30, 2015***

**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, 2015**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2014)**

	2015		Variance -	
	Budget	Actual	Positive (Negative)	2014 Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 340,682	\$ 332,898	\$ (7,784)	\$ 292,320
Net proceeds	-	690,170	690,170	150,290
Total taxes	<u>340,682</u>	<u>1,023,068</u>	<u>682,386</u>	<u>442,610</u>
<b>Licenses and permits:</b>				
Gaming licenses	2,000	2,273	273	1,800
Liquor licenses	1,000	960	(40)	1,160
Total licenses and permits	<u>3,000</u>	<u>3,233</u>	<u>233</u>	<u>2,960</u>
<b>Intergovernmental:</b>				
Consolidated tax	<u>231,340</u>	<u>258,482</u>	<u>27,142</u>	<u>245,857</u>
<b>Charges for services:</b>				
Swimming pool	4,000	3,266	(734)	4,050
Arcade/vending	-	-	-	52
Weight room fees	15,000	24,043	9,043	17,565
Water charges	5,000	6,063	1,063	7,198
Total charges for services	<u>24,000</u>	<u>33,372</u>	<u>9,372</u>	<u>28,865</u>
<b>Fines and forfeitures</b>	<u>1,000</u>	<u>850</u>	<u>(150)</u>	<u>122</u>
<b>Miscellaneous:</b>				
Rent	4,000	3,350	(650)	3,325
Investment income	-	18,727	18,727	24,896
Other	-	983	983	7,878
Total miscellaneous	<u>4,000</u>	<u>23,060</u>	<u>19,060</u>	<u>36,099</u>
<b>Total revenues</b>	<u>\$ 604,022</u>	<u>\$ 1,342,065</u>	<u>\$ 738,043</u>	<u>\$ 756,513</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, 2015**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2014)**

	2015		Variance -	
	Budget	Actual	Positive (Negative)	2014 Actual
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Administration:</b>				
Salaries and wages	\$ 373,713	\$ 63,887	\$ 309,826	\$ 94,371
Employee benefits	35,990	37,147	(1,157)	38,067
Services and supplies	141,600	76,768	64,832	82,126
Capital outlay	<u>59,000</u>	<u>8,151</u>	<u>50,849</u>	<u>-</u>
Total administration	<u>610,303</u>	<u>185,953</u>	<u>424,350</u>	<u>214,564</u>
<b>Building and Grounds:</b>				
Salaries and wages	102,863	93,865	8,998	94,401
Employee benefits	52,455	45,125	7,330	41,910
Services and supplies	123,000	66,510	56,490	75,667
Capital outlay	<u>104,500</u>	<u>17,753</u>	<u>86,747</u>	<u>97,230</u>
Total building and grounds	<u>382,818</u>	<u>223,253</u>	<u>159,565</u>	<u>309,208</u>
Total general government	<u>993,121</u>	<u>409,206</u>	<u>583,915</u>	<u>523,772</u>
<b>Public Safety:</b>				
<b>Hadley Station:</b>				
Salaries and wages	177,959	125,322	52,637	119,984
Employee benefits	135,499	74,816	60,683	69,969
Services and supplies	144,700	34,932	109,768	31,525
Capital outlay	<u>44,000</u>	<u>-</u>	<u>44,000</u>	<u>-</u>
Total public safety	<u>502,158</u>	<u>235,070</u>	<u>267,088</u>	<u>221,478</u>
<b>Public Works:</b>				
<b>Highways and Streets:</b>				
Services and supplies	20,000	14,923	5,077	13,823
Capital outlay	25,000	23,750	1,250	-
<b>Round Mountain Water:</b>				
Services and supplies	<u>25,000</u>	<u>7,172</u>	<u>17,828</u>	<u>7,610</u>
Total public works	<u>\$ 70,000</u>	<u>\$ 45,845</u>	<u>\$ 24,155</u>	<u>\$ 21,433</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, 2015**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2014)**

