

**TOWN OF ROUND MOUNTAIN, NEVADA**

**REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTAL MATERIAL**

**YEAR ENDED JUNE 30, 2010**

**TOWN OF ROUND MOUNTAIN, NEVADA**  
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**TOWN OF ROUND MOUNTAIN, NEVADA  
ELECTED TOWN OFFICIALS  
JUNE 30, 2010**

**CHAIRPERSON**

Johnny Archuleta

**TOWN COUNCIL**

Lisa Schwarz

Vice-chairperson

Joy Hawkins

Clerk

Marlene Lucero

Member

Leo Vath, Jr.

Member

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

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

## **INDEPENDENT AUDITOR'S REPORT**

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

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, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. My responsibility is to express opinions on these financial statements based on my audit.

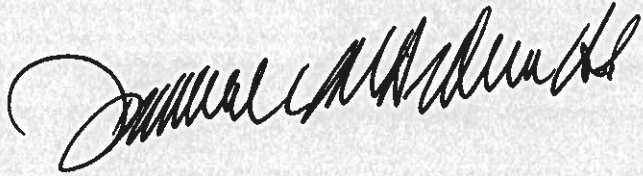
I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my 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 of Round Mountain, Nevada as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 7 through 14 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United State of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.



My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Round Mountain, Nevada's basic financial statements. The introductory section and combining and individual fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

A handwritten signature in black ink, appearing to read "Dennis A. [unclear]", written in a cursive style.

Las Vegas, Nevada  
January 18, 2011

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**For the year ended June 30, 2010**

**Town of Round Mountain, Nevada**  
**Management's Discussion and Analysis**  
**June 30, 2010**

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the Town of Round Mountain, Nevada. The MD&A 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's primary revenue sources for governmental activities were ad valorem taxes of \$1,011,819 and consolidated taxes of \$211,656. These revenue sources comprised 72.63%, and 15.19% respectively, or 87.82% of total governmental activities revenues.

The Town's total expenses were \$1,193,110. The greatest expenses were in the General Government (\$369,130) and Culture and Recreation (\$284,769) functions. Business-type activities contributed (\$266,480) to total expenses.

At the end of the fiscal year, the fund balance for the General Fund was \$3,226,556. This was an increase of \$427,570 from the prior year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements which are composed of government-wide financial statements, fund financial statements, and accompanying notes. This report also contains required supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

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

The Statement of Net Assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as 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).



**Town of Round Mountain, Nevada**  
**Management's Discussion and Analysis**  
**June 30, 2010**

**Government-Wide Financial Statements (Continued)**

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.

**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus 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. Such information may be useful in evaluating the Town's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in 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, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are 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.

**Town of Round Mountain, Nevada  
Management's Discussion and Analysis  
June 30, 2010**

**Proprietary Funds**

The Town maintains one type of proprietary fund.

The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the Enterprise Fund to account for its water utility activities.

**Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

It also includes a schedule of budgetary comparisons for both the original and final budgets of the General Fund.

The combining statements and individual fund schedules are presented immediately following the required supplementary information.

**Town of Round Mountain, Nevada  
Management's Discussion and Analysis  
June 30, 2010**

**Government-Wide Financial Analysis**

Net assets of the Town as of June 30, 2010, are summarized and analyzed below:

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Assets:</b>						
Current and other assets	\$ 3,538,444	\$ 3,036,864	\$ 240,738	\$ 267,926	\$ 3,779,182	\$ 3,304,790
Net capital assets	<u>2,558,862</u>	<u>2,539,727</u>	<u>487,550</u>	<u>509,906</u>	<u>3,046,412</u>	<u>3,049,633</u>
Total Assets	<u>6,097,306</u>	<u>5,576,591</u>	<u>728,288</u>	<u>777,832</u>	<u>6,825,594</u>	<u>6,354,423</u>
<b>Liabilities:</b>						
Current liabilities	77,678	40,498	14,677	21,417	92,355	61,915
Long-term liabilities	<u>83,156</u>	<u>66,026</u>	<u>7,657</u>	<u>2,391</u>	<u>90,813</u>	<u>68,417</u>
Total Liabilities	<u>160,834</u>	<u>106,524</u>	<u>22,334</u>	<u>23,808</u>	<u>183,168</u>	<u>130,332</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	2,558,862	2,539,727	487,550	509,906	3,046,412	3,049,633
Restricted	233,363	196,760	0	0	233,363	196,760
Unrestricted	<u>3,144,247</u>	<u>2,733,580</u>	<u>218,404</u>	<u>244,118</u>	<u>3,362,651</u>	<u>2,977,698</u>
Total Net Assets	<u>\$ 5,936,472</u>	<u>\$ 5,470,067</u>	<u>\$ 705,954</u>	<u>\$ 754,024</u>	<u>\$ 6,642,426</u>	<u>\$ 6,224,091</u>

As noted earlier, net assets may serve over time as a useful indicator of the Town's financial position. Assets exceeded liabilities by \$6,642,426, as of June 30, 2010. Total net assets increased by \$418,335 or 6.72%.

The largest portion of the Town's net assets, 45.86%, 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 year ended June 30, 2010 and 2009.

The Town's restricted net assets represent resources that are subject to external restrictions on how they may be used.

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

**Town of Round Mountain, Nevada**  
**Management's Discussion and Analysis**  
**June 30, 2010**

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 39,645	\$ 34,221	\$ 214,285	\$ 214,438	\$ 253,930	\$ 248,659
Capital grant	-	41,614	-	-	-	41,614
General revenues:						
Ad valorem taxes	1,011,819	1,061,989	-	-	1,011,819	1,061,989
Consolidated tax	211,656	231,543	-	-	211,656	231,543
Fuel taxes	21,862	23,085	-	-	21,862	23,085
Investment income	106,048	92,693	4,125	9,664	110,173	102,357
Other	2,005	8,808	-	-	2,005	8,808
<b>Total revenues</b>	<b>1,393,035</b>	<b>1,493,953</b>	<b>218,410</b>	<b>224,102</b>	<b>1,611,445</b>	<b>1,718,055</b>
<b>Expenses:</b>						
General government	369,130	335,053	-	-	369,130	335,053
Public safety	204,989	193,530	-	-	204,989	193,530
Public works	67,742	75,980	-	-	67,742	75,980
Culture and recreation	284,769	284,265	-	-	284,769	284,265
Utility operations	-	-	266,480	363,810	266,480	363,810
<b>Total expenses</b>	<b>926,630</b>	<b>888,828</b>	<b>266,480</b>	<b>363,810</b>	<b>1,193,110</b>	<b>1,252,638</b>
Change in net assets	466,405	605,125	(48,070)	(139,708)	418,335	465,417
Net assets - beginning	5,470,067	4,864,942	754,024	893,732	6,224,091	5,758,674
Net assets - ending	<u>\$ 5,936,472</u>	<u>\$ 5,470,067</u>	<u>\$ 705,954</u>	<u>\$ 754,024</u>	<u>\$ 6,642,426</u>	<u>\$ 6,224,091</u>

Program revenues include charges for services, fines and forfeitures, certain licenses and permits, and both operating and capital grants and contributions.

