

TOWN OF ROUND MOUNTAIN, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL MATERIAL
YEAR ENDED JUNE 30, 2000



**TOWN OF ROUND MOUNTAIN, NEVADA
 REPORT ON FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2000
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**TOWN OF ROUND MOUNTAIN, NEVADA
ELECTED TOWN OFFICIALS
JUNE 30, 2000**

CHAIRPERSON

L. C. "Bud" Hansen

TOWN COUNCIL

Ruth Purdy

Mark Ioli

Tina Winters

Marianne Firebaugh

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DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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Independent Auditor's Report

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

I have audited the accompanying general purpose financial statements of the Town of Round Mountain, as of and for the year ended June 30, 2000 as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Round Mountain, Nevada's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly in all material respects the financial position of the Town of Round Mountain, as of June 30, 2000 and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Round Mountain, Nevada. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects, in relation to the general purpose financial statements taken as a whole

Daniel McArthur, Ltd.

Las Vegas, Nevada
November 10, 2000

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of my office at [City], [State], this [Day] day of [Month], 20[Year].

[Signature]

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TOWN OF ROUND MOUNTAIN, NEVADA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000
(With Comparative Totals for June 30, 1999)

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<u>Assets</u>			
Pooled cash and investments	\$ 336,482	\$ 71,067	\$ 94,827
Interest receivable	1,810	352	490
Delinquent property tax	329	0	0
Due from other governments	42,253	6,207	0
Accounts receivable (net)	0	0	0
Inventory	0	0	0
Due from other funds	0	0	0
Fixed assets (net)	0	0	0
<u>Other Debits</u>			
Amount to be provided for retirement of capital leases/compensated absences	0	0	0
Total assets and other debits	<u>\$ 380,874</u>	<u>\$ 77,626</u>	<u>\$ 95,317</u>
<u>Liabilities</u>			
Accounts payable	\$ 24,212	\$ 1,436	\$ 0
Accrued payroll	16,364	0	0
Customer deposits	0	0	0
Deferred taxes	320	0	0
Due to other funds	0	0	0
Accrued compensated absences	0	0	0
Total liabilities	<u>40,896</u>	<u>1,436</u>	<u>0</u>
<u>Equity and Other Credits</u>			
Contributed in capital	0	0	0
Investment in fixed assets	0	0	0
Retained earnings - unreserved	0	0	0
Fund balance:			
Unreserved:			
Designated for subsequent year	294,563	72,752	89,511
Undesignated	45,415	3,438	5,806
Total equity and other credits	<u>339,978</u>	<u>76,190</u>	<u>95,317</u>
Total liabilities, equity, and other credits	<u>\$ 380,874</u>	<u>\$ 77,626</u>	<u>\$ 95,317</u>

Proprietary Fund Type	Account Groups			Totals	
	Fixed Assets	General Long-Term Debt	(Memorandum Only)		
			2000	1999	
Enterprise					
\$ 45,010	\$ 0	\$ 0	\$ 547,386	\$ 619,917	
126	0	0	2,778	2,439	
0	0	0	329	146	
0	0	0	48,460	53,599	
27,572	0	0	27,572	24,819	
28,783	0	0	28,783	0	
0	0	0	0	2,084	
927,714	2,367,243	0	3,294,957	3,266,518	
<u>0</u>	<u>0</u>	<u>26,684</u>	<u>26,684</u>	<u>33,498</u>	
<u>\$ 1,029,205</u>	<u>\$ 2,367,243</u>	<u>\$ 26,684</u>	<u>\$ 3,976,949</u>	<u>\$ 4,003,020</u>	
\$ 7,030	\$ 0	\$ 0	\$ 32,678	\$ 20,288	
107	0	0	16,471	23,526	
2,550	0	0	2,550	1,240	
0	0	0	320	30,138	
0	0	0	0	2,084	
0	0	26,684	26,684	33,498	
<u>9,687</u>	<u>0</u>	<u>26,684</u>	<u>78,703</u>	<u>110,774</u>	
907,646	0	0	907,646	955,560	
0	2,367,243	0	2,367,243	2,310,958	
111,872	0	0	111,872	13,294	
0	0	0	456,826	0	
0	0	0	54,659	612,434	
<u>1,019,518</u>	<u>2,367,243</u>	<u>0</u>	<u>3,898,246</u>	<u>3,892,246</u>	
<u>\$ 1,029,205</u>	<u>\$ 2,367,243</u>	<u>\$ 26,684</u>	<u>\$ 3,976,949</u>	<u>\$ 4,003,020</u>	

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Year Ended June 30, 1999)

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Revenues:			
Taxes	\$ 264,226	\$ 0	\$ 0
Fines and forfeitures	2,391	0	0
Licenses and permits	5,023	0	0
Intergovernmental	186,273	34,573	12,278
Charges for services	9,908	0	0
Other	34,559	3,575	5,066
Total revenues	<u>502,380</u>	<u>38,148</u>	<u>17,344</u>
Expenditures:			
Current:			
General Government	307,804	0	0
Public safety	121,218	0	0
Public works	27,260	21,710	0
Culture and recreation	172,691	0	0
Capital projects	0	0	8,138
Debt service:			
Principal	0	0	0
Interest	0	0	0
Total expenditures	<u>628,973</u>	<u>21,710</u>	<u>8,138</u>
Excess (deficiency) of revenues over expenditures	<u>(126,593)</u>	<u>16,438</u>	<u>9,206</u>
Other financing sources (uses):			
Operating transfer in	0	0	0
Operating transfer out	0	0	0
Total other sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(126,593)</u>	<u>16,438</u>	<u>9,206</u>
Fund balance:			
Beginning of year	<u>466,571</u>	<u>59,752</u>	<u>86,111</u>
End of year	<u>\$ 339,978</u>	<u>\$ 76,190</u>	<u>\$ 95,317</u>

