

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**REPORT ON FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL MATERIAL**  
**YEAR ENDED JUNE 30, 1999**



TOWN OF ROUND MOUNTAIN, NEVADA  
 REPORT ON FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 1999

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TOWN OF ROUND MOUNTAIN, NEVADA  
ELECTED TOWN OFFICIALS  
June 30, 1999

CHAIRPERSON

L.C. "Bud" Hansen

TOWN COUNCIL

Ruth Purdy

Mark Ioli

Tina Winters

Marianne Firebaugh



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

I have audited the accompanying general purpose financial statements of the Town of Round Mountain, Nevada, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Round Mountain, Nevada's, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 Issue. The Town of Round Mountain has included such disclosures in Note D-4. Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Town of Round Mountain's disclosures with respect to the Year 2000 Issue made in Note D-4. Further, I do not provide assurance that the Town of Round Mountain is, or will be, successful, in whole or in part, or that parties with which the Town of Round Mountain does business will be Year 2000 ready.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to in the first paragraph present fairly in all material respects the financial position of the Town of Round Mountain as of June 30, 1999 and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

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



Las Vegas, Nevada  
November 3, 1999

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TOWN OF ROUND MOUNTAIN, NEVADA  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 1999

(With Comparative Totals for June 30, 1998)

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Type</u>
	General	Special Revenue	Capital Projects	Enterprise
<b><u>Assets</u></b>				
Pooled cash and investments	\$ 479 129	\$ 54 677	\$ 86 111	\$ -
Interest receivable	2 439	-	-	-
Delinquent property tax	146	-	-	-
Due from other governments	48 046	5 553	-	-
Accounts receivable (net)	-	-	-	24 819
Due from other funds	2 084	-	-	-
Fixed assets (net)	-	-	-	955 560
<b><u>Other Debits</u></b>				
Amount to be provided for retirement of capital leases/ compensated absences	-	-	-	-
Total assets and other debits	<u>\$ 531 844</u>	<u>\$ 60 230</u>	<u>\$ 86 111</u>	<u>\$ 980 379</u>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 13 723	\$ 478	\$ -	\$ 6 087
Accrued payroll	21 412	-	-	2 114
Customer deposits	-	-	-	1 240
Deferred taxes	30 138	-	-	-
Due to other funds	-	-	-	2 084
Accrued compensated absences	-	-	-	-
Capital lease payable	-	-	-	-
Total liabilities	<u>65 273</u>	<u>478</u>	<u>-</u>	<u>11 525</u>
<b><u>Equity and other credits</u></b>				
Contributed capital	-	-	-	955 560
Investment in fixed assets	-	-	-	-
Retained earnings-unreserved	-	-	-	13 294
Fund balance-unreserved/ undesignated	<u>466 571</u>	<u>59 752</u>	<u>86 111</u>	<u>-</u>
Total equity and other credits	<u>466 571</u>	<u>59 752</u>	<u>86 111</u>	<u>968 854</u>
Total liabilities equity & other credits	<u>\$ 531 844</u>	<u>\$ 60 230</u>	<u>\$ 86 111</u>	<u>\$ 980 379</u>

Account Groups			
Fixed Assets	General Long-Term Debt	Totals (Memorandum Only)	
		1999	1998
\$ -	\$ -	\$ 619 917	\$ 647 954
-	-	2 439	9 033
-	-	146	11
-	-	53 599	33 642
-	-	24 819	-
-	-	2 084	-
2 310 958	-	3 266 518	2 296 990
-	33 498	33 498	37 683
<u>\$2 310 958</u>	<u>\$ 33 498</u>	<u>\$4 003 020</u>	<u>\$ 3 025 313</u>
\$ -	\$ -	\$ 20 288	\$ 41 845
-	-	23 526	20 644
-	-	1 240	-
-	-	30 138	11
-	-	2 084	-
-	33 498	33 498	33 622
-	-	-	4 061
-	33 498	110 774	100 183
-	-	955 560	-
2 310 958	-	2 310 958	2 296 990
-	-	13 294	-
-	-	612 434	628 140
<u>2 310 958</u>	<u>-</u>	<u>3 892 246</u>	<u>2 925 130</u>
<u>\$2 310 958</u>	<u>\$ 33 498</u>	<u>\$4 003 020</u>	<u>\$ 3 025 313</u>

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES- ALL GOVERNMENTAL FUND TYPES  
 Year Ended June 30, 1999

(With Comparative Totals for Year Ended June 30, 1998)