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

**Town of Round Mountain, Nevada**  
**Management's Discussion and Analysis**  
**June 30, 2010**

**Financial Analysis of the Town's Funds**

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$3,459,919. Approximately 22.10% of fund balances \$764,389 constitute unreserved undesignated fund balance. The remainder of the fund balance is unreserved - designated to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unreserved undesignated fund balance of the General Fund was \$747,929. The total fund balance was \$3,226,556.

Key factors in the change in fund balance in the General Fund are as follows:

Revenues decreased by \$97,581, or 6.80%. Tax revenues decreased by \$50,043, or 4.84% mainly due to a decrease in advanced net proceeds revenue received for the 2010 calendar year and a reduction in property taxes revenues to to the Town having a lower assessed valuation. Intergovernmental revenues decreased by \$61,501, or 22.51%, mainly due to a decrease in consolidated (sales) tax and no grant revenues for the current year.

Expenditures decreased by \$1,714, or 0.19%.

**Capital Assets and Debt Administration**

**Capital Assets**

The Town's investment in capital assets, net of accumulated depreciation at June 30, 2010, was \$2,558,862 governmental activities and \$487,550 business-type activities. Detail by type of activity and asset is summarized in the table below.



**Town of Round Mountain, Nevada  
Management's Discussion and Analysis  
June 30, 2010**

A summary of changes in capital assets for the year ended June 30, 2010 follows:

**Governmental Activities:**

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
Capital assets being depreciated:				
Building	2,043,830	77,176	0	2,121,006
Equipment	<u>1,367,582</u>	<u>71,028</u>	<u>19,886</u>	<u>1,418,724</u>
Total capital assets being depreciated	<u>3,411,412</u>	<u>148,204</u>	<u>19,886</u>	<u>3,539,730</u>
Less accumulated depreciation for:				
Building	450,857	41,429	0	492,286
Equipment	<u>902,244</u>	<u>86,893</u>	<u>19,139</u>	<u>969,998</u>
Total accumulated depreciation	<u>1,353,101</u>	<u>128,322</u>	<u>19,139</u>	<u>1,462,284</u>
Total capital assets being depreciated, net	<u>2,058,311</u>	<u>19,882</u>	<u>747</u>	<u>2,077,446</u>
Governmental activities assets, net	<u>\$ 2,539,727</u>	<u>\$ 19,882</u>	<u>\$ 747</u>	<u>\$ 2,558,862</u>

**Business Type Activities:**

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital assets being depreciated:				
Equipment	\$ 1,050,459	\$ 33,075	\$ 0	\$ 1,083,534
Less accumulated depreciation for:				
Equipment	<u>540,553</u>	<u>55,431</u>	<u>0</u>	<u>595,984</u>
Business Type Activities assets, net	<u>\$ 509,906</u>	<u>\$ (22,356)</u>	<u>\$ 0</u>	<u>\$ 487,550</u>

**Long -Term Debt**

During the year ended June 30, 2010, the following changes occurred in long-term debt:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Net</u> <u>Additions</u> <u>(Reductions)</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Governmental Activities:</b>			
Accrued compensated absences	<u>\$ 66,026</u>	<u>\$ 17,130</u>	<u>\$ 83,156</u>

	<u>Balance</u> <u>July 1, 2009</u>	<u>Net</u> <u>Additions</u> <u>(Reductions)</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Business Type Activities:</b>			
Accrued compensated absences	<u>\$ 2,391</u>	<u>\$ 5,266</u>	<u>\$ 7,657</u>

**Town of Round Mountain, Nevada  
Management's Discussion and Analysis  
June 30, 2010**

**REQUESTS FOR INFORMATION**

This financial report is designed to provide its users with a general overview of 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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,479,241	\$ 162,938	\$ 3,642,179
Interest receivable	15,497	711	16,208
Taxes receivable	870	-	870
Due from other governments	40,645	-	40,645
Accounts receivable (net)	-	20,945	20,945
Prepaid expenses	2,191	282	2,473
Inventory	-	55,862	55,862
Capital assets, net of accumulated depreciation	<u>2,558,862</u>	<u>487,550</u>	<u>3,046,412</u>
 Total assets	 <u>6,097,306</u>	 <u>728,288</u>	 <u>6,825,594</u>
<b>Liabilities:</b>			
Accounts payable	38,416	6,354	44,770
Accrued payroll and benefits	39,262	3,775	43,037
Customer deposits	-	4,548	4,548
Long term liabilities:			-
Portion due or payable within one year:			-
Accrued compensated absences	18,477	5,144	23,621
Portion due or payable after one year:			-
Accrued compensated absences	<u>64,679</u>	<u>2,513</u>	<u>67,192</u>
 Total liabilities	 <u>160,834</u>	 <u>22,334</u>	 <u>183,168</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	2,558,862	487,550	3,046,412
Restricted for:			
Capital projects	156,414	-	156,414
Roads	76,949	-	76,949
Unrestricted	<u>3,144,247</u>	<u>218,404</u>	<u>3,362,651</u>
 Total net assets	 <u>\$ 5,936,472</u>	 <u>\$ 705,954</u>	 <u>\$ 6,642,426</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF ACTIVITIES**  
**JUNE 30, 2010**

Functions/Programs	Program Revenues			Changes in Net Assets		Total
	Expenses	Charges for Service	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Primary governments:</b>						
General government	\$ (369,130)	\$ 7,588	\$ -	\$ (361,542)	\$ -	\$ (361,542)
Public safety	(204,989)	-	-	(204,989)	-	(204,989)
Public works	(67,742)	4,640	-	(63,102)	-	(63,102)
Culture and recreation	(284,769)	27,417	-	(257,352)	-	(257,352)
<b>Total governmental activities</b>	<b>(926,630)</b>	<b>39,645</b>	<b>-</b>	<b>(886,985)</b>	<b>-</b>	<b>(886,985)</b>
<b>Business-type activities:</b>						
Water	(266,480)	214,285	-	-	(52,195)	(52,195)
<b>Total primary governments</b>	<b>\$ (1,193,110)</b>	<b>\$ 253,930</b>	<b>\$ -</b>	<b>(886,985)</b>	<b>(52,195)</b>	<b>(939,180)</b>
<b>General Revenues:</b>						
Property taxes				1,011,819	-	1,011,819
Fuel tax				21,862	-	21,862
Consolidated taxes				211,656	-	211,656
Investment income				106,048	4,125	110,173
Loss on disposal of equipment				(747)	-	(747)
Miscellaneous				2,752	-	2,752
<b>Total general revenues</b>				<b>1,353,390</b>	<b>4,125</b>	<b>1,357,515</b>
<b>Change in net assets</b>				<b>466,405</b>	<b>(48,070)</b>	<b>418,335</b>
<b>Net assets - beginning of year</b>				<b>5,470,067</b>	<b>754,024</b>	<b>6,224,091</b>
<b>Net assets - end of year</b>				<b>\$ 5,936,472</b>	<b>\$ 705,954</b>	<b>\$ 6,642,426</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, 2010**