Total	
(Memorandum Only)	
2000	1999
\$ 264,226	\$ 303,160
2,391	2,308
5,023	4,625
233,124	220,535
9,908	10,283
43,200	51,643
<u>557,872</u>	<u>592,554</u>
307,804	263,225
121,218	128,575
48,970	39,603
172,691	164,888
8,138	7,800
0	4,061
0	108
<u>658,821</u>	<u>608,260</u>
<u>(100,949)</u>	<u>(15,706)</u>
0	69,302
0	(69,302)
<u>0</u>	<u>0</u>
(100,949)	(15,706)
<u>612,434</u>	<u>628,140</u>
<u>\$ 511,485</u>	<u>\$ 612,434</u>

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2000

Page 1 of 2

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 234,671	\$ 264,226	\$ 29,555
Fines and forfeitures	1,000	2,391	1,391
Licenses and permits	3,500	5,023	1,523
Intergovernmental	182,616	186,273	3,657
Charges for services	8,520	9,908	1,388
Other	38,000	34,559	(3,441)
Total revenues	<u>468,307</u>	<u>502,380</u>	<u>34,073</u>
Expenditures:			
Current:			
General Government	462,054	307,804	154,250
Public safety	145,127	121,218	23,909
Public works	33,500	27,260	6,240
Culture and recreation	221,458	172,691	48,767
Contingency	3,013	0	3,013
Capital outlay	0	0	0
Debt service:			
Principal	0	0	0
Interest	0	0	0
Total expenditures	<u>865,152</u>	<u>628,973</u>	<u>236,179</u>
Excess (deficiency) of revenues over expenditures	<u>(396,845)</u>	<u>(126,593)</u>	<u>270,252</u>
Other financing sources (uses):			
Operating transfer in	0	0	0
Operating transfer out	(80,000)	0	80,000
Total other financing sources (uses)	<u>(80,000)</u>	<u>0</u>	<u>80,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(476,845)</u>	<u>(126,593)</u>	<u>350,252</u>
Fund balance:			
Beginning of year	<u>476,973</u>	<u>466,571</u>	<u>(10,402)</u>
End of year	<u>\$ 128</u>	<u>\$ 339,978</u>	<u>\$ 339,850</u>

Special Revenue Fund

Budget	Actual	Variance - Favorable (Unfavorable)
\$ 0	\$ 0	\$ 0
0	0	0
0	0	0
30,000	34,573	4,573
0	0	0
0	3,575	3,575
<u>30,000</u>	<u>38,148</u>	<u>8,148</u>
0	0	0
0	0	0
66,088	21,710	44,378
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>66,088</u>	<u>21,710</u>	<u>44,378</u>
<u>(36,088)</u>	<u>16,438</u>	<u>52,526</u>
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
(36,088)	16,438	52,526
<u>36,088</u>	<u>59,752</u>	<u>23,664</u>
<u>\$ 0</u>	<u>\$ 76,190</u>	<u>\$ 76,190</u>

See accompanying notes to financial statements

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TOWN OF ROUND MOUNTAIN, NEVADA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2000

Page 2 of 2

	Capital Projects Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	0	\$ 0	\$ 0
Fines and forfeitures	0	0	0
Licenses and permits	0	0	0
Intergovernmental	10,000	12,278	2,278
Charges for services	0	0	0
Other	0	5,066	5,066
Total revenues	<u>10,000</u>	<u>17,344</u>	<u>7,344</u>
Expenditures:			
Current:			
General Government	0	0	0
Public safety	0	0	0
Public works	0	0	0
Culture and recreation	0	0	0
Contingency	0	0	0
Capital projects	174,395	8,138	166,257
Debt service:			
Principal	0	0	0
Interest	0	0	0
Total expenditures	<u>174,395</u>	<u>8,138</u>	<u>166,257</u>
Excess (deficiency) of revenues over expenditures	<u>(164,395)</u>	<u>9,206</u>	<u>173,601</u>
Other financing sources (uses):			
Operating transfer in	80,000	0	(80,000)
Operating transfer out	0	0	0
Total other financing sources (uses)	<u>80,000</u>	<u>0</u>	<u>(80,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(84,395)</u>	<u>9,206</u>	<u>93,601</u>
Fund balance:			
Beginning of year	<u>84,395</u>	<u>86,111</u>	<u>1,716</u>
End of year	<u>\$ 0</u>	<u>\$ 95,317</u>	<u>\$ 95,317</u>

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - PROPRIETARY FUND TYPE - ENTERPRISE FUND
YEAR ENDED JUNE 30, 2000
(With Comparative Actual Amounts for Year Ended June 30, 1999)

	2000	1999
Operating Revenues:		
Charges for services	\$ 209,754	\$ 92,071
Operating Expenses:		
Utility operations:		
Salaries and wages	26,830	6,970
Employee benefits	8,184	1,764
Services and supplies	75,484	70,043
Depreciation	49,096	19,965
Total operating expenses	159,594	98,742
Operating income (loss)	50,160	(6,671)
Non-operating income:		
Interest	504	0
Net income (loss)	50,664	(6,671)
Add back depreciation-contributed assets	47,914	19,965
Retained earnings:		
Beginning of year	13,294	0
End of year	\$ 111,872	\$ 13,294

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUND
YEAR ENDED JUNE 30, 2000
(With Comparative Amounts for Year Ended June 30, 1999)

	2000	1999
Cash flows from operating activities:		
Cash received from customers	\$ 208,311	\$ 68,492
Cash paid for service and supplies	(103,324)	(63,956)
Cash paid for employees and benefits	(37,021)	(6,620)
Net cash used by operating activities	<u>67,966</u>	<u>(2,084)</u>
Cash flows from non-capital financing activities:		
Interfund loans	<u>(2,084)</u>	<u>2,084</u>
Cash flows from capital and related financing activities:		
Purchase of fixed assets	<u>(21,250)</u>	<u>0</u>
Cash flows from investing activities:		
Interest income	<u>378</u>	<u>0</u>
Net increase in cash	45,010	0
Cash:		
Beginning of year	<u>0</u>	<u>0</u>
End of year	<u>\$ 45,010</u>	<u>\$ 0</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating income (loss)	<u>\$ 50,160</u>	<u>\$ (6,671)</u>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	49,096	19,965
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,753)	(24,819)
(Increase) decrease in inventory	(28,783)	0
Increase (decrease) in accounts payable	943	6,087
Increase (decrease) in accrued payroll	(2,007)	2,114
Increase (decrease) in customer deposits	1,310	1,240
Total adjustments	<u>17,806</u>	<u>4,587</u>
Net cash used by operating activities:	<u>\$ 67,966</u>	<u>\$ (2,084)</u>

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The Town is governed by an elected five member council. As required by generally accepted accounting principles, these financial statements present the Town's funds and account groups for which the Town is considered to be financially accountable. There were no component units of the Town at June 30, 2000. The Town is not included in any other governmental reporting entity as a component unit as defined by Governmental Accounting Standards Board pronouncements.

