

TOWN OF ROUND MOUNTAIN, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL MATERIAL
YEAR ENDED JUNE 30, 2009

TOWN OF ROUND MOUNTAIN, NEVADA
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**TOWN OF ROUND MOUNTAIN, NEVADA
ELECTED TOWN OFFICIALS
JUNE 30, 2009**

CHAIRPERSON

Johnny Archuleta

TOWN COUNCIL

Lisa Schwarz

Vice-chairperson

Leo Vath Jr.

Clerk

Marlene Lucero

Member

Joy Hawkins

Member

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

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

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, 2009, 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, 2009, 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 "Daniel M. DeLuca, CPA". The signature is written in a cursive style with a large initial "D".

Las Vegas, Nevada
November 20, 2009

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For the year ended June 30, 2009

**Town of Round Mountain, Nevada
Management's Discussion and Analysis
June 30, 2009**

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 \$1,061,989 and consolidated taxes of \$231,543. These revenue sources comprised 71.09%, and 15.50% respectively, or 76.59% of total governmental activities revenues.

The Town's total expenses were \$1,252,638. The greatest expenses were in the General Government (\$335,053) and Culture and Recreation (\$284,265) functions. Business-type activities contributed (\$363,810) to total expenses.

At the end of the fiscal year, the fund balance for the General Fund was \$2,798,986. This was an increase of \$523,437 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, 2009**

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, 2009**

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, 2009**

Government-Wide Financial Analysis

Net assets of the Town as of June 30, 2009, are summarized and analyzed below:

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and other assets	\$ 3,036,864	\$ 2,544,337	\$ 267,926	\$ 357,513	\$3,304,790	\$ 2,891,850
Net capital assets	<u>2,539,727</u>	<u>2,409,838</u>	<u>509,906</u>	<u>563,119</u>	<u>3,049,633</u>	<u>2,972,957</u>
Total Assets	<u>5,576,591</u>	<u>4,954,175</u>	<u>777,832</u>	<u>910,632</u>	<u>6,354,423</u>	<u>5,864,807</u>
Liabilities:						
Current liabilities	106,524	89,233	23,808	16,900	130,332	106,133
Long-term liabilities	-	-	-	-	-	-
Total Liabilities	<u>106,524</u>	<u>89,233</u>	<u>23,808</u>	<u>16,900</u>	<u>130,332</u>	<u>106,133</u>
Net Assets:						
Invested in capital assets, net of related debt	2,539,727	2,409,838	509,906	563,119	3,049,633	2,972,957
Restricted	196,760	206,937	-	-	196,760	206,937
Unrestricted	<u>2,733,580</u>	<u>2,248,167</u>	<u>244,118</u>	<u>330,613</u>	<u>2,977,698</u>	<u>2,578,780</u>
Total Net Assets	<u>\$ 5,470,067</u>	<u>\$ 4,864,942</u>	<u>\$ 754,024</u>	<u>\$ 893,732</u>	<u>\$6,224,091</u>	<u>\$ 5,758,674</u>

As noted earlier, net assets may serve over time as a useful indicator of the Town's financial position. Assets exceeded liabilities by \$6,224,091, as of June 30, 2009. Total net assets increased by \$465,417 or 8.08%.

The largest portion of the Town's net assets, 49.00%, 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, 2009 and 2008.

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, 2009

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

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 34,221	\$ 33,470	\$ 214,438	\$ 211,250	\$ 248,659	\$ 244,720
Capital grant	41,614	-	-	-	41,614	-
General revenues:						
Ad valorem taxes	1,061,989	760,164	-	-	1,061,989	760,164
Consolidated tax	231,543	251,102	-	-	231,543	251,102
Fuel taxes	23,085	25,020	-	-	23,085	25,020
Interest	92,693	74,747	9,664	10,070	102,357	84,817
Other-Nye Regional	-	110,985	-	-	-	110,985
Other	8,808	1,545	-	-	8,808	1,545
Total revenues	<u>1,493,953</u>	<u>1,257,033</u>	<u>224,102</u>	<u>221,320</u>	<u>1,718,055</u>	<u>1,478,353</u>
Expenses:						
General government	335,053	283,394	-	-	335,053	283,394
Public safety	193,530	168,354	-	-	193,530	168,354
Public works	75,980	90,325	-	-	75,980	90,325
Culture and recreation	284,265	272,147	-	-	284,265	272,147
Utility operations	-	-	363,810	278,305	363,810	278,305
Total expenses	<u>888,828</u>	<u>814,220</u>	<u>363,810</u>	<u>278,305</u>	<u>1,252,638</u>	<u>1,092,525</u>
Change in net assets	605,125	442,813	(139,708)	(56,985)	465,417	385,828
Net assets - beginning	<u>4,864,942</u>	<u>4,422,129</u>	<u>893,732</u>	<u>950,717</u>	<u>5,758,674</u>	<u>5,372,846</u>
Net assets - ending	<u>\$ 5,470,067</u>	<u>\$ 4,864,942</u>	<u>\$ 754,024</u>	<u>\$ 893,732</u>	<u>\$ 6,224,091</u>	<u>\$ 5,758,674</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, 2009**

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 \$2,995,746. Approximately 30.53% of fund balances \$914,567 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 \$881,715. The total fund balance was \$2,798,986.

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

Revenues increased by \$234,239, or 19.51%. Tax revenues increased by \$298,513, or 40.54% mainly due to advanced net proceeds revenue received for the 2009 calendar year. Intergovernmental revenues decreased by \$88,930, or 24.56%, mainly due to revenue for the excess tax collections from Nye Regional in 2008 not received in the current year and a decrease in consolidated (sales) tax.