	<u>Major Fund</u>		Total Governmental Funds
	General	Other Governmental Funds	
<b><u>Assets</u></b>			
Pooled cash and investments	\$ 3,250,457	\$ 228,784	\$ 3,479,241
Interest receivable	14,331	1,166	15,497
Taxes receivable	870	-	870
Due from other governments	36,745	3,900	40,645
Prepaid expenses	<u>2,191</u>	<u>-</u>	<u>2,191</u>
 Total assets	 <u>\$ 3,304,594</u>	 <u>\$ 233,850</u>	 <u>\$ 3,538,444</u>
<b><u>Liabilities</u></b>			
Accounts payable	\$ 37,929	\$ 487	\$ 38,416
Accrued payroll	39,262	-	39,262
Deferred taxes	<u>847</u>	<u>-</u>	<u>847</u>
 Total liabilities	 <u>78,038</u>	 <u>487</u>	 <u>78,525</u>
<b><u>Fund Equity</u></b>			
Fund balance:			
Unreserved:			
Designated for subsequent year	2,478,627	216,903	2,695,530
Undesignated	<u>747,929</u>	<u>16,460</u>	<u>764,389</u>
 Subtotal	 <u>3,226,556</u>	 <u>233,363</u>	 <u>3,459,919</u>
 Total liabilities and fund equity	 <u>\$ 3,304,594</u>	 <u>\$ 233,850</u>	 <u>\$ 3,538,444</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 ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**Total fund balance - governmental funds** **\$ 3,459,919**

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

Capital assets net of the related depreciation are not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the Statement of Net Assets. 2,558,862

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 847

Certain liabilities, such as compensated absences, are not reported in the governmental funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Assets. (83,156)

**Total net assets - governmental activities** **\$ 5,936,472**

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, 2010**

	Major Fund	Other Governmental Funds	Total Governmental Funds
	General		
<b>Revenues:</b>			
Taxes	\$ 984,760	\$ -	\$ 984,760
Licenses and permits	3,555	-	3,555
Intergovernmental	211,656	48,694	260,350
Charges for services	27,472	-	27,472
Fines and forfeitures	4,033	-	4,033
Other	105,533	7,852	113,385
	<u>1,337,009</u>	<u>56,546</u>	<u>1,393,555</u>
<b>Total revenues</b>			
<b>Expenditures:</b>			
General government	396,121	-	396,121
Public safety	175,362	-	175,362
Public works	20,958	19,943	40,901
Culture and recreation	316,998	-	316,998
	<u>909,439</u>	<u>19,943</u>	<u>929,382</u>
<b>Total expenditures</b>			
Excess (deficiency) of revenues over expenditures	427,570	36,603	464,173
<b>Fund balance:</b>			
Beginning of year	<u>2,798,986</u>	<u>196,760</u>	<u>2,995,746</u>
End of year	<u>\$ 3,226,556</u>	<u>\$ 233,363</u>	<u>\$ 3,459,919</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, 2010**

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<b>Net change in fund balance - governmental funds</b>	<b>\$ 464,173</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 Assets and allocated over the estimated useful lives as annual depreciation expense in the Statement of Activities.	19,135
Property taxes that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenues in the Statement of Activities.	227
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.	<u>(17,130)</u>
<b>Change in net assets of governmental activities</b>	<b><u>\$ 466,405</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, 2010**

**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, 2010**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 214,191	\$ 214,191	\$ 211,839	\$ (2,352)
Net proceeds	-	-	772,921	772,921
Total taxes	<u>214,191</u>	<u>214,191</u>	<u>984,760</u>	<u>770,569</u>
<b>Licenses and permits:</b>				
Gaming licenses	1,500	1,500	2,475	975
Liquor licenses	<u>1,000</u>	<u>1,000</u>	<u>1,080</u>	<u>80</u>
Total licenses and permits	<u>2,500</u>	<u>2,500</u>	<u>3,555</u>	<u>1,055</u>
<b>Intergovernmental:</b>				
Consolidated tax	<u>213,525</u>	<u>213,525</u>	<u>211,656</u>	<u>(1,869)</u>
<b>Charges for services:</b>				
Swimming pool	5,000	5,000	4,757	(243)
Weight room fees	13,000	13,000	18,075	5,075
Water charges	<u>4,000</u>	<u>4,000</u>	<u>4,640</u>	<u>640</u>
Total charges for services	<u>22,000</u>	<u>22,000</u>	<u>27,472</u>	<u>5,472</u>
<b>Fines and forfeitures</b>	<u>1,000</u>	<u>1,000</u>	<u>4,033</u>	<u>3,033</u>
<b>Other:</b>				
Rent	1,000	1,000	4,585	3,585
Investment income	30,000	30,000	98,196	68,196
Miscellaneous	-	-	2,752	2,752
Total other	<u>31,000</u>	<u>31,000</u>	<u>105,533</u>	<u>74,533</u>
Total revenues	<u>484,216</u>	<u>484,216</u>	<u>1,337,009</u>	<u>852,793</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, 2010**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Administration:</b>				
Salaries and wages	\$ 94,020	\$ 94,020	\$ 61,247	\$ 32,773
Employee benefits	31,976	31,976	25,648	6,328
Services and supplies	112,400	112,400	79,057	33,343
Capital outlay	69,000	69,000	49,943	19,057
Total administration	<u>307,396</u>	<u>307,396</u>	<u>215,895</u>	<u>91,501</u>
<b>Building and Grounds:</b>				
Salaries and wages	80,404	80,404	79,146	1,258
Employee benefits	37,593	37,593	32,648	4,945
Services and supplies	91,000	91,000	49,339	41,661
Capital outlay	39,000	39,000	19,093	19,907
Total building and grounds	<u>247,997</u>	<u>247,997</u>	<u>180,226</u>	<u>67,771</u>
Total general government	<u>555,393</u>	<u>555,393</u>	<u>396,121</u>	<u>159,272</u>
<b>Public Safety:</b>				
<b>Hadley Station:</b>				
Salaries and wages	104,474	104,474	99,084	5,390
Employee benefits	74,124	74,124	48,563	25,561
Services and supplies	41,700	41,700	24,999	16,701
Capital outlay	4,000	4,000	2,716	1,284
Total public safety	<u>224,298</u>	<u>224,298</u>	<u>175,362</u>	<u>48,936</u>
<b>Public Works:</b>				
<b>Highways and Streets:</b>				
Services and supplies	20,000	20,000	12,500	7,500
Capital outlay	25,000	25,000	-	25,000
<b>Round Mountain Water:</b>				
Services and supplies	25,000	25,000	8,458	16,542
Total public works	<u>70,000</u>	<u>70,000</u>	<u>20,958</u>	<u>49,042</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, 2010**