2. Measurement Focus, Basis of Accounting, and Basis of Presentation

The accounts of the Town are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The Town has the following fund types and account groups:

Governmental funds are used to account for the Town's general government activities. Governmental fund types use the flow of current financial resource measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Taxes, licenses, and interest are susceptible to accrual. Taxes collected and held by the state at year end on behalf of the Town are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Town before it has a legal claim to them as when grant monies are received prior to its incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the amount of the deferred revenue is removed from the combined balance sheet and revenue is recognized.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2000

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental funds include the following fund types:

The **general fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **special revenue funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The **capital projects funds** account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or non-expendable trust funds.

Proprietary funds are accounted for on the flow of economic resource measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. As permitted by generally accepted accounting principles, the Town has elected to apply only applicable Financial Accounting Standards Board statements and interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations. Proprietary funds include the following fund type:

The **enterprise fund** is used to account for those operations that are financed and operated in a manner similar to private business where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Account Groups. The *general fixed assets* account group is used to account for fixed assets not accounted for in proprietary or trust funds. The *general long-term debt* account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

3. Assets, Liabilities, and Equity

a. Deposits and Investments

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

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 which is included in revenue from local sources on the combined statements of revenues, expenditures, and changes in fund balance. (See Note C1).

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2000

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Assets, Liabilities, and Equity (Continued)

a. Deposits and Investments (Continued)

Nevada Statutes authorize the Town to invest in:

1. Obligation of the U.S. Treasury and U.S. Agencies in which the maturity dates do not extend more than ten years from the date purchased.
2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$100,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptance 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 240 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.

b. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payable" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2000

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Assets, Liabilities, and Equity (Continued)

b. Receivables and Payables (Continued)

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 C2)

c. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

Payments to vendors benefitting accounting periods beyond June 30, 2000 are recorded as expenditures in governmental funds.

d. Restricted Assets

Certain cash assets of the enterprise fund are from revenue for specific use by the enterprise fund and are classified as restricted assets because their use is restricted by agreement.

e. Fixed Assets

Fixed assets used in governmental fund types of the Town are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks, and other assets that are immovable and of value only to the Town) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group. (See Note C3)

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2000

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Assets, Liabilities, and Equity (Continued)

e. Fixed Assets (Continued)

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant, and equipment are depreciated in the proprietary fund of the Town using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
System infrastructure	15-25

f. Compensated Absences

Vacation and sick leave is accrued when incurred in proprietary funds and reported as a fund liability.

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. (See Note C5)

g. Long-Term Obligations

The Town reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

Governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2000

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Assets, Liabilities, and Equity (Continued)

h. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers, or other funds.

i. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

j. Comparative Data/Reclassification

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements in order 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.

B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, capital projects, and enterprise funds. All annual appropriations lapse at fiscal year end.

The Town uses the following procedures to establish, modify, and control the budgetary data presented in the financial statement:

- a. Prior to April 15, the Town submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget, as submitted, contains the proposed expenditures and means of financing them.
- b. The Nevada State Department of Taxation notifies the Town of its acceptance of the budget.
- c. Public hearings are conducted on the third Thursday in May.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2000

B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

1. Budgetary Information (Continued)

- d. After all changes have been noted and hearings closed, the Town adopts the budget on or before June 1.
- e. Whenever such an action 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 or program or between functions or programs within a fund, if:
 - 1. The governing body is advised of the action at the next regular meeting; and
 - 2. The action is recorded in the official minutes of the meeting.
- f. Increases to a fund's budget (augmentations) other than by transfers must be approved by the Town Board.
- g. Statutory regulations require budget control to be exercised at the function level within the general fund or at the fund level for other funds.
- h. The general fund budget was augmented (increased).

2. Encumbrance Accounting

Encumbrance accounting is not utilized in the governmental funds.

C. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

1. Deposits and Investments

The Town's cash and investments are held under the custody of the County Treasurer of Nye County, Nevada. This is required by Nevada Revised Statutes. Detailed information concerning collateral to cover deposits is contained in the annual financial report of Nye County, Nevada.

Investments made by the Nye County Treasurer from funds of the Town are a part of a pooled investment fund. Monthly interest is apportioned to the Town based on the average balance invested. Risk categories for invested funds are contained in the annual financial report of Nye County.

Pursuant to policy established by the Nye County Treasurer in accordance with Nevada Revised Statutes Chapter 355.168, the Town has elected to be a 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 A3a)

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2000

C. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

1. Deposits and Investments (Continued)

Interest is apportioned to the Town 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 pool balance as of June 30, 2000.

A reconciliation of cash and investments as shown on the Combined Balance Sheet for the Town follows:

Cash on hand	\$ 24,391
Carrying amount of cash and investments	<u>522,995</u>
Total	<u>\$ 547,386</u>
Cash and cash equivalents	<u>\$ 547,386</u>

2. Receivables

Receivables as of year end are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:					
Interest	\$ 1,810	\$ 352	\$ 490	\$ 126	\$ 2,778
Delinquent taxes	329	0	0	0	329
Due from other governments	42,253	6,207	0	0	48,460
Accounts receivable	0	0	0	27,572	27,572
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total receivables	<u>\$44,392</u>	<u>\$ 6,559</u>	<u>\$ 490</u>	<u>\$ 27,698</u>	<u>\$79,139</u>

3. Fixed Assets

Activity in the general fixed assets account group for the year ended June 30, 2000 was as follows:

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance July 30, 2000</u>
Buildings	\$1,379,697	\$ 0	\$ 0	\$1,379,697
Machinery & equipment	931,261	67,283	10,998	987,546
Total general fixed assets	<u>\$2,310,958</u>	<u>\$ 67,283</u>	<u>\$ 10,998</u>	<u>\$2,367,243</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2000

C. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

3. Fixed Assets (Continued)

The following is a summary of proprietary fund type fixed assets for the Town at June 30, 2000:

	Enterprise Fund
Water and sewer system	\$ 996,775
Less: Accumulated depreciation	69,061
Total	\$ 927,714

4. Deferred Revenue

Delinquent taxes receivable not collected within sixty days after year end are recorded as deferred revenue as they are not available to pay liabilities of the current period. Deferred taxes in the general fund were \$320.