Expenditures increased by \$220,437, or 31.91% mostly due to \$157,810 increase in capital outlay expenditure from the prior year.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation at June 30, 2009, was \$2,539,727 governmental activities and \$509,906 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, 2009**

A summary of changes in capital assets for the year ended June 30, 2009 follows:

Governmental Activities:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital asset not being depreciated:				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
Capital assets, being depreciated:				
Building	1,997,680	46,150	0	2,043,830
Equipment	<u>1,218,751</u>	<u>206,807</u>	<u>57,976</u>	<u>1,367,582</u>
Total capital assets being depreciated	<u>3,216,431</u>	<u>252,957</u>	<u>57,976</u>	<u>3,411,412</u>
Less accumulated depreciation for:				
Building	409,855	41,002	0	450,857
Equipment	<u>878,154</u>	<u>82,066</u>	<u>57,976</u>	<u>902,244</u>
Total accumulated depreciation	<u>1,288,009</u>	<u>123,068</u>	<u>57,976</u>	<u>1,353,101</u>
Total capital assets being depreciated, net	<u>1,928,422</u>	<u>129,889</u>	<u>0</u>	<u>2,058,311</u>
 Governmental activities assets, net	 <u>\$ 2,409,838</u>	 <u>\$ 129,889</u>	 <u>\$ 0</u>	 <u>\$ 2,539,727</u>

Business Activities:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital asset being depreciated:				
Equipment	\$ 1,048,902	\$ 1,557	\$ 0	\$ 1,050,459
Less accumulated depreciation for:				
Equipment	<u>485,783</u>	<u>54,770</u>	<u>0</u>	<u>540,553</u>
Total capital assets being depreciated, net	<u>\$ 563,119</u>	<u>\$ (53,213)</u>	<u>\$ 0</u>	<u>\$ 509,906</u>

Long -Term Debt

During the year ended June 30, 2009, the following changes occurred in long-term debt:

Governmental Activities:

	<u>Balance July 1, 2008</u>	<u>Net Additions (Reductions)</u>	<u>Balance June 30, 2009</u>
Accrued compensated absences	\$ 54,502	\$ 11,524	\$ 66,026

Business Type Activities:

	<u>Balance July 1, 2008</u>	<u>Net Additions (Reductions)</u>	<u>Balance June 30, 2009</u>
Accrued compensated absences	\$ 727	\$ 1,664	\$ 2,391

**Town of Round Mountain, Nevada
Management's Discussion and Analysis
June 30, 2009**

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, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 2,974,226	\$ 205,643	\$ 3,179,869
Prepaid expenses	359	-	359
Taxes receivable	622	-	622
Interest receivable	19,491	1,788	21,279
Due from other governments	42,166	-	42,166
Accounts receivable (net)	-	19,191	19,191
Inventory	-	41,304	41,304
Capital assets, net of accumulated depreciation	<u>2,539,727</u>	<u>509,906</u>	<u>3,049,633</u>
 Total assets	 <u>5,576,591</u>	 <u>777,832</u>	 <u>6,354,423</u>
Liabilities:			
Accounts payable	10,608	7,721	18,329
Accrued payroll and benefits	29,890	5,346	35,236
Customer deposits	-	8,350	8,350
Accrued compensated absences	<u>66,026</u>	<u>2,391</u>	<u>68,417</u>
 Total liabilities	 <u>106,524</u>	 <u>23,808</u>	 <u>130,332</u>
Net assets:			
Invested in capital assets, net of related debt	2,539,727	509,906	3,049,633
Restricted for:			
Capital projects	123,918	-	123,918
Roads	72,842	-	72,842
Unrestricted	<u>2,733,580</u>	<u>244,118</u>	<u>2,977,698</u>
Total net assets	<u>\$ 5,470,067</u>	<u>\$ 754,024</u>	<u>\$ 6,224,091</u>

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

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF ACTIVITIES
JUNE 30, 2009

Functions/Programs	Program Revenues			Changes in Net Assets		
	Expenses	Charges for Service	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary governments:						
General government	\$ (335,053)	\$ 4,732	\$ -	\$ (330,321)	\$ -	\$ (330,321)
Public safety	(193,530)	-	-	(193,530)	-	(193,530)
Public works	(75,980)	4,178	-	(71,802)	-	(71,802)
Culture and recreation	<u>(284,265)</u>	<u>25,311</u>	<u>41,614</u>	<u>(217,340)</u>	<u>-</u>	<u>(217,340)</u>
Total governmental activities	(888,828)	34,221	41,614	(812,993)	-	(812,993)
Business-type activities:						
Water	<u>(363,810)</u>	<u>214,438</u>	<u>-</u>	<u>-</u>	<u>(149,372)</u>	<u>(149,372)</u>
Total primary governments	\$ (1,252,638)	\$ 248,659	\$ 41,614	(812,993)	(149,372)	(962,365)
General Revenues:						
Property taxes				1,061,989	-	1,061,989
Fuel tax				23,085	-	23,085
Consolidated taxes				231,543	-	231,543
Interest				92,693	9,664	102,357
Gain on sale of equipment				7,353	-	7,353
Miscellaneous				<u>1,455</u>	<u>-</u>	<u>1,455</u>
Total general revenues				<u>1,418,118</u>	<u>9,664</u>	<u>1,427,782</u>
Change in net assets				605,125	(139,708)	465,417
Net assets - beginning of year				<u>4,864,942</u>	<u>893,732</u>	<u>5,758,674</u>
Net assets - end of year				<u>\$ 5,470,067</u>	<u>\$ 754,024</u>	<u>\$ 6,224,091</u>