	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	\$ 52,080	\$ 52,080	\$ 12,281	\$ 39,799
Employee benefits	6,385	6,385	1,536	4,849
Services and supplies	35,700	35,700	24,245	11,455
Capital outlay	70,000	70,000	38,846	31,154
Total swimming pool	<u>164,165</u>	<u>164,165</u>	<u>76,908</u>	<u>87,257</u>
<b>Parks and recreation:</b>				
Salaries and wages	107,114	107,114	88,372	18,742
Employee benefits	43,294	43,294	34,736	8,558
Services and supplies	115,050	115,050	83,205	31,845
Capital outlay	46,000	46,000	33,777	12,223
Total parks and recreation	<u>311,458</u>	<u>311,458</u>	<u>240,090</u>	<u>71,368</u>
Total culture and recreation	<u>475,623</u>	<u>475,623</u>	<u>316,998</u>	<u>158,625</u>
<b>Contingency</b>	<u>39,759</u>	<u>39,759</u>	<u>-</u>	<u>39,759</u>
Total expenditures	<u>1,365,073</u>	<u>1,365,073</u>	<u>909,439</u>	<u>455,634</u>
Excess (deficiency) of revenues over expenditures	(880,857)	(880,857)	427,570	1,308,427
<b>Fund balance:</b>				
Beginning of year	<u>1,917,271</u>	<u>1,917,271</u>	<u>2,798,986</u>	<u>881,715</u>
End of year	<u>\$ 1,036,414</u>	<u>\$ 1,036,414</u>	<u>\$ 3,226,556</u>	<u>\$ 2,190,142</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

	2010
<b><u>ASSETS</u></b>	
Current assets:	
Pooled cash and investments	\$ 162,938
Interest receivable	711
Accounts receivable (net)	20,945
Prepaid expenses	282
Inventory	55,862
Total current assets	240,738
Capital assets:	
Equipment	1,083,534
Less accumulated depreciation	(595,984)
Capital assets (net of accumulated depreciation)	487,550
Total assets	728,288
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	6,354
Accrued payroll	3,775
Customer deposits	4,548
Total current liabilities	14,677
Long term liabilities:	
Portion due or payable within one year:	
Accrued compensated absences	5,144
Portion due or payable after one year:	
Accrued compensated absences	2,513
Total long term liabilities	7,657
Total liabilities	22,334
<b><u>NET ASSETS</u></b>	
Invested in capital assets, net of related debt	487,550
Unrestricted	218,404
Total net assets	\$ 705,954

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 ASSETS - PROPRIETARY FUND - ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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2010

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**Operating Revenues:**

Charges for services \$ 214,285

**Operating Expenses:**

Utility operations:

Salaries and wages 85,103

Employee benefits 30,041

Services and supplies 95,905

Depreciation 55,431

Total operating expenses 266,480

**Operating income (loss)** (52,195)

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

Investment income 4,125

Net income (loss) (48,070)

**Net assets:**

Beginning of year 754,024

End of year \$ 705,954

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

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**For the year ended June 30, 2010**

**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, 2010**

	2010
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 208,729
Cash paid for services and supplies	(112,112)
Cash paid for salaries and employee benefits	(111,449)
Cash provided by operating activities	(14,832)
<b>Cash flows from capital and related financing activities:</b>	
Purchase of fixed assets	(33,075)
<b>Cash flows from investing activities:</b>	
Investment income	5,202
Net increase in cash	(42,705)
<b>Cash:</b>	
Beginning of year	205,643
End of year	\$ 162,938
<b>Reconciliation of operating income (loss) to cash provided by operating activities:</b>	
Operating income (loss)	\$ (52,195)
<b>Adjustments to reconcile operating income (loss) to cash provided by operating activities:</b>	
Depreciation	55,431
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(1,754)
(Increase) decrease in prepaid expenses	(282)
(Increase) decrease in inventory	(14,558)
Increase (decrease) in accounts payable	(1,367)
Increase (decrease) in accrued payroll	(1,571)
Increase (decrease) in compensated absences	5,266
Increase (decrease) in customer deposits	(3,802)
Total adjustments	37,363
<b>Cash provided by operating activities</b>	<b>\$ (14,832)</b>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so. The more significant accounting policies established in GAAP and used by the Town is discussed below.

**1. Reporting Entity**

The Town is governed by an elected five member board. 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, 2010. The Town is not included in any other governmental reporting entity as a component unit as defined by Governmental Accounting Standards Board pronouncements.

**2. Basic Financial Statements**

The Town's basic financial statements consist of government-wide statements and the fund financial statements. The government-wide statements include a Statement of Net Assets and a Statement of Activities, and the fund financial statements include financial information for the two fund types: governmental and proprietary. Reconciliations between the fund statements, the Statement of Net Assets, and the Statement of Activities are also included along with Statements of Revenues, Expenditures and Changes in Fund Balances for the Town's General Fund.

**3. Government-wide Financial Statements**

The government-wide financial statements are made up of the Statement of Net Assets 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. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Assets 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 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 FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. 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, fund equity, revenues, and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds and proprietary funds.

The presentation emphasis in the fund financial statements is on major funds for governmental funds. Major individual governmental funds are required to be reported in separate columns on the fund financial statements. Major funds are determined based on minimum criteria set forth in GASB Statement Number 34. The Town may also display other funds as major funds if it believes the presentation will provide useful information to the users of the financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial 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.

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. Gross receipts and sales taxes 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.

The major revenue sources of the Town include consolidated taxes (sales tax, etc.) and ad valorem taxes (property taxes).

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.



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Additionally the Town reports the following major fund types:

Proprietary Fund:

Enterprise Fund - The Round Mountain Utility Fund accounts for the delivery of water services.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow this subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Round Mountain Utility Fund are customer charges. Expenses are those required to provide the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**6. 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 Statement of Revenues, Expenditures, and Changes in Fund Balance. (See Note D1).

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Assets, Liabilities, and Equity (Continued)**

**a. Deposits 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 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' 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.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Assets, Liabilities, and Equity (Continued)**

**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/payables” (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.

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)

**c. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

There was no material inventories reported in the government-wide financial statements.

Payments to vendors that will benefit periods beyond June 30, 2010 are recorded as prepaid expenses in the fund financial statements. They are recorded as prepaid expenses in the government-wide financial statements.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Assets, Liabilities, and Equity (Continued)**

**d. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 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.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

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

GASB No. 34 requires the Town to report and depreciate new infrastructure assets. 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 retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2008. 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 reconstructed that must be capitalized.

**e. Compensated Absences**

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 vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements. No expenditure is reported for these amounts in the fund financial statements. (See Note D5) Vacation leave and sick leave included in accrued liabilities and recorded as expenditures in governmental fund types is the amount normally liquidated from "available spendable resources".

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Assets, Liabilities, and Equity (Continued)**

**f. 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 assets. Bond premiums and discounts, as well as issuance costs, 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 deferred charges and amortized over the term of the related debt. Deferred losses related to the refunding of debt are reported as a deferred charge component of bonds payable and 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 other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**g. Fund Equity**

In the fund financial statements, 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.

**h. Net Assets**

In the government-wide statements, net assets on the Statement of Net Assets include the following:

(i) Invested in Capital Assets, net of Related Debt

This is the component of net assets 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.