5. Long -Term Debt

During the year ended June 30, 2000, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance July 31, 1999	Net Additions (Reductions)	Balance June 30, 2000
Accrued compensated absences	\$ 33,498	\$ (6,814)	\$ 26,684

6. Contributed Capital

The changes in the Town's contributed capital accounts for its proprietary funds were as follows:

	Enterprise Fund
Beginning balance	\$ 955,560
Contributions	0
Amortization	(47,914)
Ending balance contributed capital	\$ 907,646

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2000

D. OTHER INFORMATION

1. 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 joined together with other local governments in the Nevada Public Agency Insurance Pool (NPAIP), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Town pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of \$100,000 property and crime; casualty \$150,000 each and every insured event. 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 Nye County, Nevada. Nye County has a self-funded health care program. The self-funded health care plan is accounted for in an Internal Service Fund. Actuarially determined premium costs are obtained. These costs were paid monthly from the various participants within the County to the Internal Service Fund. The self-funded health care plan has purchased stop-loss insurance coverage. After eligible plan charges reach \$75,000 per person in any benefit year, the specific stop-loss reinsurance will begin at 100% of covered charges. The insurance company pays the lifetime maximum payable of \$1,000,000 for each insured family member.

2. Contingent Liabilities

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Litigation

Counsel for the Town has indicated there is no pending or threatened litigation against the Town.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2000

D. OTHER INFORMATION (Continued)

3. Pension Plan

Plan Description. The Town of Round Mountain is a public employer contributing to the Public Employee Retirement System of the State of Nevada (PERS), a cost sharing multi-employer defined benefit pension plan. The Plan is administered by the State of Nevada Retirement System.

Benefits, as required by Nevada Revised Statutes, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the Plan included pension, disability, and death benefits.

Monthly benefit allowances for members are computed at 2.5% of average compensation (36 consecutive months of highest compensation) for each accredited year of service prior to retirement with a ceiling of 75% of the average compensation. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his/her life and various optional monthly payments to a named beneficiary after his/her death. Regular members are eligible for retirement at age 65 with five years of service, age 60 with 10 years of service, or any age with 30 years of service. Police and firemen are eligible for retirement at age 65 with five years of accredited police and fire service or age 55 with 10 years of service or at age 50 with 20 years of accredited police and fire service.

Financial statements for the Plan are available by calling (775) 687-4200 or writing to:

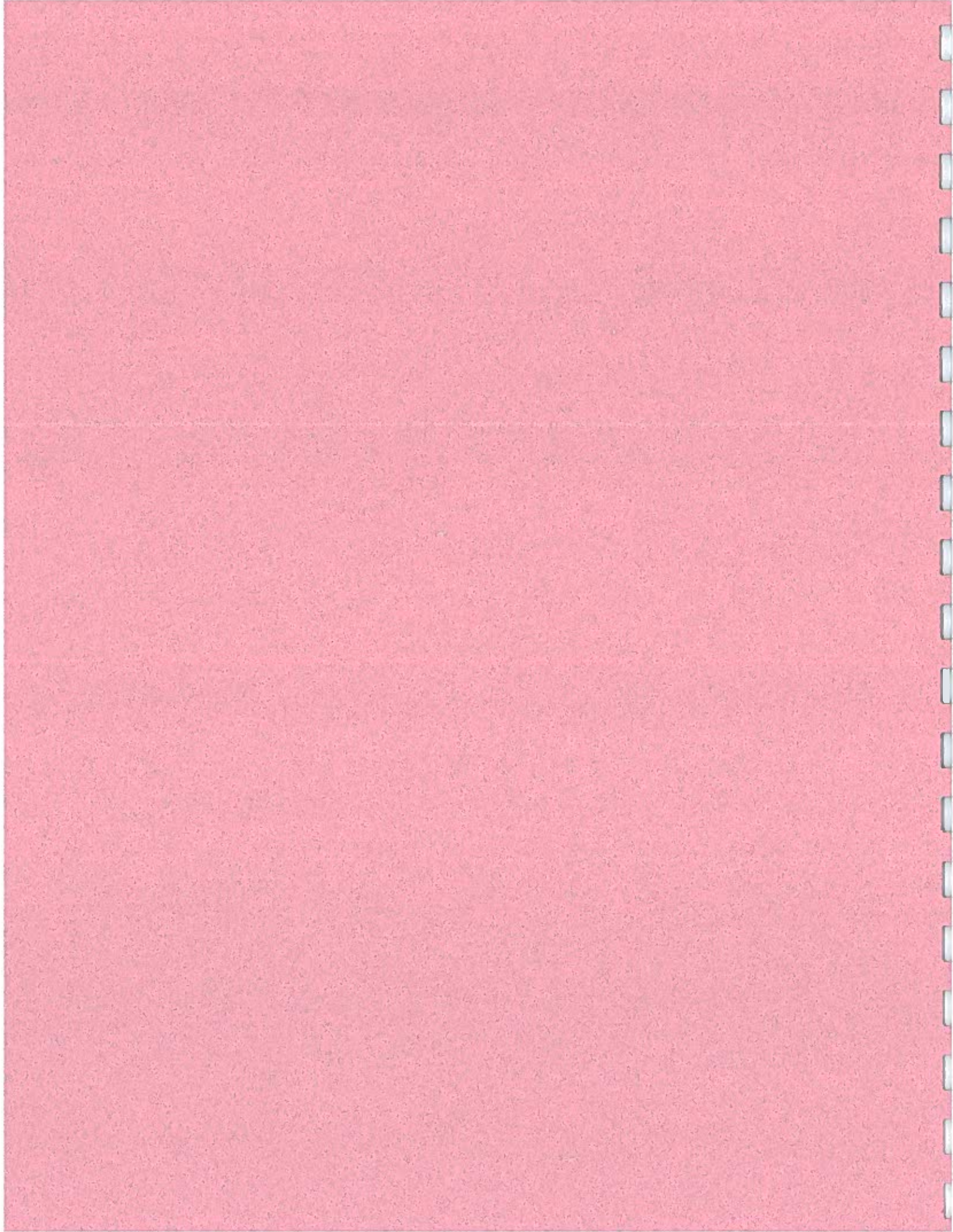
Public Employees' Retirement System of Nevada
693 W. Nye Lane
Carson City, NV 89703-1599