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

TOWN OF ROUND MOUNTAIN, NEVADA
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>Major Fund</u>		Total Governmental Funds
	General	Other Governmental Funds	
<u>Assets</u>			
Pooled cash and investments	\$ 2,782,988	\$ 191,238	\$ 2,974,226
Prepaid expenses	359	-	359
Delinquent property taxes receivable	622	-	622
Interest receivable	17,551	1,940	19,491
Due from other governments	<u>38,023</u>	<u>4,143</u>	<u>42,166</u>
 Total assets	 <u>\$ 2,839,543</u>	 <u>\$ 197,321</u>	 <u>\$ 3,036,864</u>
<u>Liabilities</u>			
Accounts payable	\$ 10,047	\$ 561	\$ 10,608
Accrued payroll	29,890	-	29,890
Deferred taxes	<u>620</u>	<u>-</u>	<u>620</u>
 Total liabilities	 <u>40,557</u>	 <u>561</u>	 <u>41,118</u>
<u>Fund Equity</u>			
Fund balance:			
Unreserved:			
Designated for subsequent year	1,917,271	163,908	2,081,179
Undesignated	<u>881,715</u>	<u>32,852</u>	<u>914,567</u>
 Subtotal	 <u>2,798,986</u>	 <u>196,760</u>	 <u>2,995,746</u>
 Total liabilities and fund equity	 <u>\$ 2,839,543</u>	 <u>\$ 197,321</u>	 <u>\$ 3,036,864</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, 2009**

Total fund balance - governmental funds	\$ 2,995,746
 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	2,539,727
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	620
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	<u>(66,026)</u>
 Total net assets - governmental activities	 <u>\$ 5,470,067</u>

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, 2009

	<u>Major Fund</u>	Other	Total
	General	Governmental Funds	Governmental Funds
Revenues:			
Taxes	\$ 1,034,803	\$ 23,085	\$ 1,057,888
Licenses and permits	3,660	-	3,660
Intergovernmental	273,157	26,954	300,111
Charges for services	26,924	-	26,924
Fines and forfeitures	1,072	-	1,072
Other	<u>94,974</u>	<u>9,093</u>	<u>104,067</u>
 Total revenues	 <u>1,434,590</u>	 <u>59,132</u>	 <u>1,493,722</u>
Expenditures:			
General government	364,637	-	364,637
Public safety	211,074	-	211,074
Public works	25,955	96,041	121,996
Culture and recreation	<u>309,487</u>	<u>-</u>	<u>309,487</u>
 Total expenditures	 <u>911,153</u>	 <u>96,041</u>	 <u>1,007,194</u>
 Excess (deficiency) of revenues over expenditures	 523,437	 (36,909)	 486,528
Fund balance:			
Beginning of year	<u>2,275,549</u>	<u>233,669</u>	<u>2,509,218</u>
 End of year	 <u>\$ 2,798,986</u>	 <u>\$ 196,760</u>	 <u>\$ 2,995,746</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, 2009

Net change in fund balance - governmental funds **\$ 486,528**

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 129,889

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 232

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. (11,524)

Change in net assets of governmental activities **\$ 605,125**

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, 2009

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 239,586	\$ 239,586	\$ 240,918	\$ 1,332
Net proceeds	-	-	793,885	793,885
Total taxes	<u>239,586</u>	<u>239,586</u>	<u>1,034,803</u>	<u>795,217</u>
Licenses and permits:				
Gaming licenses	2,000	2,000	2,700	700
Liquor licenses	<u>1,000</u>	<u>1,000</u>	<u>960</u>	<u>(40)</u>
Total licenses and permits	<u>3,000</u>	<u>3,000</u>	<u>3,660</u>	<u>660</u>
Intergovernmental:				
Consolidated tax	262,200	262,200	231,543	(30,657)
Grants	-	41,614	41,614	-
Total intergovernmental	<u>262,200</u>	<u>303,814</u>	<u>273,157</u>	<u>(30,657)</u>
Charges for services:				
Swimming pool	5,000	5,000	4,828	(172)
Arcade/Vending	-	-	228	228
Weight room fees	13,000	13,000	17,690	4,690
Water charges	<u>4,000</u>	<u>4,000</u>	<u>4,178</u>	<u>178</u>
Total charges for services	<u>22,000</u>	<u>22,000</u>	<u>26,924</u>	<u>4,924</u>
Fines and forfeitures	<u>1,000</u>	<u>1,000</u>	<u>1,072</u>	<u>72</u>
Other:				
Rent	1,000	1,000	2,565	1,565
Interest	30,000	30,000	83,600	53,600
Miscellaneous	-	-	8,809	8,809
Total other	<u>31,000</u>	<u>31,000</u>	<u>94,974</u>	<u>63,974</u>
Total revenues	<u>558,786</u>	<u>600,400</u>	<u>1,434,590</u>	<u>834,190</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, 2009

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Administration:				
Salaries and wages	\$ 84,753	\$ 84,753	\$ 57,109	\$ 27,644
Employee benefits	27,489	27,489	23,882	3,607
Services and supplies	101,100	101,100	72,286	28,814
Capital outlay	<u>31,500</u>	<u>31,500</u>	<u>1,795</u>	<u>29,705</u>
Total administration	<u>244,842</u>	<u>244,842</u>	<u>155,072</u>	<u>89,770</u>
Building and Grounds:				
Salaries and wages	75,065	75,065	72,517	2,548
Employee benefits	32,527	32,527	29,008	3,519
Services and supplies	91,000	91,000	58,382	32,618
Capital outlay	<u>49,600</u>	<u>49,600</u>	<u>49,658</u>	<u>(58)</u>
Total building and grounds	<u>248,192</u>	<u>248,192</u>	<u>209,565</u>	<u>38,627</u>
Total general government	<u>493,034</u>	<u>493,034</u>	<u>364,637</u>	<u>128,397</u>
Public Safety:				
Hadley Station:				
Salaries and wages	97,524	97,524	94,390	3,134
Employee benefits	63,314	63,314	52,192	11,122
Services and supplies	40,700	40,700	24,342	16,358
Capital outlay	<u>40,565</u>	<u>40,565</u>	<u>40,150</u>	<u>415</u>
Total public safety	<u>242,103</u>	<u>242,103</u>	<u>211,074</u>	<u>31,029</u>
Public Works:				
Highways and Streets:				
Services and supplies	20,000	20,000	12,435	7,565
Capital outlay	7,500	7,500	3,200	4,300
Round Mountain Water:				
Services and supplies	<u>23,000</u>	<u>23,000</u>	<u>10,320</u>	<u>12,680</u>
Total public works	<u>50,500</u>	<u>50,500</u>	<u>25,955</u>	<u>24,545</u>