(ii) Restricted Assets

This is the component of net assets that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Designations of fund balance represent tentative management plans that are subject to change.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Assets, Liabilities, and Equity (Continued)**

**h. Net Assets (Continued)**

(iii) Unrestricted

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

It is the policy of the Town to expend restricted resources first and use unrestricted resources when the restricted resources have been depleted.

**i. Comparative Data/Reclassifications**

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.

**j. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

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

**1. Explanation of certain differences between the governmental-fund 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 a reconciliation between net changes in fund balances - total governmental funds and changes in net assets 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 Assets and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. The details of this difference are as follows:

Capital outlay	\$	148,204
Loss on disposal of assets		( 747)
Depreciation expense		<u>(128,322)</u>
		<u>\$ 19,135</u>

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

Compensated absences	\$	<u>(17,130)</u>
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**C. 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 statements:

- 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.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

**C. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

**1. Budgetary Information (Continued)**

- c. Public hearings are conducted on the third Thursday in May.
- 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 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 budget (augmentation) 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. There were no budget augmentations (increases) for the year ended June 30, 2010.
- i. All appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year.

**D. 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.



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

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

**1. Deposits and Investments (Continued)**

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 A6a)

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, 2010.

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

	Governmental Funds	Enterprise Fund	Total
Cash in the hands of officers	\$ 6,688	\$ 32,014	\$ 38,702
Carrying amount of cash and investments	<u>3,472,553</u>	<u>130,924</u>	<u>3,603,477</u>
Total	<u>\$ 3,479,241</u>	<u>\$ 162,938</u>	<u>\$ 3,642,179</u>
Cash and cash equivalents	<u>\$ 3,479,241</u>	<u>\$ 162,938</u>	<u>\$ 3,642,179</u>

**2. Receivables**

Receivables as of June 30, 2010 are as follows:

	General Fund	Other Governmental Funds	Enterprise Fund	Total
Receivables:				
Delinquent taxes	\$ 870	\$ 0	\$ 0	\$ 870
Interest	14,331	1,166	711	16,208
Due from other governments:				
Consolidated taxes	36,745	0	0	36,745
Fuel taxes	0	3,900	0	3,900
Accounts receivable - utility	0	0	20,945	20,945
Total receivables	<u>\$ 51,946</u>	<u>\$ 5,066</u>	<u>\$ 21,656</u>	<u>\$ 78,668</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

**3. Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2010 follows:

**Governmental Activities:**

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
Capital assets being depreciated:				
Building	2,043,830	77,176	0	2,121,006
Equipment	<u>1,367,582</u>	<u>71,028</u>	<u>19,886</u>	<u>1,418,724</u>
Total capital assets being depreciated	<u>3,411,412</u>	<u>148,204</u>	<u>19,886</u>	<u>3,539,730</u>
Less accumulated depreciation for:				
Building	450,857	41,429	0	492,286
Equipment	<u>902,244</u>	<u>86,893</u>	<u>19,139</u>	<u>969,998</u>
Total accumulated depreciation	<u>1,353,101</u>	<u>128,322</u>	<u>19,139</u>	<u>1,462,284</u>
Total capital assets being depreciated, net	<u>2,058,311</u>	<u>19,882</u>	<u>747</u>	<u>2,077,446</u>
Governmental activities assets, net	<u>\$ 2,539,727</u>	<u>\$ 19,882</u>	<u>\$ 747</u>	<u>\$ 2,558,862</u>

**Business Type Activities:**

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Equipment	\$ 1,050,459	\$ 33,075	\$ 0	\$ 1,083,534
Less accumulated depreciation for:				
Equipment	<u>540,553</u>	<u>55,431</u>	<u>0</u>	<u>595,984</u>
Business Type Activities assets, net	<u>\$ 509,906</u>	<u>\$ (22,356)</u>	<u>\$ 0</u>	<u>\$ 487,550</u>

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

Governmental activities:

General government	\$ 27,206
Public safety	17,026
Public works	30,162
Culture and recreation	<u>53,928</u>
	<u>\$ 128,322</u>

Business activities:

Water and sewer	<u>\$ 55,431</u>
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**Construction commitments:**

The Town has no active projects as of June 30, 2010.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

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

**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 \$847.

**5. Long -Term Debt**

During the year ended June 30, 2010, the following changes occurred in long-term debt:

	Balance <u>July 1, 2009</u>	Net Additions (Reductions)	Balance <u>June 30, 2010</u>
<b>Governmental Activities:</b>			
Accrued compensated absences	\$ <u>66,026</u>	\$ <u>17,130</u>	\$ <u>83,156</u>
	Balance <u>July 1, 2009</u>	Net Additions (Reductions)	Balance <u>June 30, 2010</u>
<b>Business Type Activities:</b>			
Accrued compensated absences	\$ <u>2,391</u>	\$ <u>5,266</u>	\$ <u>7,657</u>

**E. 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 \$200,000 property/crime/equipment breakdown; casualty \$500,000 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 from a commercial insurance carrier.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

**E. OTHER INFORMATION (Continued)**

**2. Contingent Liabilities**

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those 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.

**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 include pension benefits, disability benefits and death benefits.

Monthly benefit allowances for members are computed at 2.5% for each accredited year of service prior to July 1, 2001 and 2.67% thereafter, to a maximum of 30 years, times 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. Members are eligible for retirement at age 65 with 5 years of service, age 60 with 10 years of service, or any age with 30 years of service. Benefits fully vest with 5 years of service. Police and firemen are eligible for retirement at age 65 with 5 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.

PERS issues a publicly available financial statement. That report may be obtained from PERS by calling (775) 687-4200 or writing to:

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2010**

**E. OTHER INFORMATION (Continued)**

**3. Pension Plan (Continued)**

*Funding Policy.* Contribution rates are established by NRS 286.410. The Town's contributions are based on the actuarially determined statutory rate. The Town is obligated to contribute all amounts due under the Plan. The contribution rate for 2010 is 21.50%, for 2009 was 20.50% and for 2008 was 20.50% of payroll for regular employees. The rate for police and fireman is 37.0% in 2010 and 33.5% for 2009 and 2008. The contribution requirement for the year ended June 30, 2010 was \$101,841. These contributions were equal to the required contributions for the year. Contributions for the years ended June 30, 2009 and 2008 were \$91,159 and \$82,468, 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.

**4. Postemployment Health Care Plan**

The Town does not offer its employees post-employment health care benefits.