	2015		Variance -	
	Budget	Actual	Positive (Negative)	2014 Actual
<b>Expenditures (Continued):</b>				
<b>Culture and Recreation:</b>				
<b>Swimming Pool:</b>				
Salaries and wages	\$ 65,280	\$ 20,325	\$ 44,955	\$ 13,526
Employee benefits	8,637	3,789	4,848	1,159
Services and supplies	44,200	15,250	28,950	19,154
Capital outlay	<u>37,600</u>	<u>4,650</u>	<u>32,950</u>	<u>5,275</u>
 Total swimming pool	 <u>155,717</u>	 <u>44,014</u>	 <u>111,703</u>	 <u>39,114</u>
 <b>Parks and recreation:</b>				
Salaries and wages	110,038	59,204	50,834	91,819
Employee benefits	55,749	14,592	41,157	37,169
Services and supplies	154,700	83,795	70,905	73,752
Capital outlay	<u>22,000</u>	<u>17,514</u>	<u>4,486</u>	<u>14,749</u>
 Total parks and recreation	 <u>342,487</u>	 <u>175,105</u>	 <u>167,382</u>	 <u>217,489</u>
 Total culture and recreation	 <u>498,204</u>	 <u>219,119</u>	 <u>279,085</u>	 <u>256,603</u>
 Total expenditures	 <u>2,063,483</u>	 <u>909,240</u>	 <u>1,154,243</u>	 <u>1,023,286</u>
 Excess (deficiency) of revenues over expenditures	 (1,459,461)	 432,825	 1,892,286	 (266,773)
 <b>Other financing sources (uses):</b>				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(501,000)</u>
 Net change in fund balance	 (1,459,461)	 432,825	 1,892,286	 (767,773)
 <b>Fund balance:</b>				
Beginning of year	<u>3,179,998</u>	<u>2,985,828</u>	<u>(194,170)</u>	<u>3,753,601</u>
 End of year	 <u>\$ 1,720,537</u>	 <u>\$ 3,418,653</u>	 <u>\$ 1,698,116</u>	 <u>\$ 2,985,828</u>

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***For the year ended June 30, 2015***

## **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.**



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***For the year ended June 30, 2015***

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE SCHEDULE OF NET POSITION**  
**JUNE 30, 2015 AND 2014**

	2015	2014
<b><u>ASSETS</u></b>		
Current assets:		
Pooled cash and investments	\$ 317,952	\$ 335,544
Interest receivable	590	501
Accounts receivable (net)	29,014	28,686
Prepaid expenses	-	1,914
Inventory	56,044	55,716
Total current assets	<u>403,600</u>	<u>422,361</u>
Capital assets:		
Equipment	1,206,372	1,122,508
Less accumulated depreciation	<u>(850,530)</u>	<u>(816,720)</u>
Capital assets (net of accumulated depreciation)	<u>355,842</u>	<u>305,788</u>
Total assets	<u>759,442</u>	<u>728,149</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred pension charge	<u>13,962</u>	<u>-</u>
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable	32,042	1,215
Accrued payroll	4,867	16,315
Customer deposits	13,562	12,459
Accrued compensated absences	<u>1,611</u>	<u>1,726</u>
Total current liabilities	52,082	31,715
Long term liabilities:		
Net pension liability	<u>100,642</u>	<u>-</u>
Total liabilities	<u>152,724</u>	<u>31,715</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Deferred pension charge	<u>25,955</u>	<u>-</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets, net of related debt	355,842	305,788
Unrestricted	<u>238,883</u>	<u>390,646</u>
Total net position	<u>\$ 594,725</u>	<u>\$ 696,434</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, 2015**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2014)**