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

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For the year ended June 30, 2009

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, 2009

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued):				
Culture and Recreation:				
Swimming Pool:				
Salaries and wages	\$ 49,920	\$ 49,920	\$ 12,268	\$ 37,652
Employee benefits	5,911	5,911	1,659	4,252
Services and supplies	32,600	32,600	27,865	4,735
Capital outlay	2,500	2,500	2,327	173
Total swimming pool	<u>90,931</u>	<u>90,931</u>	<u>44,119</u>	<u>46,812</u>
Parks and recreation:				
Salaries and wages	87,325	87,325	83,478	3,847
Employee benefits	36,206	36,206	31,110	5,096
Services and supplies	110,050	110,050	70,451	39,599
Capital outlay	153,900	195,514	80,329	115,185
Total parks and recreation	<u>387,481</u>	<u>429,095</u>	<u>265,368</u>	<u>163,727</u>
Total culture and recreation	<u>478,412</u>	<u>520,026</u>	<u>309,487</u>	<u>210,539</u>
Contingency	<u>37,921</u>	<u>37,921</u>	<u>-</u>	<u>37,921</u>
Total expenditures	<u>1,301,970</u>	<u>1,343,584</u>	<u>911,153</u>	<u>432,431</u>
Excess (deficiency) of revenues over expenditures	(743,184)	(743,184)	523,437	1,266,621
Fund balance:				
Beginning of year	<u>1,685,577</u>	<u>1,685,577</u>	<u>2,275,549</u>	<u>589,972</u>
End of year	<u>\$ 942,393</u>	<u>\$ 942,393</u>	<u>\$ 2,798,986</u>	<u>\$ 1,856,593</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, 2009

2009

ASSETS

Current assets:	
Pooled cash and investments	\$ 205,643
Accounts receivable (net)	19,191
Interest receivable	1,788
Inventory	41,304
Total current assets	267,926
Capital assets:	
Equipment	1,050,459
Less accumulated depreciation	(540,553)
Capital assets (net of accumulated depreciation)	509,906
Total assets	777,832

LIABILITIES

Current liabilities:	
Accounts payable	7,721
Accrued payroll	5,346
Customer deposits	8,350
Accrued compensated absences	2,391
Total liabilities	23,808

NET ASSETS

Invested in capital assets, net of related debt	509,906
Unrestricted	244,118
Total net assets	\$ 754,024

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, 2009

2009

Operating Revenues:

Charges for services \$ 214,438

Operating Expenses:

Utility operations:

Salaries and wages 80,052

Employee benefits 28,437

Services and supplies 180,103

Depreciation 54,770

Bad debts 20,448

Total operating expenses 363,810

Operating income (loss) (149,372)

Non-operating revenues (expenses):

Interest income 9,664

Net income (loss) (139,708)

Net assets:

Beginning of year 893,732

End of year \$ 754,024

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

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For the year ended June 30, 2009

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, 2009

	2009
Cash flows from operating activities:	
Cash received from customers	\$ 205,068
Cash paid for services and supplies	(179,433)
Cash paid for salaries and employee benefits	<u>(106,884)</u>
Cash provided by operating activities	(81,249)
Cash flows from capital and related financing activities:	
Purchase of fixed assets	(1,557)
Cash flows from investing activities:	
Interest income	<u>10,235</u>
Net increase in cash	(72,571)
Cash:	
Beginning of year	<u>278,214</u>
End of year	<u>\$ 205,643</u>
Reconciliation of operating income (loss) to cash provided by operating activities:	
Operating income (loss)	<u>\$ (149,372)</u>
Adjustments to reconcile operating income (loss) to cash provided by operating activities:	
Depreciation	54,770
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	6,978
(Increase) decrease in prepaid expenses	-
(Increase) decrease in inventory	(533)
Increase (decrease) in accounts payable	1,203
Increase (decrease) in accrued payroll	(59)
Increase (decrease) in compensated absences	1,664
Increase (decrease) in customer deposits	<u>4,100</u>
Total adjustments	<u>68,123</u>
Cash provided by operating activities	<u>\$ (81,249)</u>

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

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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 are 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, 2009. 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'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.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are 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.

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.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2009

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, 2009

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.

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".

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

b. Receivables and Payables (Continued)

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

Payments to vendors that will benefit periods beyond June 30, 2009 are recorded as prepaid expenses in the fund financial statements. They are recorded as prepaid expenses in the government-wide financial statements.

There were no material prepaids reported in the government-wide financial statements.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

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>
Buildings and Improvements	25-50
Vehicles	8
Various Other Equipment	5-20
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.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

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.

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 refundings 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.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

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 includes 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.

(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.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

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.

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 is as follows:

Capital outlay	\$ 252,957
Depreciation expense	<u>(123,068)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 129,889</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>(11,524)</u>
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TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

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.
- 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's budget (augmentations) other than by transfers must be approved by the Town Board.
- g. Statutory regulations require budget control to be exercised at the function level within the General Fund or at the fund level for other funds.
- h. There were no budget augmentations (increases) for the year ended June 30, 2009.
- i. All appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

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.

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, 2009.