## **MAJOR FUNDS**

### **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.**



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2010 AND 2009**

	2010	2009
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 3,250,457	\$ 2,782,988
Interest receivable	14,331	17,551
Taxes receivable	870	622
Due from other governments	36,745	38,023
Prepaid expenses	<u>2,191</u>	<u>359</u>
 Total assets	 <u>\$ 3,304,594</u>	 <u>\$ 2,839,543</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 37,929	\$ 10,047
Accrued payroll	39,262	29,890
Deferred taxes	<u>847</u>	<u>620</u>
 Total liabilities	 <u>78,038</u>	 <u>40,557</u>
<b><u>FUND BALANCE</u></b>		
Unreserved:		
Designated for subsequent year	2,478,627	1,917,271
Undesignated	<u>747,929</u>	<u>881,715</u>
 Total fund balance	 <u>3,226,556</u>	 <u>2,798,986</u>
 Total liabilities and fund balance	 <u>\$ 3,304,594</u>	 <u>\$ 2,839,543</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, 2010**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2009)**

	2010		Variance -	
	Budget	Actual	Positive (Negative)	2009 Actual
<b>Revenues:</b>				
Taxes	\$ 214,191	\$ 984,760	\$ 770,569	\$ 1,034,803
Licenses and permits	2,500	3,555	1,055	3,660
Intergovernmental	213,525	211,656	(1,869)	273,157
Charges for services	22,000	27,472	5,472	26,924
Fines and forfeitures	1,000	4,033	3,033	1,072
Other	31,000	105,533	74,533	94,974
<b>Total revenues</b>	<u>484,216</u>	<u>1,337,009</u>	<u>852,793</u>	<u>1,434,590</u>
<b>Expenditures:</b>				
General government	555,393	396,121	159,272	364,637
Public safety	224,298	175,362	48,936	211,074
Public works	70,000	20,958	49,042	25,955
Culture and recreation	475,623	316,998	158,625	309,487
Contingency	39,759	-	39,759	-
<b>Total expenditures</b>	<u>1,365,073</u>	<u>909,439</u>	<u>455,634</u>	<u>911,153</u>
Excess (deficiency) of revenues over expenditures	(880,857)	427,570	1,308,427	523,437
<b>Fund balance:</b>				
Beginning of year	1,917,271	2,798,986	881,715	2,275,549
End of year	<u>\$ 1,036,414</u>	<u>\$ 3,226,556</u>	<u>\$ 2,190,142</u>	<u>\$ 2,798,986</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, 2010**

(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	2010		Variance -	
	Budget	Actual	Positive (Negative)	2009 Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 214,191	\$ 211,839	\$ (2,352)	\$ 240,918
Net proceeds	-	772,921	772,921	793,885
Total taxes	<u>214,191</u>	<u>984,760</u>	<u>770,569</u>	<u>1,034,803</u>
<b>Licenses and permits:</b>				
Gaming licenses	1,500	2,475	975	2,700
Liquor licenses	<u>1,000</u>	<u>1,080</u>	<u>80</u>	<u>960</u>
Total licenses and permits	<u>2,500</u>	<u>3,555</u>	<u>1,055</u>	<u>3,660</u>
<b>Intergovernmental:</b>				
Consolidated tax	213,525	211,656	(1,869)	231,543
Grant	-	-	-	41,614
Total intergovernmental	<u>213,525</u>	<u>211,656</u>	<u>(1,869)</u>	<u>273,157</u>
<b>Charges for services:</b>				
Swimming pool	5,000	4,757	(243)	4,828
Arcade/vending	-	-	-	228
Weight room fees	13,000	18,075	5,075	17,690
Water charges	<u>4,000</u>	<u>4,640</u>	<u>640</u>	<u>4,178</u>
Total charges for services	<u>22,000</u>	<u>27,472</u>	<u>5,472</u>	<u>26,924</u>
<b>Fines and forfeitures</b>	<u>1,000</u>	<u>4,033</u>	<u>3,033</u>	<u>1,072</u>
<b>Other:</b>				
Rent	1,000	4,585	3,585	2,565
Investment income	30,000	98,196	68,196	83,600
Miscellaneous	-	2,752	2,752	8,809
Total other	<u>31,000</u>	<u>105,533</u>	<u>74,533</u>	<u>94,974</u>
Total revenues	<u>\$ 484,216</u>	<u>\$ 1,337,009</u>	<u>\$ 852,793</u>	<u>\$ 1,434,590</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, 2010**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2009)**

	2010		Variance -	
	Budget	Actual	Positive (Negative)	2009 Actual
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Administration:</b>				
Salaries and wages	\$ 94,020	\$ 61,247	\$ 32,773	\$ 57,109
Employee benefits	31,976	25,648	6,328	23,882
Services and supplies	112,400	79,057	33,343	72,286
Capital outlay	69,000	49,943	19,057	1,795
Total administration	<u>307,396</u>	<u>215,895</u>	<u>91,501</u>	<u>155,072</u>
<b>Building and Grounds:</b>				
Salaries and wages	80,404	79,146	1,258	72,517
Employee benefits	37,593	32,648	4,945	29,008
Services and supplies	91,000	49,339	41,661	58,382
Capital outlay	39,000	19,093	19,907	49,658
Total building and grounds	<u>247,997</u>	<u>180,226</u>	<u>67,771</u>	<u>209,565</u>
Total general government	<u>555,393</u>	<u>396,121</u>	<u>159,272</u>	<u>364,637</u>
<b>Public Safety:</b>				
<b>Hadley Station:</b>				
Salaries and wages	104,474	99,084	5,390	94,390
Employee benefits	74,124	48,563	25,561	52,192
Services and supplies	41,700	24,999	16,701	24,342
Capital outlay	4,000	2,716	1,284	40,150
Total public safety	<u>224,298</u>	<u>175,362</u>	<u>48,936</u>	<u>211,074</u>
<b>Public Works:</b>				
<b>Highways and Streets:</b>				
Services and supplies	20,000	12,500	7,500	12,435
Capital outlay	25,000	-	25,000	3,200
<b>Round Mountain Water:</b>				
Services and supplies	25,000	8,458	16,542	10,320
Total public works	<u>70,000</u>	<u>20,958</u>	<u>49,042</u>	<u>25,955</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, 2010**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2009)**

	2010		Variance -	
	Budget	Actual	Positive (Negative)	2009 Actual
<b>Expenditures (Continued):</b>				
<b>Culture and Recreation:</b>				
<b>Swimming Pool:</b>				
Salaries and wages	\$ 52,080	\$ 12,281	\$ 39,799	\$ 12,268
Employee benefits	6,385	1,536	4,849	1,659
Services and supplies	35,700	24,245	11,455	27,865
Capital outlay	70,000	38,846	31,154	2,327
Total swimming pool	<u>164,165</u>	<u>76,908</u>	<u>87,257</u>	<u>44,119</u>
<b>Parks and recreation:</b>				
Salaries and wages	107,114	88,372	18,742	83,478
Employee benefits	43,294	34,736	8,558	31,110
Services and supplies	115,050	83,205	31,845	70,451
Capital outlay	46,000	33,777	12,223	80,329
Total parks and recreation	<u>311,458</u>	<u>240,090</u>	<u>71,368</u>	<u>265,368</u>
Total culture and recreation	<u>475,623</u>	<u>316,998</u>	<u>158,625</u>	<u>309,487</u>
<b>Contingency</b>	<u>39,759</u>	-	<u>39,759</u>	-
Total expenditures	<u>1,365,073</u>	<u>909,439</u>	<u>455,634</u>	<u>911,153</u>
Excess (deficiency) of revenues over expenditures	(880,857)	427,570	1,308,427	523,437
<b>Fund balance:</b>				
Beginning of year	<u>1,917,271</u>	<u>2,798,986</u>	<u>881,715</u>	<u>2,275,549</u>
End of year	<u>\$ 1,036,414</u>	<u>\$ 3,226,556</u>	<u>\$ 2,190,142</u>	<u>\$ 2,798,986</u>