Funding Policy. Contribution rates are established by NRS 286.410. The statute, which is tied to the increase in taxable sales within the State each year, provides for yearly increases of up to one percent until such time as the actuarially determined unfunded liability of the Plan is reduced to zero. The Town is obligated to contribute all amounts due under the Plan. The contribution rate during 1999-2000 was 18.75 percent of payroll. The contribution requirement for the year ended June 30, 2000 was \$58,428. The contributions were equal to the required contributions for the year. Contributions for the years ended June 30, 1999 and 1998 were \$53,768 and \$51,525 respectively, which equaled the determined contribution requirement.

The Town has no liability for unfunded obligations of the system as provided by Nevada Revised Statutes Chapter 286.110.

GENERAL FUND

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



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**TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND
COMPARATIVE BALANCE SHEET
YEAR ENDED JUNE 30, 2000 AND 1999**

	2000	1999
<u>ASSETS</u>		
Pooled cash and investments	\$ 336,482	\$ 479,129
Interest receivable	1,810	2,439
Delinquent property taxes receivable	329	146
Due from other governments	42,253	48,046
Due from other funds	<u>0</u>	<u>2,084</u>
Total assets	<u>\$ 380,874</u>	<u>\$ 531,844</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 24,212	\$ 13,723
Payroll accrual	16,364	21,412
Deferred taxes	<u>320</u>	<u>30,138</u>
Total liabilities	40,896	65,273
<u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	294,563	0
Undesignated	<u>45,415</u>	<u>466,571</u>
Total fund balance	<u>339,978</u>	<u>466,571</u>
Total liabilities and fund balance	<u>\$ 380,874</u>	<u>\$ 531,844</u>

TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000
(With Comparative Actual Amounts for Year Ended June 30, 1999)

	2000	2000	Variance -	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Taxes	\$ 234,671	\$ 264,226	\$ 29,555	\$ 303,160
Fines and forfeitures	1,000	2,391	1,391	2,308
Licenses and permits	3,500	5,023	1,523	4,625
Intergovernmental	182,616	186,273	3,657	176,529
Charges for services	8,520	9,908	1,388	10,283
Other	38,000	34,559	(3,441)	49,288
Total revenues	<u>468,307</u>	<u>502,380</u>	<u>34,073</u>	<u>546,193</u>
Expenditures:				
General Government	462,054	307,804	154,250	263,225
Public safety	145,127	121,218	23,909	128,575
Public works	33,500	27,260	6,240	27,597
Culture and recreation	221,458	172,691	48,767	164,888
Contingency	3,013	0	3,013	0
Debt service:				
Principal	0	0	0	4,061
Interest	0	0	0	108
Total expenditures	<u>865,152</u>	<u>628,973</u>	<u>236,179</u>	<u>588,454</u>
Excess (deficiency) of revenues over expenditures	<u>(396,845)</u>	<u>(126,593)</u>	<u>270,252</u>	<u>(42,261)</u>
Other financing sources (uses):				
Operating transfer in	0	0	0	2,355
Operating transfer out	(80,000)	0	80,000	(66,947)
Total other sources (uses)	<u>(80,000)</u>	<u>0</u>	<u>80,000</u>	<u>(64,592)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(476,845)</u>	<u>(126,593)</u>	<u>350,252</u>	<u>(106,853)</u>
Fund balance:				
Beginning of year	<u>476,973</u>	<u>466,571</u>	<u>(10,402)</u>	<u>573,424</u>
End of year	<u>\$ 128</u>	<u>\$ 339,978</u>	<u>\$ 339,850</u>	<u>\$ 466,571</u>

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TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND
STATEMENT OF REVENUES COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2000
(With Comparative Actual Amounts for Year Ended June 30, 1999)