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

	Governmental <u>Funds</u>	Enterprise <u>Fund</u>	<u>Total</u>
Cash in the hands of officers	\$ 5,587	\$ 21,619	\$ 27,206
Carrying amount of cash and investments	<u>2,968,639</u>	<u>184,024</u>	<u>3,152,663</u>
Total	<u>\$ 2,974,226</u>	<u>\$ 205,643</u>	<u>\$ 3,179,869</u>
Cash and cash equivalents	<u>\$ 2,974,226</u>	<u>\$ 205,643</u>	<u>\$ 3,179,869</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

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

2. Receivables

Receivables as of June 30, 2009 are as follows:

	General Fund	Other Governmental Funds	Enterprise Fund	Total
Receivables:				
Delinquent taxes	\$ 622	\$ 0	\$ 0	\$ 622
Due from other governments	38,023	4,143	0	42,166
Interest	17,551	1,940	1,788	21,279
Accounts receivable	0	0	41,451	41,451
Allowance for doubtful accounts	<u>0</u>	<u>0</u>	<u>(22,260)</u>	<u>(22,260)</u>
Total receivables	<u>\$ 56,196</u>	<u>\$ 6,083</u>	<u>\$ 20,979</u>	<u>\$ 83,258</u>

3. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2009 follows:

Governmental Activities:

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Capital assets not being depreciated:				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
Capital assets being depreciated:				
Building	1,997,680	46,150	0	2,043,830
Equipment	<u>1,218,751</u>	<u>206,807</u>	<u>57,976</u>	<u>1,367,582</u>
Total capital assets being depreciated	<u>3,216,431</u>	<u>252,957</u>	<u>57,976</u>	<u>3,411,412</u>
Less accumulated depreciation for:				
Building	409,855	41,002	0	450,857
Equipment	<u>878,154</u>	<u>82,066</u>	<u>57,976</u>	<u>902,244</u>
Total accumulated depreciation	<u>1,288,009</u>	<u>123,068</u>	<u>57,976</u>	<u>1,353,101</u>
Total capital assets being depreciated, net	<u>1,928,422</u>	<u>129,889</u>	<u>0</u>	<u>2,058,311</u>
Governmental activities assets, net	<u>\$ 2,409,838</u>	<u>\$ 129,889</u>	<u>\$ 0</u>	<u>\$ 2,539,727</u>

Business Type Activities:

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Equipment	\$ 1,048,902	\$ 1,557	\$ 0	\$ 1,050,459
Less accumulated depreciation for:				
Equipment	<u>485,783</u>	<u>54,770</u>	<u>0</u>	<u>540,553</u>
Business Type Activities assets, net	<u>\$ 563,119</u>	<u>\$ (53,213)</u>	<u>\$ 0</u>	<u>\$ 509,906</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

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

3. Capital Assets (Continued)

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

Governmental activities:

General government	\$ 20,160
Public safety	17,591
Public works	31,515
Culture and recreation	<u>53,802</u>
	<u>\$ 123,068</u>

Business activities:

Water and sewer	<u>\$ 54,770</u>
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Construction commitments:

The Town has no active projects as of June 30, 2009.

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 \$620.

5. Long -Term Debt

During the year ended June 30, 2009, the following changes occurred in long-term debt:

	Balance July 1, 2008	Net Additions (Reductions)	Balance June 30, 2009
Governmental Activities:			
Accrued compensated absences	<u>\$ 54,502</u>	<u>\$ 11,524</u>	<u>\$ 66,026</u>

	Balance July 1, 2008	Net Additions (Reductions)	Balance June 30, 2009
Business Type Activities:			
Accrued compensated absences	<u>\$ 727</u>	<u>\$ 1,664</u>	<u>\$ 2,391</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

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.

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.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

E. OTHER INFORMATION (Continued)

3. Pension Plan

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

Benefits as required by Nevada Revised Statutes are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the Plan 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, 2009

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 2009 is 20.50%, for 2008 was 20.50% and for 2007 was 19.75% of payroll for regular employees. The rate for police and fireman is 33.5% in 2009 and 33.5% for 2008 and 2007. The contribution requirement for the year ended June 30, 2009 was \$91,159. These contributions were equal to the required contributions for the year. Contributions for the years ended June 30, 2008 and 2007 were \$82,468 and \$74,577, 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. Other Post-employment Benefits

In addition to the pension benefits described in Note 3, the Town provides a subsidy for post-employment health care benefits, in accordance with NRS 287.023, to all retired employees who enroll with the Nevada Public Employees' Benefits Program. As of June 30, 2009, there were no retirees belonging to this program. Enrolled retirees pay monthly premiums for health insurance benefits directly to the program, while the Town is required to subsidize the partial or total cost of the premium based incrementally on a retiree's number of years of service with the Town. Expenditures for post-employment health care benefits are recognized on a monthly basis and total \$0 for the 2008-09 fiscal year.