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**For the year ended June 30, 2010**



## **MAJOR 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.**



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	2010	2009
<b><u>ASSETS</u></b>		
Current assets:		
Pooled cash and investments	\$ 162,938	\$ 205,643
Interest receivable	711	1,788
Accounts receivable (net)	20,945	19,191
Prepaid expenses	282	-
Inventory	55,862	41,304
Total current assets	<u>240,738</u>	<u>267,926</u>
Capital assets:		
Equipment	1,083,534	1,050,459
Less accumulated depreciation	<u>(595,984)</u>	<u>(540,553)</u>
Capital assets (net of accumulated depreciation)	<u>487,550</u>	<u>509,906</u>
Total assets	<u>728,288</u>	<u>777,832</u>
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable	6,354	7,721
Accrued payroll	3,775	5,346
Customer deposits	4,548	8,350
Total current liabilities	<u>14,677</u>	<u>21,417</u>
Long term liabilities:		
Portion due or payable within one year:		
Accrued compensated absences	5,144	-
Portion due or payable after one year:		
Accrued compensated absences	<u>2,513</u>	<u>2,391</u>
Total long term liabilities	<u>7,657</u>	<u>2,391</u>
Total liabilities	<u>22,334</u>	<u>23,808</u>
<b><u>NET ASSETS</u></b>		
Invested in capital assets, net of related debt	487,550	509,906
Unrestricted	<u>218,404</u>	<u>244,118</u>
Total net assets	<u>\$ 705,954</u>	<u>\$ 754,024</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2009)**

	2010		Variance -	2009
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
Charges for services	\$ 200,000	\$ 214,285	\$ 14,285	\$ 214,438
<b>Expenses:</b>				
Utility operations:				
Salaries and wages	87,225	85,103	2,122	80,052
Employee benefits	37,440	30,041	7,399	28,437
Services and supplies	201,150	95,905	105,245	180,103
Depreciation	60,000	55,431	4,569	54,770
Bad debt	-	-	-	20,448
Total operating expenses	<u>385,815</u>	<u>266,480</u>	<u>119,335</u>	<u>363,810</u>
<b>Operating income (loss)</b>	<b>(185,815)</b>	<b>(52,195)</b>	<b>133,620</b>	<b>(149,372)</b>
<b>Non-operating revenues (expenses):</b>				
Investment income	<u>5,000</u>	<u>4,125</u>	<u>(875)</u>	<u>9,664</u>
Change in net assets	<u>\$ (180,815)</u>	<u>(48,070)</u>	<u>\$ 132,745</u>	<u>(139,708)</u>
<b>Net assets:</b>				
Beginning of year		<u>754,024</u>		<u>893,732</u>
End of year		<u>\$ 705,954</u>		<u>\$ 754,024</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	2010	2009
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 208,729	\$ 205,068
Cash paid for services and supplies	(112,112)	(179,433)
Cash paid for salaries, wages and employee benefits	(111,449)	(106,884)
Cash provided by operating activities	(14,832)	(81,249)
<b>Cash flows from capital and related financing activities:</b>		
Purchase of fixed assets	(33,075)	(1,557)
<b>Cash flows from investing activities:</b>		
Cash received from investments	5,202	10,235
Net increase in cash	(42,705)	(72,571)
<b>Cash:</b>		
Beginning of year	205,643	278,214
End of year	\$ 162,938	\$ 205,643
<b>Reconciliation of operating income (loss) to cash provided by operating activities:</b>		
Operating income (loss)	\$ (52,195)	\$ (149,372)
<b>Adjustments to reconcile operating income (loss) to cash provided by operating activities:</b>		
Depreciation	55,431	54,770
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(1,754)	6,978
(Increase) decrease in prepaid expenses	(282)	-
(Increase) decrease in inventory	(14,558)	(533)
Increase (decrease) in accounts payable	(1,367)	1,203
Increase (decrease) in accrued payroll	(1,571)	(59)
Increase (decrease) in compensated absences	5,266	1,664
Increase (decrease) in customer deposits	(3,802)	4,100
Total adjustments	37,363	68,123
<b>Cash provided by operating activities</b>	<b>\$ (14,832)</b>	<b>\$ (81,249)</b>



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**For the year ended June 30, 2010**



# **NONMAJOR GOVERNMENTAL FUNDS**

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



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**For the year ended June 30, 2010**

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2010 Totals	2009 Totals
<b>Assets:</b>				
Pooled cash and investments	\$ 73,165	\$ 155,619	\$ 228,784	\$ 191,238
Interest receivable	371	795	1,166	1,940
Due from other governments	<u>3,900</u>	<u>-</u>	<u>3,900</u>	<u>4,143</u>
 Total assets	 <u>\$ 77,436</u>	 <u>\$ 156,414</u>	 <u>\$ 233,850</u>	 <u>\$ 197,321</u>
<b>Liabilities:</b>				
Accounts payable	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ 487</u>	<u>\$ 561</u>
<b>Fund Balance:</b>				
Fund balance - unreserved:				
Designated for subsequent year	64,850	152,053	216,903	163,908
Undesignated	<u>12,099</u>	<u>4,361</u>	<u>16,460</u>	<u>32,852</u>
 Total fund balance	 <u>76,949</u>	 <u>156,414</u>	 <u>233,363</u>	 <u>196,760</u>
 Total liabilities and fund balance	 <u>\$ 77,436</u>	 <u>\$ 156,414</u>	 <u>\$ 233,850</u>	 <u>\$ 197,321</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2010 Totals	2009 Totals
<b>Revenues:</b>				
Intergovernmental	\$ 21,862	\$ 26,832	\$ 48,694	\$ 50,039
Other	<u>2,188</u>	<u>5,664</u>	<u>7,852</u>	<u>9,093</u>
Total revenues	24,050	32,496	56,546	59,132
<b>Expenditures:</b>				
Current:				
Public works	<u>19,943</u>	<u>-</u>	<u>19,943</u>	<u>96,041</u>
Excess (deficiency) of revenues over expenditures	4,107	32,496	36,603	(36,909)
<b>Fund balance:</b>				
Beginning of year	<u>72,842</u>	<u>123,918</u>	<u>196,760</u>	<u>233,669</u>
End of year	<u>\$ 76,949</u>	<u>\$ 156,414</u>	<u>\$ 233,363</u>	<u>\$ 196,760</u>

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**For the year ended June 30, 2010**



## **NONMAJOR SPECIAL REVENUE FUND**

### **ROAD FUND**

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



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**For the year ended June 30, 2010**



**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND - ROAD SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2010 and 2009**