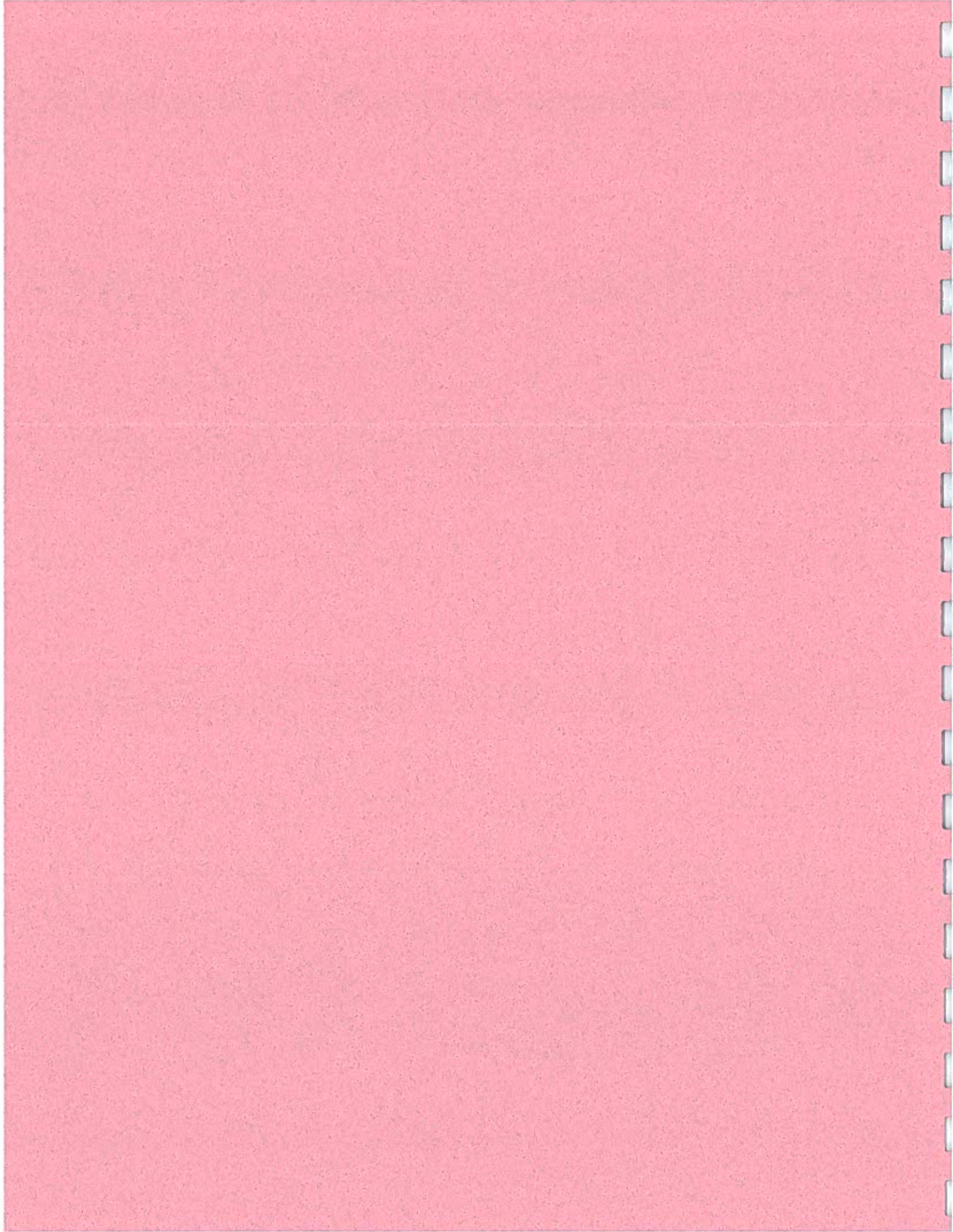
	2000	Variance -	1999
	Budget	Favorable (Unfavorable)	Actual
	Actual		Actual
Revenues:			
Taxes:			
Property taxes	\$ 199,551	\$ 27,517	\$ 229,095
Net proceeds	<u>35,120</u>	<u>2,038</u>	<u>74,065</u>
Total taxes	<u>234,671</u>	<u>29,555</u>	<u>303,160</u>
Fines and forfeitures	<u>1,000</u>	<u>1,391</u>	<u>2,308</u>
Licenses and permits:			
Gaming licenses	2,500	1,483	3,465
Liquor licenses	<u>1,000</u>	<u>40</u>	<u>1,160</u>
Total licenses	<u>3,500</u>	<u>1,523</u>	<u>4,625</u>
Intergovernmental:			
Consolidated tax	162,616	3,657	156,529
Grant	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total intergovernmental	<u>182,616</u>	<u>3,657</u>	<u>176,529</u>
Charges for services:			
Swimming pool	4,000	1,026	5,012
Arcade/Vending	1,200	(620)	1,751
Water charges	<u>3,320</u>	<u>982</u>	<u>3,520</u>
Total charges for services	<u>8,520</u>	<u>1,388</u>	<u>10,283</u>
Other:			
Rent	7,500	2,377	9,550
Interest	30,000	(6,149)	29,734
Miscellaneous	<u>500</u>	<u>331</u>	<u>10,004</u>
Total other	<u>38,000</u>	<u>(3,441)</u>	<u>49,288</u>
Total revenues	<u>\$ 468,307</u>	<u>\$ 34,073</u>	<u>\$ 546,193</u>

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue 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.



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**TOWN OF ROUND MOUNTAIN, NEVADA
ROAD SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2000 AND 1999**

	2000	1999
<u>ASSETS</u>		
Pooled cash and investments	\$ 71,067	\$ 54,677
Interest receivable	352	0
Due from other governments	6,207	5,553
Total assets	\$ 77,626	\$ 60,230
<u>LIABILITIES</u>		
Accounts payable	\$ 1,436	\$ 478
<u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	72,752	0
Undesignated	3,438	59,752
Fund balance, unreserved-undesignated	76,190	59,752
Total liabilities and fund balance	\$ 77,626	\$ 60,230

TOWN OF ROUND MOUNTAIN, NEVADA
ROAD SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE PERIOD ENDED JUNE 30, 2000
(With Comparative Actual Amounts For Year Ended June 30, 1999)

	Budget	2000 Actual	Variance - Favorable (Unfavorable)	1999 Actual
Revenue:				
Intergovernmental:				
Gas tax \$1.75	\$ 30,000	\$ 34,573	\$ 4,573	\$ 32,290
Other:				
Interest	<u>0</u>	<u>3,575</u>	<u>3,575</u>	<u>2,355</u>
Total revenue	<u>30,000</u>	<u>38,148</u>	<u>8,148</u>	<u>34,645</u>
Expenditures:				
Public works:				
Highways and streets:				
Services and supplies	<u>66,088</u>	<u>21,710</u>	<u>44,378</u>	<u>12,006</u>
Excess (deficiency) of revenues over over expenditures	(36,088)	16,438	52,526	22,639
Other operating (uses):				
Operating transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,355)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(36,088)	16,438	52,526	20,284
Fund balance:				
Beginning of year	<u>36,088</u>	<u>59,752</u>	<u>23,664</u>	<u>39,468</u>
End of year	<u>\$ 0</u>	<u>\$ 76,190</u>	<u>\$ 76,190</u>	<u>\$ 59,752</u>

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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.

Capital Projects Fund is used to account for general acquisition of the Town as well as purchase of public safety equipment.

Special Ad Valorem Fund is used to account for a special tax levy to be used for capital improvement.