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, 2009 AND 2008**

	2009	2008
<u>ASSETS</u>		
Pooled cash and investments	\$ 2,782,988	\$ 2,246,028
Prepaid expenses	359	-
Delinquent property taxes receivable	622	534
Interest receivable	17,551	15,925
Due from other governments	<u>38,023</u>	<u>46,196</u>
 Total assets	 <u>\$ 2,839,543</u>	 <u>\$ 2,308,683</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 10,047	\$ 8,068
Accrued payroll	29,890	24,678
Deferred taxes	<u>620</u>	<u>388</u>
 Total liabilities	 <u>40,557</u>	 <u>33,134</u>
<u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	1,917,271	1,685,577
Undesignated	<u>881,715</u>	<u>589,972</u>
 Total fund balance	 <u>2,798,986</u>	 <u>2,275,549</u>
 Total liabilities and fund balance	 <u>\$ 2,839,543</u>	 <u>\$ 2,308,683</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance -	2008
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Taxes	\$ 239,586	\$ 1,034,803	\$ 795,217	\$ 736,290
Licenses and permits	3,000	3,660	660	3,820
Intergovernmental	303,814	273,157	(30,657)	362,087
Charges for services	22,000	26,924	4,924	25,773
Fines and forfeitures	1,000	1,072	72	2,158
Other	31,000	94,974	63,974	70,223
Total revenues	<u>600,400</u>	<u>1,434,590</u>	<u>834,190</u>	<u>1,200,351</u>
Expenditures:				
General government	493,034	364,637	128,397	280,502
Public safety	242,103	211,074	31,029	151,182
Public works	50,500	25,955	24,545	24,736
Culture and recreation	520,026	309,487	210,539	234,296
Contingency	37,921	-	37,921	-
Total expenditures	<u>1,343,584</u>	<u>911,153</u>	<u>432,431</u>	<u>690,716</u>
Excess (deficiency) of revenues over expenditures	(743,184)	523,437	1,266,621	509,635
Fund balance:				
Beginning of year	<u>1,685,577</u>	<u>2,275,549</u>	<u>589,972</u>	<u>1,765,914</u>
End of year	<u>\$ 942,393</u>	<u>\$ 2,798,986</u>	<u>\$ 1,856,593</u>	<u>\$ 2,275,549</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance -	
	Budget	Actual	Positive (Negative)	2008 Actual
Revenues:				
Taxes:				
Property taxes	\$ 239,586	\$ 240,918	\$ 1,332	\$ 209,568
Net proceeds	-	793,885	793,885	526,722
Total taxes	<u>239,586</u>	<u>1,034,803</u>	<u>795,217</u>	<u>736,290</u>
Licenses and permits:				
Gaming licenses	2,000	2,700	700	2,700
Liquor licenses	<u>1,000</u>	<u>960</u>	<u>(40)</u>	<u>1,120</u>
Total licenses and permits	<u>3,000</u>	<u>3,660</u>	<u>660</u>	<u>3,820</u>
Intergovernmental:				
Consolidated tax	262,200	231,543	(30,657)	251,102
Other - Nye Regional	-	-	-	110,985
Grant	<u>41,614</u>	<u>41,614</u>	<u>-</u>	<u>-</u>
Total intergovernmental	<u>303,814</u>	<u>273,157</u>	<u>(30,657)</u>	<u>362,087</u>
Charges for services:				
Swimming pool	5,000	4,828	(172)	6,400
Arcade/Vending	-	228	228	196
Weight room fees	13,000	17,690	4,690	14,880
Water charges	<u>4,000</u>	<u>4,178</u>	<u>178</u>	<u>4,297</u>
Total charges for services	<u>22,000</u>	<u>26,924</u>	<u>4,924</u>	<u>25,773</u>
Fines and forfeitures	<u>1,000</u>	<u>1,072</u>	<u>72</u>	<u>2,158</u>
Other:				
Rent	1,000	2,565	1,565	1,719
Interest	30,000	83,600	53,600	66,959
Miscellaneous	<u>-</u>	<u>8,809</u>	<u>8,809</u>	<u>1,545</u>
Total other	<u>31,000</u>	<u>94,974</u>	<u>63,974</u>	<u>70,223</u>
Total revenues	<u>\$ 600,400</u>	<u>\$ 1,434,590</u>	<u>\$ 834,190</u>	<u>\$ 1,200,351</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance -	
	Budget	Actual	Positive	2008
			(Negative)	Actual
Expenditures:				
General government:				
Administration:				
Salaries and wages	\$ 84,753	\$ 57,109	\$ 27,644	\$ 52,883
Employee benefits	27,489	23,882	3,607	18,115
Services and supplies	101,100	72,286	28,814	67,906
Capital outlay	31,500	1,795	29,705	7,173
Total administration	<u>244,842</u>	<u>155,072</u>	<u>89,770</u>	<u>146,077</u>
Building and Grounds:				
Salaries and wages	75,065	72,517	2,548	68,235
Employee benefits	32,527	29,008	3,519	27,061
Services and supplies	91,000	58,382	32,618	39,129
Capital outlay	49,600	49,658	(58)	-
Total building and grounds	<u>248,192</u>	<u>209,565</u>	<u>38,627</u>	<u>134,425</u>
Total general government	<u>493,034</u>	<u>364,637</u>	<u>128,397</u>	<u>280,502</u>
Public Safety:				
Hadley Station:				
Salaries and wages	97,524	94,390	3,134	87,440
Employee benefits	63,314	52,192	11,122	42,640
Services and supplies	40,700	24,342	16,358	21,102
Capital outlay	40,565	40,150	415	-
Total public safety	<u>242,103</u>	<u>211,074</u>	<u>31,029</u>	<u>151,182</u>
Public Works:				
Highways and Streets:				
Services and supplies	20,000	12,435	7,565	12,200
Capital outlay	7,500	3,200	4,300	-
Round Mountain Water:				
Services and supplies	23,000	10,320	12,680	12,536
Total public works	<u>50,500</u>	<u>25,955</u>	<u>24,545</u>	<u>24,736</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance -	
	Budget	Actual	Positive (Negative)	2008 Actual
Expenditures (Continued):				
Culture and Recreation:				
Swimming Pool:				
Salaries and wages	\$ 49,920	\$ 12,268	\$ 37,652	\$ 10,275
Employee benefits	5,911	1,659	4,252	1,189
Services and supplies	32,600	27,865	4,735	28,883
Capital outlay	<u>2,500</u>	<u>2,327</u>	<u>173</u>	<u>-</u>
Total swimming pool	<u>90,931</u>	<u>44,119</u>	<u>46,812</u>	<u>40,347</u>
Parks and recreation:				
Salaries and wages	87,325	83,478	3,847	74,520
Employee benefits	36,206	31,110	5,096	29,063
Services and supplies	110,050	70,451	39,599	77,890
Capital outlay	<u>195,514</u>	<u>80,329</u>	<u>115,185</u>	<u>12,476</u>
Total parks and recreation	<u>429,095</u>	<u>265,368</u>	<u>163,727</u>	<u>193,949</u>
Total culture and recreation	<u>520,026</u>	<u>309,487</u>	<u>210,539</u>	<u>234,296</u>
Contingency	<u>37,921</u>	<u>-</u>	<u>37,921</u>	<u>-</u>
Total expenditures	<u>1,343,584</u>	<u>911,153</u>	<u>432,431</u>	<u>690,716</u>
Excess (deficiency) of revenues over expenditures	(743,184)	523,437	1,266,621	509,635
Fund balance:				
Beginning of year	<u>1,685,577</u>	<u>2,275,549</u>	<u>589,972</u>	<u>1,765,914</u>
End of year	<u>\$ 942,393</u>	<u>\$ 2,798,986</u>	<u>\$ 1,856,593</u>	<u>\$ 2,275,549</u>

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For the year ended June 30, 2009

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.