	2015		Variance - Positive (Negative)	2014 Actual
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 260,000	\$ 287,336 ✓	\$ 27,336	\$ 285,064
<b>Operation expenses:</b>				
Utility operations:				
Salaries and wages	80,505	40,940 ✓	39,565	46,946
Employee benefits	43,165	28,558 ✓	14,607	25,218
Services and supplies	263,750	175,274 ✓	88,476	102,347
Depreciation	60,000	33,810 ✓	26,190	48,045
Capital Outlay	160,000	-	160,000	-
<b>Total operating expenses</b>	<b>607,420</b>	<b>278,582</b>	<b>328,838</b>	<b>222,556</b>
<b>Operating income (loss)</b>	<b>(347,420)</b>	<b>8,754 ✓</b>	<b>356,174</b>	<b>62,508</b>
<b>Non-operating revenues (expenses):</b>				
Investment income	-	1,882 ✓	1,882	2,166
Miscellaneous	-	35 ✓	35	237
<b>Total non-operating revenues (expenses)</b>	<b>-</b>	<b>1,917</b>	<b>1,917</b>	<b>2,403</b>
<b>Change in net position</b>	<b>\$ (347,420)</b>	<b>10,671 ✓</b>	<b>\$ 358,091</b>	<b>64,911</b>
<b>Net position:</b>				
Beginning of year		696,434		631,523
Restatement per GASB 68		(112,380)		-
Beginning of year as restated		584,054		631,523
End of year		<b>\$ 594,725 ✓</b>		<b>\$ 696,434</b>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE SCHEDULE OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 288,111	\$ 290,117
Cash paid for salaries, wages and employee benefits	(80,806)	(80,816)
Cash paid for services and supplies	(142,861)	(114,124)
Cash provided by operating activities	<u>64,444</u>	<u>95,177</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchase of capital assets	(83,864)	(1,638)
Miscellaneous	35	237
Cash provided (used) by capital and related financing activities	<u>(83,829)</u>	<u>(1,401)</u>
<b>Cash flows from investing activities:</b>		
Cash received from investments	<u>1,793</u>	<u>2,018</u>
Net increase (decrease) in cash	(17,592)	95,794
<b>Cash:</b>		
Beginning of year	<u>335,544</u>	<u>239,750</u>
End of year	<u>\$ 317,952</u>	<u>\$ 335,544</u>
<b>Reconciliation of operating income (loss) to cash provided by operating activities:</b>		
Operating income (loss)	<u>\$ 8,754</u>	<u>\$ 62,508</u>
<b>Adjustments to reconcile operating income (loss) to cash provided by operating activities:</b>		
Depreciation	33,810	48,045
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(328)	6,194
(Increase) decrease in prepaid expenses	1,914	(1,914)
(Increase) decrease in inventory	(328)	328
Increase (decrease) in accounts payable	30,827	(10,191)
Increase (decrease) in accrued payroll	(11,448)	1,464
Increase (decrease) in compensated absences	(115)	(10,116)
Increase (decrease) in customer deposits	1,103	(1,141)
Increase (decrease) in net pension liability	(26,342)	-
Increase (decrease) in pension expenses	26,597	-
Total adjustments	<u>55,690</u>	<u>32,669</u>
<b>Cash provided by operating activities</b>	<u>\$ 64,444</u>	<u>\$ 95,177</u>

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***For the year ended June 30, 2015***

**NONMAJOR  
GOVERNMENTAL FUNDS**

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

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2015  
(With Comparative Totals for June 30, 2014)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2015 Totals	2014 Totals
<b><u>ASSETS</u></b>				
Pooled cash and investments	\$ 345,111	\$ 156,050	\$ 501,161	\$ 375,003
Interest receivable	562	73	635	454
Due from other governments	<u>18,562</u>	<u>-</u>	<u>18,562</u>	<u>16,218</u>
<b>Total assets</b>	<b><u>\$ 364,235</u></b>	<b><u>\$ 156,123</u></b>	<b><u>\$ 520,358</u></b>	<b><u>\$ 391,675</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable	<u>\$ 194</u>	<u>\$ -</u>	<u>\$ 194</u>	<u>\$ 695</u>
<b><u>FUND BALANCE</u></b>				
Restricted for capital projects	-	156,123	156,123	134,384
Restricted for public safety	63,913	-	63,913	-
Restricted for public works	<u>300,128</u>	<u>-</u>	<u>300,128</u>	<u>256,596</u>
<b>Total fund balance</b>	<b><u>364,041</u></b>	<b><u>156,123</u></b>	<b><u>520,164</u></b>	<b><u>390,980</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 364,235</u></b>	<b><u>\$ 156,123</u></b>	<b><u>\$ 520,358</u></b>	<b><u>\$ 391,675</u></b>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2015  
(With Comparative Totals for June 30, 2014)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2015 Totals	2014 Totals
<b>Revenues:</b>				
Intergovernmental	\$ 122,109	\$ 21,509	\$ 143,618	\$ 82,505
Miscellaneous	<u>1,791</u>	<u>230</u>	<u>2,021</u>	<u>2,104</u>
<b>Total revenues</b>	<u>123,900</u>	<u>21,739</u>	<u>145,639</u>	<u>84,609</u>
<b>Expenditures:</b>				
Public works	16,455	-	16,455	13,689
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>603,603</u>
<b>Total expenditures</b>	<u>16,455</u>	<u>-</u>	<u>16,455</u>	<u>617,292</u>
Excess (deficiency) of revenues over expenditures	107,445	21,739	129,184	(532,683)
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,000</u>
<b>Net change in fund balance</b>	107,445	21,739	129,184	(31,683)
<b>Fund balance:</b>				
Beginning of year	<u>256,596</u>	<u>134,384</u>	<u>390,980</u>	<u>422,663</u>
End of year	<u>\$ 364,041</u>	<u>\$ 156,123</u>	<u>\$ 520,164</u>	<u>\$ 390,980</u>