	2010	2009
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 73,165	\$ 68,109
Interest receivable	371	1,151
Due from other governments	<u>3,900</u>	<u>4,143</u>
 Total assets	 <u>\$ 77,436</u>	 <u>\$ 73,403</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	<u>\$ 487</u>	<u>\$ 561</u>
<b><u>FUND BALANCE</u></b>		
Unreserved:		
Designated for subsequent year	64,850	52,607
Undesignated	<u>12,099</u>	<u>20,235</u>
 Total fund balance	 <u>76,949</u>	 <u>72,842</u>
 Total liabilities and fund balance	 <u>\$ 77,436</u>	 <u>\$ 73,403</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, 2010**

(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	2010		Variance - Positive (Negative)	2009 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Gas tax \$1.75	\$ 22,282	\$ 21,862	\$ (420)	\$ 23,085
<b>Other:</b>				
Investment income	<u>500</u>	<u>2,188</u>	<u>1,688</u>	<u>5,577</u>
Total revenues	<u>22,782</u>	<u>24,050</u>	<u>1,268</u>	<u>28,662</u>
<b>Expenditures:</b>				
Current:				
Public works				
Services and supplies	75,389	16,114	59,275	20,543
Capital outlay	<u>-</u>	<u>3,829</u>	<u>(3,829)</u>	<u>75,498</u>
Total expenditures	<u>75,389</u>	<u>19,943</u>	<u>55,446</u>	<u>96,041</u>
Excess (deficiency) of revenues over expenditures	(52,607)	4,107	56,714	(67,379)
<b>Fund balance:</b>				
Beginning of year	<u>52,607</u>	<u>72,842</u>	<u>20,235</u>	<u>140,221</u>
End of year	<u>\$ -</u>	<u>\$ 76,949</u>	<u>\$ 76,949</u>	<u>\$ 72,842</u>

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**For the year ended June 30, 2010**



## **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.**

**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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**For the year ended June 30, 2010**

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR FUND-CAPITAL PROJECTS FUND**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2010**  
**(With Comparative Totals for June 30, 2009)**

	Capital Projects	Special Ad Valorem Capital Projects	Totals	
			2010	2009
<b><u>ASSETS</u></b>				
Pooled cash and investments	\$ 2,959	\$ 152,660	\$ 155,619	\$ 123,129
Interest receivable	<u>15</u>	<u>780</u>	<u>795</u>	<u>789</u>
Total assets	<u>\$ 2,974</u>	<u>\$ 153,440</u>	<u>\$ 156,414</u>	<u>\$ 123,918</u>
<b><u>FUND BALANCE</u></b>				
Unreserved:				
Designated for subsequent year	\$ 2,930	\$ 149,123	\$ 152,053	\$ 111,301
Undesignated	<u>44</u>	<u>4,317</u>	<u>4,361</u>	<u>12,617</u>
Total fund balance	<u>\$ 2,974</u>	<u>\$ 153,440</u>	<u>\$ 156,414</u>	<u>\$ 123,918</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND CAPITAL PROJECTS FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2010  
(With Comparative Actual Amounts for the Year Ended June 30, 2009)**

	Capital Projects	Special Ad Valorem Capital Projects	Totals	
			2010	2009
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 26,832	\$ 26,832	\$ 26,954
Other	80	5,584	5,664	3,516
Total revenues	80	32,416	32,496	30,470
<b>Expenditures</b>				
Capital projects	-	-	-	-
Excess (deficiency) of revenues over expenditures	80	32,416	32,496	30,470
<b>Fund balance:</b>				
Beginning of year	2,894	121,024	123,918	93,448
End of year	\$ 2,974	\$ 153,440	\$ 156,414	\$ 123,918



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR FUND - CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2010 AND 2009**

	2010	2009
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 2,959	\$ 2,870
Interest receivable	<u>15</u>	<u>24</u>
Total assets	<u>\$ 2,974</u>	<u>\$ 2,894</u>
<b><u>FUND BALANCE</u></b>		
Unreserved:		
Designated for subsequent year	\$ 2,930	\$ 2,880
Undesignated	<u>44</u>	<u>14</u>
Total fund balance	<u>\$ 2,974</u>	<u>\$ 2,894</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, 2010**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2009)**

	2010		Variance - Positive (Negative)	2009 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Other:</b>				
Investment income	\$ -	\$ 80	\$ 80	\$ 112
<b>Expenditures:</b>				
Capital projects	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	80	80	112
<b>Fund balance:</b>				
Beginning of year	2,880	2,894	14	2,782
End of year	<u>\$ 2,880</u>	<u>\$ 2,974</u>	<u>\$ 94</u>	<u>\$ 2,894</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2010 AND 2009**

	2010	2009
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 152,660	\$ 120,259
Interest receivable	<u>780</u>	<u>765</u>
Total assets	<u>\$ 153,440</u>	<u>\$ 121,024</u>
<b><u>FUND BALANCE</u></b>		
Unreserved:		
Designated for subsequent year	\$ 149,123	\$ 108,421
Undesignated	<u>4,317</u>	<u>12,603</u>
Total fund balance	<u>\$ 153,440</u>	<u>\$ 121,024</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, 2010**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2009)**

	2010		Variance - Positive (Negative)	2009 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
County	\$ 15,000	\$ 26,832	\$ 11,832	\$ 26,954
<b>Other:</b>				
Investment income	<u>500</u>	<u>5,584</u>	<u>5,084</u>	<u>3,404</u>
Total revenues	15,500	32,416	16,916	30,358
<b>Expenditures:</b>				
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	15,500	32,416	16,916	30,358
<b>Fund balance:</b>				
Beginning of year	<u>108,421</u>	<u>121,024</u>	<u>12,603</u>	<u>90,666</u>
End of year	<u>\$ 123,921</u>	<u>\$ 153,440</u>	<u>\$ 29,519</u>	<u>\$ 121,024</u>

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**For the year ended June 30, 2010**

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 NEVADA REVISED STATUTES

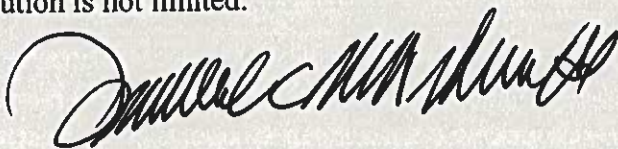
Honorable Members of Town Board  
Town of Round Mountain, Nevada  
Round Mountain, Nevada

I have audited 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, 2010, which collectively comprise the Town's basic financial statements and have issued my report thereon dated January 18, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

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

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

This report is intended solely for the information and use of the Honorable Town Board, management, 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  
January 18, 2011



**TOWN OF ROUND MOUNTAIN, NEVADA  
APPENDIX A  
SCHEDULE OF CAPITAL PROJECTS ACTIVITY  
JUNE 30, 2010**

The following are responses to requirements of NRS 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

Capital Projects Fund	\$ <u>0</u>
Special Capital Projects Fund	\$ <u>0</u>

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:	
Transfer from General Fund	\$ 220,000
Special Capital Projects Fund:	
Taxes	\$ 20,000
Interest	\$ 500

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

Response

There are plans for a public safety building addition to be funded as follows:

Capital Projects Fund:	\$ 220,000
Special Capital Projects Fund	\$ 100,000

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

Response

The Town plans to accumulate money in the funds for future projects.