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For the year ended June 30, 2009

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
JUNE 30, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Current assets:		
Pooled cash and investments	\$ 205,643	\$ 278,214
Accounts receivable (net)	19,191	26,169
Interest receivable	1,788	2,359
Inventory	41,304	40,771
Total current assets	<u>267,926</u>	<u>347,513</u>
Capital assets:		
Equipment	1,050,459	1,048,902
Less accumulated depreciation	<u>(540,553)</u>	<u>(485,783)</u>
Capital assets (net of accumulated depreciation)	<u>509,906</u>	<u>563,119</u>
Total assets	<u>777,832</u>	<u>910,632</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	7,721	6,518
Accrued payroll	5,346	5,405
Customer deposits	8,350	4,250
Accrued compensated absences	<u>2,391</u>	<u>727</u>
Total liabilities	<u>23,808</u>	<u>16,900</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	509,906	563,119
Unrestricted	<u>244,118</u>	<u>330,613</u>
Total net assets	<u>\$ 754,024</u>	<u>\$ 893,732</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance -	2008
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 200,000	\$ 214,438	\$ 14,438	\$ 211,250
Expenses:				
Utility operations:				
Salaries and wages	81,422	80,052	1,370	72,656
Employee benefits	32,514	28,437	4,077	26,414
Services and supplies	140,900	180,103	(39,203)	124,935
Depreciation	60,000	54,770	5,230	54,300
Bad debt	-	20,448	(20,448)	-
Total operating expenses	314,836	363,810	(48,974)	278,305
Operating income (loss)	(114,836)	(149,372)	(34,536)	(67,055)
Non-operating revenues (expenses):				
Interest income	5,000	9,664	4,664	10,070
Change in net assets	\$ (109,836)	(139,708)	\$ (29,872)	(56,985)
Net assets:				
Beginning of year		893,732		950,717
End of year		\$ 754,024		\$ 893,732

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For the year ended June 30, 2009

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, 2009 AND 2008

	2009	2008
Cash flows from operating activities:		
Cash received from customers	\$ 205,068	\$ 204,452
Cash paid for services and supplies	(179,433)	(127,013)
Cash paid for salaries, wages and employee benefits	(106,884)	(98,661)
Cash provided by operating activities	(81,249)	(21,222)
Cash flows from capital and related financing activities:		
Purchase of fixed assets	(1,557)	(3,335)
Cash flows from investing activities:		
Cash received from interest	10,235	10,097
Net increase in cash	(72,571)	(14,460)
Cash:		
Beginning of year	278,214	292,674
End of year	\$ 205,643	\$ 278,214
Reconciliation of operating income (loss) to cash provided by operating activities:		
Operating income (loss)	\$ (149,372)	\$ (67,055)
Adjustments to reconcile operating income (loss) to cash provided by operating activities:		
Depreciation	54,770	54,300
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	6,978	(6,355)
(Increase) decrease in inventory	(533)	2,288
Increase (decrease) in accounts payable	1,203	(4,366)
Increase (decrease) in accrued payroll	(59)	359
Increase (decrease) in compensated absences	1,664	50
Increase (decrease) in customer deposits	4,100	(443)
Total adjustments	68,123	45,833
Cash provided by operating activities	\$ (81,249)	\$ (21,222)

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For the year ended June 30, 2009

NONMAJOR GOVERNMENTAL FUNDS

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

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For the year ended June 30, 2009

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2009 Totals	2008 Totals
Assets:				
Pooled cash and investments	\$ 68,109	\$ 123,129	\$ 191,238	\$ 227,721
Interest receivable	1,151	789	1,940	1,847
Due from other governments	<u>4,143</u>	<u>-</u>	<u>4,143</u>	<u>6,086</u>
 Total assets	 <u>\$ 73,403</u>	 <u>\$ 123,918</u>	 <u>\$ 197,321</u>	 <u>\$ 235,654</u>
Liabilities:				
Accounts payable	<u>\$ 561</u>	<u>\$ -</u>	<u>\$ 561</u>	<u>\$ 1,985</u>
Fund Balance:				
Fund balance - unreserved:				
Designated for subsequent year	52,607	111,301	163,908	222,469
Undesignated	<u>20,235</u>	<u>12,617</u>	<u>32,852</u>	<u>11,200</u>
 Total fund balance	 <u>72,842</u>	 <u>123,918</u>	 <u>196,760</u>	 <u>233,669</u>
 Total liabilities and fund balance	 <u>\$ 73,403</u>	 <u>\$ 123,918</u>	 <u>\$ 197,321</u>	 <u>\$ 235,654</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, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2009 Totals	2008 Totals
Revenues:				
Taxes	\$ 23,085	\$ -	\$ 23,085	\$ 25,020
Intergovernmental	-	26,954	26,954	24,114
Other	<u>5,577</u>	<u>3,516</u>	<u>9,093</u>	<u>7,788</u>
 Total revenues	 28,662	 30,470	 59,132	 56,922
Expenditures:				
Current:				
Public works	<u>96,041</u>	<u>-</u>	<u>96,041</u>	<u>36,377</u>
 Excess (deficiency) of revenues over expenditures	 (67,379)	 30,470	 (36,909)	 20,545
Fund balance:				
Beginning of year	<u>140,221</u>	<u>93,448</u>	<u>233,669</u>	<u>213,124</u>
 End of year	 <u>\$ 72,842</u>	 <u>\$ 123,918</u>	 <u>\$ 196,760</u>	 <u>\$ 233,669</u>