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***For the year ended June 30, 2015***

## **NONMAJOR SPECIAL REVENUE FUND**

**Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.**

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

**Public Safety Sales Tax Funds are used for sales taxes collected and expensed for public safety.**

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEETS  
June 30, 2015**

	Road	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire	2015 Totals	2014 Totals
<b>Assets:</b>					
Pooled cash and investments	\$ 289,472	\$ 27,819	\$ 27,820	\$ 345,111	\$ 240,676
Interest receivable	494	34	34	562	397
Due from other governments	<u>10,356</u>	<u>4,103</u>	<u>4,103</u>	<u>18,562</u>	<u>16,218</u>
 Total assets	 <u>\$ 300,322</u>	 <u>\$ 31,956</u>	 <u>\$ 31,957</u>	 <u>\$ 364,235</u>	 <u>\$ 257,291</u>
<b>Liabilities:</b>					
Accounts payable	\$ 194	\$ -	\$ -	\$ 194	\$ 695
<b>Fund Balance:</b>					
Restricted for public safety	-	31,956	31,957	63,913	-
Restricted for public works	<u>300,128</u>	<u>-</u>	<u>-</u>	<u>300,128</u>	<u>256,596</u>
 Total fund balance	 <u>300,128</u>	 <u>31,956</u>	 <u>31,957</u>	 <u>364,041</u>	 <u>256,596</u>
 Total liabilities and fund balance	 <u>\$ 300,322</u>	 <u>\$ 31,956</u>	 <u>\$ 31,957</u>	 <u>\$ 364,235</u>	 <u>\$ 257,291</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2015**

	Road	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire	2015 Totals	2014 Totals
<b>Revenues:</b>					
Intergovernmental	\$ 58,414	\$ 31,847	\$ 31,848	\$ 122,109	\$ 63,295
Miscellaneous	<u>1,573</u>	<u>109</u>	<u>109</u>	<u>1,791</u>	<u>1,796</u>
Total revenues	59,987	31,956	31,957	123,900	65,091
<b>Expenditures:</b>					
Public works	<u>16,455</u>	<u>-</u>	<u>-</u>	<u>16,455</u>	<u>13,689</u>
Excess (deficiency) of revenues over expenditures	43,532	31,956	31,957	107,445	51,402
<b>Fund balance:</b>					
Beginning of year	<u>256,596</u>	<u>-</u>	<u>-</u>	<u>256,596</u>	<u>205,194</u>
End of year	<u>\$ 300,128</u>	<u>\$ 31,956</u>	<u>\$ 31,957</u>	<u>\$ 364,041</u>	<u>\$ 256,596</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR FUND - ROAD SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2015 and 2014**

	2015	2014
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 289,472	\$ 240,676
Interest receivable	494	397
Due from other governments	<u>10,356</u>	<u>16,218</u>
 Total assets	 <u>\$ 300,322</u>	 <u>\$ 257,291</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 194	\$ 695
 <b><u>FUND BALANCE</u></b>		
Restricted for public works	<u>300,128</u>	<u>256,596</u>
 Total liabilities and fund balance	 <u>\$ 300,322</u>	 <u>\$ 257,291</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, 2015**

(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance -	2014
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Gas tax \$1.75	\$ 25,000	\$ 58,414	\$ 33,414	\$ 63,295
<b>Miscellaneous:</b>				
Investment income	-	1,573	1,573	1,796
Total revenues	<u>25,000</u>	<u>59,987</u>	<u>34,987</u>	<u>65,091</u>
<b>Expenditures:</b>				
<b>Public works:</b>				
Services and supplies	90,000	16,455	73,545	13,689
Capital outlay	<u>25,000</u>	-	<u>25,000</u>	-
Total expenditures	<u>115,000</u>	<u>16,455</u>	<u>98,545</u>	<u>13,689</u>
Excess (deficiency) of revenues over expenditures	(90,000)	43,532	133,532	51,402
<b>Fund balance:</b>				
Beginning of year	<u>212,363</u>	<u>256,596</u>	<u>44,233</u>	<u>205,194</u>
End of year	<u>\$ 122,363</u>	<u>\$ 300,128</u>	<u>\$ 177,765</u>	<u>\$ 256,596</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND**  
**BALANCE SHEET**  
**JUNE 30, 2015**