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**TOWN OF ROUND MOUNTAIN, NEVADA
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
JUNE 30, 2000 and 1999**

	Capital Projects	Special Ad Valorem Capital Projects	Totals	
			2000	1999
<u>ASSETS</u>				
Pooled cash and investments	\$ 73,618	\$ 21,209	\$ 94,827	\$ 86,111
Interest	<u>363</u>	<u>127</u>	<u>490</u>	<u>0</u>
Total assets	<u>\$ 73,981</u>	<u>\$ 21,336</u>	<u>\$ 95,317</u>	<u>\$ 86,111</u>
<u>FUND BALANCE</u>				
Unreserved:				
Designated for subsequent year	\$ 71,221	\$ 18,290	\$ 89,511	\$ 0
Undesignated	<u>2,760</u>	<u>3,046</u>	<u>5,806</u>	<u>86,111</u>
Total fund balance	<u>\$ 73,981</u>	<u>\$ 21,336</u>	<u>\$ 95,317</u>	<u>\$ 86,111</u>

TOWN OF ROUND MOUNTAIN, NEVADA
 CAPITAL PROJECTS FUND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 2000
 (With Comparative Totals for June 30, 1999)

	Capital Projects	Special Ad Valorem Capital Projects	Totals	
			2000	1999
Revenues:				
Intergovernmental	\$ 0	\$ 12,278	\$ 12,278	11,716
Other	<u>3,960</u>	<u>1,106</u>	<u>5,066</u>	<u>0</u>
Total revenues	<u>3,960</u>	<u>13,384</u>	<u>17,344</u>	<u>11,716</u>
Expenditures:				
Capital projects	<u>0</u>	<u>8,138</u>	<u>8,138</u>	<u>7,800</u>
Excess (deficiency) of revenues over expenditures	<u>3,960</u>	<u>5,246</u>	<u>9,206</u>	<u>3,916</u>
Other financing sources:				
Operating transfers in	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,947</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,960	5,246	9,206	70,863
Fund balance:				
Beginning of year	<u>70,021</u>	<u>16,090</u>	<u>86,111</u>	<u>15,248</u>
End of year	<u>\$ 73,981</u>	<u>\$ 21,336</u>	<u>\$ 95,317</u>	<u>\$ 86,111</u>

TOWN OF ROUND MOUNTAIN, NEVADA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2000 AND 1999

	2000	1999
<u>ASSETS</u>		
Pooled cash and investments	\$ 73,618	\$ 70,021
Interest	363	0
Total assets	\$ 73,981	\$ 70,021
<u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	\$ 71,221	\$ 0
Undesignated	2,760	70,021
Total fund balance	\$ 73,981	\$ 70,021

TOWN OF ROUND MOUNTAIN, NEVADA
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2000
 (With Comparative Actual Amounts for Year Ended June 30, 1999)

	2000		Variance -	
	Budget	Actual	Favorable (Unfavorable)	1999 Actual
Revenues:				
Other:				
Interest	\$ 0	\$ 3,960	\$ 3,960	\$ 0
Expenditures:				
Capital projects:				
Public safety	150,021	0	150,021	0
Excess (deficiency) of revenues over expenditures	(150,021)	3,960	153,981	0
Other financing sources:				
Operating transfer in	80,000	0	(80,000)	66,947
Excess (deficiency) of revenue and other sources over expenditures and other uses	(70,021)	3,960	73,981	66,947
Fund balance:				
Beginning of year	70,021	70,021	0	3,074
End of year	<u>\$ 0</u>	<u>\$ 73,981</u>	<u>\$ 73,981</u>	<u>\$ 70,021</u>

TOWN OF ROUND MOUNTAIN, NEVADA
SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMBINING BALANCE SHEETS
JUNE 30, 2000 AND 1999

	2000	1999
<u>ASSETS</u>		
Pooled cash and investments	\$ 21,209	\$ 16,090
Interest	<u>127</u>	<u>0</u>
Total assets	<u>\$ 21,336</u>	<u>\$ 16,090</u>
 <u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	18,290	0
Undesignated	<u>3,046</u>	<u>16,090</u>
Total fund balance	<u>\$ 21,336</u>	<u>\$ 16,090</u>

TOWN OF ROUND MOUNTAIN, NEVADA
SPECIAL AD VALOREM CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000
(With Comparative Actual Amounts for Year Ended June 30, 1999)

	2000 Budget	Actual	Variance - Favorable (Unfavorable)	1999 Actual
Revenues:				
Intergovernmental:				
County	\$ 10,000	\$ 12,278	\$ 2,278	\$ 11,716
Other:				
Interest	<u>0</u>	<u>1,106</u>	<u>1,106</u>	<u>0</u>
Total revenues	<u>10,000</u>	<u>13,384</u>	<u>3,384</u>	<u>11,716</u>
Expenditures:				
Capital projects	<u>24,374</u>	<u>8,138</u>	<u>16,236</u>	<u>7,800</u>
Excess (deficiency) of revenues over expenditures	(14,374)	5,246	19,620	3,916
Fund balance:				
Beginning of year	<u>14,374</u>	<u>16,090</u>	<u>1,716</u>	<u>12,174</u>
End of year	<u>\$ 0</u>	<u>\$ 21,336</u>	<u>\$ 21,336</u>	<u>\$ 16,090</u>

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ENTERPRISE FUND

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private businesses 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 residents of the unincorporated Town of Round Mountain, Nevada.