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For the year ended June 30, 2009

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, 2009

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - ROAD SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008**

	2009	2008
<u>ASSETS</u>		
Pooled cash and investments	\$ 68,109	\$ 134,892
Interest receivable	1,151	1,228
Due from other governments	<u>4,143</u>	<u>6,086</u>
Total assets	<u>\$ 73,403</u>	<u>\$ 142,206</u>
<u>LIABILITIES</u>		
Accounts payable	<u>\$ 561</u>	<u>\$ 1,985</u>
<u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	52,607	140,221
Undesignated	<u>20,235</u>	<u>-</u>
Total fund balance	<u>72,842</u>	<u>140,221</u>
Total liabilities and fund balance	<u>\$ 73,403</u>	<u>\$ 142,206</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)**

	2009		Variance - Positive (Negative)	2008 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Gas tax \$1.75	\$ 25,227	\$ 23,085	\$ (2,142)	\$ 25,020
Other:				
Interest	500	5,577	5,077	5,170
Total revenues	<u>25,727</u>	<u>28,662</u>	<u>2,935</u>	<u>30,190</u>
Expenditures:				
Current:				
Public works				
Services and supplies	91,845	20,543	71,302	32,450
Capital outlay	75,000	75,498	(498)	3,927
Total expenditures	<u>166,845</u>	<u>96,041</u>	<u>70,804</u>	<u>36,377</u>
Excess (deficiency) of revenues over expenditures	<u>(141,118)</u>	<u>(67,379)</u>	<u>73,739</u>	<u>(6,187)</u>
Fund balance:				
Beginning of year	141,118	140,221	(897)	146,408
End of year	<u>\$ -</u>	<u>\$ 72,842</u>	<u>\$ 72,842</u>	<u>\$ 140,221</u>

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For the year ended June 30, 2009

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, 2009

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND-CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Capital Projects	Special Ad Valorem Capital Projects	Totals	
			2009	2008
<u>ASSETS</u>				
Pooled cash and investments	\$ 2,870	\$ 120,259	\$ 123,129	\$ 92,829
Interest receivable	<u>24</u>	<u>765</u>	<u>789</u>	<u>619</u>
Total assets	<u>\$ 2,894</u>	<u>\$ 121,024</u>	<u>\$ 123,918</u>	<u>\$ 93,448</u>
<u>FUND BALANCE</u>				
Unreserved:				
Designated for subsequent year	\$ 2,880	\$ 108,421	\$ 111,301	\$ 82,248
Undesignated	<u>14</u>	<u>12,603</u>	<u>12,617</u>	<u>11,200</u>
Total fund balance	<u>\$ 2,894</u>	<u>\$ 121,024</u>	<u>\$ 123,918</u>	<u>\$ 93,448</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, 2009**

(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Capital Projects	Special Ad Valorem Capital Projects	Totals	
			2009	2008
Revenues:				
Intergovernmental	\$ -	\$ 26,954	\$ 26,954	\$ 24,114
Other	<u>112</u>	<u>3,404</u>	<u>3,516</u>	<u>2,618</u>
Total revenues	112	30,358	30,470	26,732
Expenditures				
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	112	30,358	30,470	26,732
Fund balance:				
Beginning of year	<u>2,782</u>	<u>90,666</u>	<u>93,448</u>	<u>66,716</u>
End of year	<u>\$ 2,894</u>	<u>\$ 121,024</u>	<u>\$ 123,918</u>	<u>\$ 93,448</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Pooled cash and investments	\$ 2,870	\$ 2,757
Interest receivable	<u>24</u>	<u>25</u>
Total assets	<u>\$ 2,894</u>	<u>\$ 2,782</u>
<u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	\$ 2,880	\$ 2,711
Undesignated	<u>14</u>	<u>71</u>
Total fund balance	<u>\$ 2,894</u>	<u>\$ 2,782</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance - Positive (Negative)	2008 Actual
	Budget	Actual		
Revenues:				
Other:				
Interest	\$ -	\$ 112	\$ 112	\$ 103
Expenditures:				
Capital projects	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	112	112	103
Fund balance:				
Beginning of year	2,711	2,782	71	2,679
End of year	<u>\$ 2,711</u>	<u>\$ 2,894</u>	<u>\$ 183</u>	<u>\$ 2,782</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Pooled cash and investments	\$ 120,259	\$ 90,072
Interest receivable	<u>765</u>	<u>594</u>
Total assets	<u>\$ 121,024</u>	<u>\$ 90,666</u>
<u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	\$ 108,421	\$ 79,537
Undesignated	<u>12,603</u>	<u>11,129</u>
Total fund balance	<u>\$ 121,024</u>	<u>\$ 90,666</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance - Positive (Negative)	2008 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
County	\$ 15,000	\$ 26,954	\$ 11,954	\$ 24,114
Other:				
Interest	<u>500</u>	<u>3,404</u>	<u>2,904</u>	<u>2,515</u>
Total revenues	15,500	30,358	14,858	26,629
Expenditures:				
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	15,500	30,358	14,858	26,629
Fund balance:				
Beginning of year	<u>79,537</u>	<u>90,666</u>	<u>11,129</u>	<u>64,037</u>
End of year	<u>\$ 95,037</u>	<u>\$ 121,024</u>	<u>\$ 25,987</u>	<u>\$ 90,666</u>

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For the year ended June 30, 2009

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, 2009, which collectively comprise the Town's basic financial statements and have issued my report thereon dated November 20, 2009. 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
November 20, 2009

**TOWN OF ROUND MOUNTAIN, NEVADA
APPENDIX A
SCHEDULE OF CAPITAL PROJECTS ACTIVITY
JUNE 30, 2009**

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:

Special Capital Projects Fund:	
Taxes	\$ 15,000
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 no expenditures planned during the next fiscal year:

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

Response

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