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2015

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**ASSETS**

Pooled cash and investments	\$ 27,819
Interest receivable	34
Due from other governments	<u>4,103</u>
 Total assets	 <u>\$ 31,956</u>

**LIABILITIES**

Accounts payable	\$ -
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**FUND BALANCE**

Restricted for public safety	<u>31,956</u>
 Total liabilities and fund balance	 <u>\$ 31,956</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 2015

	2015		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
<b>Intergovernmental:</b>			
Public safety tax - Nye County	\$ -	\$ 31,847	\$ 31,847
<b>Miscellaneous:</b>			
Investment income	-	109	109
Total revenues	-	31,956	31,956
<b>Expenditures:</b>			
<b>Intergovernmental:</b>			
Nye County	-	-	-
Excess (deficiency) of revenues over expenditures	-	31,956	31,956
<b>Fund balance:</b>			
Beginning of year	-	-	-
End of year	\$ -	\$ 31,956	\$ 31,956



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND**  
**BALANCE SHEET**  
**JUNE 30, 2015**

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2015

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**ASSETS**

Pooled cash and investments	\$ 27,820
Interest receivable	34
Due from other governments	<u>4,103</u>
 Total assets	 <u>\$ 31,957</u>

**LIABILITIES**

Accounts payable	\$ -
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**FUND BALANCE**

Restricted for public safety	<u>31,957</u>
 Total liabilities and fund balance	 <u>\$ 31,957</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 2015

	2015		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
<b>Intergovernmental:</b>			
Public safety tax - Nye County	\$ -	\$ 31,848	\$ 31,848
<b>Miscellaneous:</b>			
Investment income	-	109	109
Total revenues	-	31,957	31,957
<b>Expenditures:</b>			
<b>Public safety:</b>			
Capital outlay	-	-	-
Excess (deficiency) of revenues over expenditures	-	31,957	31,848
<b>Fund balance:</b>			
Beginning of year	-	-	-
End of year	\$ -	\$ 31,957	\$ 31,957

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***For the year ended June 30, 2015***

## **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.**

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

**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 CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEETS  
June 30, 2015**

	Capital Projects Fund	Special Ad Valorem Capital Projects Fund	2015 Totals	2014 Totals
<b>Assets:</b>				
Pooled cash and investments	\$ 80,047	\$ 76,003	\$ 156,050	\$ 134,327
Interest receivable	<u>-</u>	<u>73</u>	<u>73</u>	<u>57</u>
Total assets	<u>\$ 80,047</u>	<u>\$ 76,076</u>	<u>\$ 156,123</u>	<u>\$ 134,384</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
<b>Fund Balance:</b>				
Restricted for capital projects	<u>80,047</u>	<u>76,076</u>	<u>156,123</u>	<u>134,384</u>
Total liabilities and fund balance	<u>\$ 80,047</u>	<u>\$ 76,076</u>	<u>\$ 156,123</u>	<u>\$ 134,384</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2015**

	Capital Projects Fund	Special Ad Valorem Capital Projects Fund	2015 Totals	2014 Totals
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 21,509	\$ 21,509	\$ 19,210
Miscellaneous	-	230	230	308
<b>Total revenues</b>	-	21,739	21,739	19,518
<b>Expenditures:</b>				
Capital projects	-	-	-	603,603
Excess (deficiency) of revenues over expenditures	-	21,739	21,739	(584,085)
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	501,000
<b>Net change in fund balance</b>	-	21,739	21,739	(83,085)
<b>Fund balance:</b>				
Beginning of year	80,047	54,337	134,384	217,469
End of year	\$ 80,047	\$ 76,076	\$ 156,123	\$ 134,384

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND - CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2015 AND 2014**

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	2015	2014
<b><u>ASSETS</u></b>		
Pooled cash and investments	<u>\$ 80,047</u>	<u>\$ 80,047</u>
<b><u>FUND BALANCE</u></b>		
Restricted for capital projects	<u>\$ 80,047</u>	<u>\$ 80,047</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance - Positive (Negative)	2014 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Capital projects	-	-	-	603,603
Excess (deficiency) of revenues over expenditures	-	-	-	(603,603)
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	501,000
Net change in fund balance	-	-	-	(102,603)
<b>Fund balance:</b>				
Beginning of year	80,047	80,047	-	182,650
End of year	<u>\$ 80,047</u>	<u>\$ 80,047</u>	<u>\$ -</u>	<u>\$ 80,047</u>