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TOWN OF ROUND MOUNTAIN, NEVADA
ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2000 AND 1999

	2000	1999
<u>ASSETS</u>		
Current assets:		
Pooled cash and investments	\$ 45,010	\$ 0
Interest receivable	126	0
Accounts receivable	27,572	24,819
Inventory	28,783	0
Total current assets	<u>101,491</u>	<u>24,819</u>
Fixed assets:		
Equipment	996,775	975,525
Less accumulated depreciation	<u>(69,061)</u>	<u>(19,965)</u>
Fixed assets (net of accumulated depreciation)	<u>927,714</u>	<u>955,560</u>
Total assets	<u>\$ 1,029,205</u>	<u>\$ 980,379</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	\$ 7,030	\$ 6,087
Accrued payroll	107	2,114
Customer deposits	2,550	1,240
Due to other funds	<u>0</u>	<u>2,084</u>
Total liabilities	<u>9,687</u>	<u>11,525</u>
<u>EQUITY</u>		
Contributed capital	907,646	955,560
Retained earnings, unreserved-undesignated	<u>111,872</u>	<u>13,294</u>
Total equity	<u>1,019,518</u>	<u>968,854</u>
Total liabilities and equity	<u>\$ 1,029,205</u>	<u>\$ 980,379</u>

TOWN OF ROUND MOUNTAIN, NEVADA
ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2000
(With Comparative Actual Amounts for Year Ended June 30, 1999)

	2000		Variance -	
	Budget	Actual	Favorable (Unfavorable)	1999 Actual
Operating revenues:				
Charges for services	<u>245,065</u>	<u>209,754</u>	<u>(35,311)</u>	<u>92,071</u>
Operating expenses:				
Utility operations:				
Salaries and wages	34,208	26,830	7,378	6,970
Employee benefits	10,738	8,184	2,554	1,764
Services and supplies	161,836	75,484	86,352	70,043
Depreciation	<u>38,283</u>	<u>49,096</u>	<u>(10,813)</u>	<u>19,965</u>
Total operating expenses	<u>245,065</u>	<u>159,594</u>	<u>85,471</u>	<u>98,742</u>
Operating income (loss)	0	50,160	50,160	(6,671)
Non-operating income (expense):				
Interest	<u>0</u>	<u>504</u>	<u>504</u>	<u>0</u>
Net income (loss)	0	50,664	50,664	(6,671)
Add back depreciation - contributed assets	0	47,914	47,914	19,965
Retained earnings:				
Beginning of year	<u>0</u>	<u>13,294</u>	<u>13,294</u>	<u>0</u>
End of year	<u>\$ 0</u>	<u>\$ 111,872</u>	<u>\$ 111,872</u>	<u>\$ 13,294</u>

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**TOWN OF ROUND MOUNTAIN, NEVADA
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 YEAR ENDED JUNE 30, 2000
 (With Comparative Amounts for Year Ended June 30, 1999)**

	2000	1999
Cash flows from operating activities:		
Cash received from customers	\$ 208,311	\$ 68,492
Cash paid for service and supplies	(103,324)	(63,956)
Cash paid for employees and benefits	(37,021)	(6,620)
Net cash used by operating activities	<u>67,966</u>	<u>(2,084)</u>
Cash flows from non-capital financing activities:		
Interfund loans	<u>(2,084)</u>	<u>2,084</u>
Cash flows from capital and related financing activities:		
Purchase of fixed assets	<u>(21,250)</u>	<u>0</u>
Cash flows from investing activities:		
Interest income	<u>378</u>	<u>0</u>
Net increase in cash	45,010	0
Cash:		
Beginning of year	<u>0</u>	<u>0</u>
End of year	<u>\$ 45,010</u>	<u>\$ 0</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating income (loss)	<u>\$ 50,160</u>	<u>\$ (6,671)</u>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	49,096	19,965
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,753)	(24,819)
(Increase) decrease in inventory	(28,783)	0
Increase (decrease) in accounts payable	943	6,087
Increase (decrease) in accrued payroll	(2,007)	2,114
Increase (decrease) in customer deposits	<u>1,310</u>	<u>1,240</u>
Total adjustments	<u>17,806</u>	<u>4,587</u>
Net cash used by operating activities:	<u>\$ 67,966</u>	<u>\$ (2,084)</u>

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DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

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

I have audited the general purpose financial statements of the Town of Round Mountain (the Town), as of and for the year ended June 30, 2000, and have issued my report thereon dated November 10, 2000. I conducted my audit in accordance with generally accepted auditing standards.

As part of obtaining reasonable assurance about whether the Town's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants; non-compliance 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 non-compliance that are required to be reported under Nevada Revised Statutes (NRS) 354.624 Section 4.

In connection with my audit, nothing came to my attention that caused me to believe that the funds established by the Town as listed in Nevada Revised Statutes (NRS) 354.624 Section 4 (c) (1) through (5) (I) and NRS 354.6113 failed to comply with the express purposes required by NRS 354.6241 Section 1 (a), (b), (c), (d), (e), and (f) and NRS 354.6113 Section 4 (a), (b), (c), (d) respectively.

As required by Nevada Revised Statutes (NRS) 354.6113 Section 4, a schedule of capital projects activity is included in the attached Appendix A.

This report is intended for the information of the Honorable Board of Trustees, management, and others within the Town, and the Nevada Department of Taxation. However, this report is a matter of public record and its distribution is not limited.



Las Vegas, Nevada
November 10, 2000

The following is a summary of the information received from the [redacted] regarding the [redacted] on [redacted].

The information received from the [redacted] is as follows:

[redacted]
[redacted]
[redacted]

The [redacted] is a [redacted] of [redacted] and [redacted]. The [redacted] is [redacted] and [redacted].

The [redacted] is [redacted] and [redacted]. The [redacted] is [redacted] and [redacted].

The [redacted] is [redacted] and [redacted]. The [redacted] is [redacted] and [redacted].

The [redacted] is [redacted] and [redacted]. The [redacted] is [redacted] and [redacted].

The [redacted] is [redacted] and [redacted]. The [redacted] is [redacted] and [redacted].

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**SCHEDULE OF CAPITAL PROJECTS ACTIVITY
JUNE 30, 2000**

The following are responses to requirements of 354.6113.

NRS 354.6113 requires that the audit specifically identify the fund and:

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

Response

The following capital projects were constructed or are under construction.

<u>Funds</u>	<u>Project</u>	<u>Amount</u>
Special Capital Projects	Up grade water system	\$ 8,138

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

Response

The following sources are planned to be deposited into the funds:

Capital Projects Fund:

Special Capital Projects	\$ 1,200
Taxes	\$ 70,000
Interest	\$ 700

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

Response

The following costs are planned to be expended during the next fiscal year.

Special Capital Projects:

Upgrade Shoshone water system	\$ 27,590
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4. Identify any planned accumulation of the money in the fund.

Response

The Town plans to accumulate fund balance for an ambulance bay.