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<b>Revenues:</b>			
Taxes	\$ 303 160	\$ -	\$ -
Fines and forfeitures	2 308	-	-
Licenses & permits	4 625	-	-
Intergovernmental	176 529	32 290	11 716
Charges for services	10 283	-	-
Other	<u>49 288</u>	<u>2 355</u>	<u>-</u>
Total revenues	<u>546 193</u>	<u>34 645</u>	<u>11 716</u>
<b>Expenditures:</b>			
Current:			
General Government	263 225	-	-
Public safety	128 575	-	-
Public works	27 597	12 006	-
Culture & recreation	164 888	-	-
Capital projects	-	-	7 800
Debt service:			
Principal	4 061	-	-
Interest	<u>108</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>588 454</u>	<u>12 006</u>	<u>7 800</u>
Excess (deficiency) of revenues over expenditures	<u>(42 261)</u>	<u>22 639</u>	<u>3 916</u>
<b>Other financing sources (uses):</b>			
Operating transfer in	2 355	-	66 947
Operating transfer out	<u>(66 947)</u>	<u>(2 355)</u>	<u>-</u>
Total other financing sources (uses)	<u>(64 592)</u>	<u>(2 355)</u>	<u>66 947</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(106 853)	20 284	70 863
<b>Fund balance:</b>			
Beginning of year	<u>573 424</u>	<u>39 468</u>	<u>15 248</u>
End of year	<u>\$ 466 571</u>	<u>\$ 59 752</u>	<u>\$ 86 111</u>

Total (Memorandum Only)	
1999	1998
\$ 303 160	\$ 303 983
2 308	2 660
4 625	4 360
220 535	304 412
10 283	7 451
<u>51 643</u>	<u>41 877</u>
<u>592 554</u>	<u>664 743</u>
263 225	248 340
128 575	132 751
39 603	60 853
164 888	183 989
7 800	20 500
4 061	3 853
<u>108</u>	<u>908</u>
<u>608 260</u>	<u>651 194</u>
(15 706)	13 549
69 302	-
<u>(69 302)</u>	<u>-</u>
-	-
(15 706)	13 549
<u>628 140</u>	<u>614 591</u>
<u>\$ 612 434</u>	<u>\$ 628 140</u>

See accompanying notes to financial statements

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

YEAR ENDED JUNE 30, 1999  
 Page 1 of 2

General Fund			
	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 229 921	\$ 303 160	\$ 73 239
Fines and forfeitures	2 000	2 308	308
Licenses & permits	3 253	4 625	1 372
Intergovernmental	172 351	176 529	4 178
Charges for services	7 500	10 283	2 783
Other	<u>32 100</u>	<u>49 288</u>	<u>17 188</u>
Total revenues	<u>447 125</u>	<u>546 193</u>	<u>99 068</u>
<b>Expenditures:</b>			
Current:			
General government	388 628	263 225	125 403
Public safety	142 746	128 575	14 171
Public works	33 500	27 597	5 903
Culture & recreation	214 558	164 888	49 670
Contingency	10 000	-	10 000
Capital projects	-	-	-
Debt service:			
Principal	3 514	4 061	(547)
Interest	<u>850</u>	<u>108</u>	<u>742</u>
Total expenditures	<u>793 796</u>	<u>588 454</u>	<u>205 342</u>
Excess (deficiency) of revenues over expenditures	<u>(346 671)</u>	<u>(42 261)</u>	<u>304 410</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	2 355	2 355
Operating transfers out	<u>(166 947)</u>	<u>(66 947)</u>	<u>100 000</u>
Total other financing sources (uses)	<u>(166 947)</u>	<u>(64 592)</u>	<u>102 355</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(513 618)	(106 853)	406 765
<b>Fund balance:</b>			
Beginning of year	<u>513 618</u>	<u>573 424</u>	<u>59 806</u>
End of year	<u>\$ -</u>	<u>\$ 466 571</u>	<u>\$ 466 571</u>

Special Revenue Fund		
Budget	Actual	Variance- Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
35 000	32 290	(2 710)
-	-	-
<u>-</u>	<u>2 355</u>	<u>2 355</u>
<u>35 000</u>	<u>34 645</u>	<u>(355)</u>
-	-	-
-	-	-
61 092	12 006	49 086
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>61 092</u>	<u>12 006</u>	<u>49 086</u>
(26 092)	22 639	48 731
-	-	-
<u>-</u>	<u>(2 355)</u>	<u>(2 355)</u>
-	-	-
<u>-</u>	<u>(2 355)</u>	<u>(2 355)</u>
(26 092)	20 284	46 376
<u>26 092</u>	<u>39 468</u>	<u>13 376</u>
<u>\$ -</u>	<u>\$ 59 752</u>	<u>\$ 59 752</u>