**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2015 AND 2014**

	2015	2014
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 76,003	\$ 54,280
Interest receivable	<u>73</u>	<u>57</u>
Total assets	<u>\$ 76,076</u>	<u>\$ 54,337</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE</u></b>		
Restricted for capital projects	<u>76,076</u>	<u>54,337</u>
Total liabilities and fund balance	<u>\$ 76,076</u>	<u>\$ 54,337</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, 2015**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2013)**

	2015		Variance - Positive (Negative)	2014 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
County	\$ 20,000	\$ 21,509	\$ 1,509	\$ 19,210
<b>Miscellaneous:</b>				
Investment income	<u>-</u>	<u>230</u>	<u>230</u>	<u>308</u>
Total revenues	20,000	21,739	1,739	19,518
<b>Expenditures:</b>				
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	20,000	21,739	1,739	19,518
<b>Fund balance:</b>				
Beginning of year	<u>54,819</u>	<u>54,337</u>	<u>(482)</u>	<u>34,819</u>
End of year	<u>\$ 74,819</u>	<u>\$ 76,076</u>	<u>\$ 1,257</u>	<u>\$ 54,337</u>

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***For the year ended June 30, 2015***

# COMPLIANCE

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*For the year ended June 30, 2015*

## 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 INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated January 15, 2016.

#### **Internal Control over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

A handwritten signature in dark ink, appearing to read "Daniel M. Smith".

Las Vegas, Nevada  
January 15, 2016

**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

**AUDITOR'S COMMENTS**

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

In connection with my audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Round Mountain, Nevada (the Town) as of and for the year ended June 30, 2015, and the related notes to the financial statements, nothing came to my attention that caused me to believe that the Town failed to comply with the specific requirements of Nevada Revised Statutes referenced below in so far as they relate to accounting matters except as noted below. However, my audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had I performed additional procedures, other matters may have come to my attention regarding the Town's noncompliance with the requirements of Nevada Revised Statutes noted below, in so far as they relate to accounting matters.

**CURRENT YEAR STATUTE COMPLIANCE**

***Public Safety Tax***

Nye County adopted ordinance 443 on October 28, 2013, implementing the Nye County Sales and Use Tax Act of 2007, increasing sales and use tax by one-half of one percent. The tax is to be used for public safety. The tax became effective April 1, 2014. Questions concerning the administration of the tax were posed to the Nevada Attorney General's Office by the Nye County District Attorney. The opinion from the Attorney General's Office dated November 12, 2015 caused changes in the administering of the tax. Special Revenue funds for each town within Nye County are to be used to account for the tax, rather than one County fund, to demonstrate compliance with the tax act. Special Revenue funds have been presented in the financial statements of Town of Round Mountain, Nevada; however, formal resolutions creating the funds and budget authorization have not been approved by the Town Board as of the release of the financial statements. Resolutions for fund creation and budget augmentations/authorizations should be drafted and presented to the Town Board for approval to formalize compliance with the Public Safety Sales and Use Tax Act of 2007 and the Attorney General's Opinion.

**PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE**

The Town did not have compliance findings in the prior year.

**PRIOR YEAR RECOMMENDATIONS**

I noted no material weakness and no significant deficiency in internal controls.

**CURRENT YEAR RECOMMENDATIONS**

I noted no material weakness and no significant deficiency in internal controls.



**NEVADA REVISED STATUTE 354.59815 – SPECIAL AD VALOREM CAPITAL PROJECTS FUND**

*Special Ad Valorem Capital Projects Fund*

The Town established the Special Ad Valorem Capital Projects Fund in accordance with Nevada Revised Statutes 354.59815. There were no projects funded during the year. The Town plans to accumulate money in the fund.

**NEVADA REVISED STATUTE 354.6113-CAPITAL PROJECTS**

*Capital Projects Fund*

The County established the Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. There were no projects funded during the year. Planned sources of revenue for the following year are fund balance carryover. There are no planned expenditures, the Town plans to accumulate fund balance.

A handwritten signature in dark ink, appearing to be "Daniel M. [unclear]", is written over the text of the second paragraph.

Las Vegas, Nevada  
January 15, 2016