See accompanying notes to financial statements

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

YEAR ENDED JUNE 30, 1999  
 Page 2 of 2

	<u>Capital Projects Fund</u>		
	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-
Licenses & permits	-	-	-
Intergovernmental	10 000	11 716	1 716
Charges for services	-	-	-
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>10 000</u>	<u>11 716</u>	<u>1 716</u>
<b>Expenditures:</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Contingency	-	-	-
Capital projects	80 021	7 800	72 221
Debt Service:			
Principal	-	-	-
Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>80 021</u>	<u>7 800</u>	<u>72 221</u>
Excess (deficiency) of revenues over expenditures	<u>(70 021)</u>	<u>3 916</u>	<u>73 937</u>
<b>Other financing sources (uses):</b>			
Operating transfer in	66 947	66 947	-
Operating transfer out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>66 947</u>	<u>66 947</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(3 074)</u>	<u>70 863</u>	<u>73 937</u>
<b>Fund balance:</b>			
Beginning of year	<u>3 074</u>	<u>15 248</u>	<u>12 174</u>
End of year	<u>\$ -</u>	<u>\$ 86 111</u>	<u>\$ 86 111</u>

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA  
ENTERPRISE FUND  
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE

YEAR ENDED JUNE 30, 1999

	Enterprise Fund 1999 Actual
<b>Operating Revenues:</b>	
Charges for services	\$ 92 071
<b>Operating Expenses:</b>	
Utility operations:	
Salaries and wages	6 970
Employee benefits	1 764
Service and supplies	70 043
Depreciation	19 965
Total expenditures	98 742
Operating income	(6 671)
<b>Non-operating income:</b>	
Add back depreciation-contributed assets	19 965
<b>Retained earnings:</b>	
Beginning of year	-
End of year	\$ 13 294

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA  
ENTERPRISE FUND  
COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
Year Ended June 30, 1999

	1999
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 67 252
Cash paid for service and supplies	(61 872)
Cash paid for employees and benefits	<u>(6 620)</u>
Net cash used by operating activities	<u>(1 240)</u>
<b>Cash flows from non-capital financing activities:</b>	
Customer deposits	<u>1 240</u>
Net increase in cash	-
<b>Cash:</b>	
Beginning of year	<u>-</u>
End of year	<u>\$ -</u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss	<u>\$ (6 671)</u>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>	
Depreciation	19 965
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(24 819)
Increase (decrease) in accounts payable	6 087
Increase (decrease) in accrued payroll	2 114
Increase (decrease) in other liabilities	<u>2 084</u>
Total adjustments	<u>5 431</u>
<b>Net cash used by operating activities:</b>	<u>\$ (1 240)</u>

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA  
Notes to the Financial Statements  
June 30, 1999

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The Town is governed by an elected five member council. As required by generally accepted accounting principles, these financial statements present the Town's funds and account groups for which the Town is considered to be financially accountable. There were no component units of the Town at June 30, 1999. The Town is not included in any other governmental reporting entity as a component unit as defined by Governmental Accounting Standards Board pronouncements.

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

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

The Town has the following fund types and account groups:

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

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

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

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

Governmental funds include the following fund types:

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

TOWN OF ROUND MOUNTAIN  
Notes to Financial Statements (Continued)  
June 30, 1999

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

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

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

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

3. Assets, Liabilities and Equity

a. Deposits and Investments

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

Investments are stated at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of Town investments are part of investment income which is included in revenue from local sources on the combined statements of revenues, expenditures, and changes in fund balance. (See Note C 1)

Nevada Statutes authorize the Town to invest in:

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

TOWN OF ROUND MOUNTAIN  
Notes to Financial Statements (Continued)  
June 30, 1999

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Assets, Liabilities and Equity (Continued)

a. Deposits and Investments (Continued)

4. Eligible bankers' acceptance that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 240 days maturity and does not exceed 20 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.

b. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/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 C2)

c. Inventories and Prepaid Items

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

Payments to vendors benefiting accounting periods beyond June 30, 1999 are recorded as expenditures in governmental funds.

TOWN OF ROUND MOUNTAIN  
Notes to Financial Statements (Continued)  
June 30, 1999

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Assets, Liabilities and Equity (Continued)

d. Restricted Assets

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

e. Fixed Assets

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

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

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

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

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

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

f. Compensated Absences

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

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

Town policy allows employees to accumulate annual leave to a maximum of 240 hours. Employees can accumulate up to 720 hours of sick leave. If an employee has five years of service, upon termination he/she will be paid 25% of his sick leave. At ten years of service upon termination, he/she will be paid 50% of accumulated sick leave. After ten years of service upon termination he/she will be paid 2.5% for every year up to a maximum of 75%. (See note C5)

TOWN OF ROUND MOUNTAIN  
Notes to Financial Statements (Continued)  
June 30, 1999

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Assets, Liabilities, and Equity (Continued)

g. Long-term Obligations

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

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

h. Fund Equity

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

i. Memorandum Only - Total Columns

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

j. Comparative Data/Reclassifications

Comparative total data for the prior year have 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  
Notes to Financial Statements (Continued)  
June 30, 1999

**B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**1. Budgetary Information**

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

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

- a. Prior to April 15, the Town submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget, as submitted, contains the proposed expenditures and means of financing them.
- b. The Nevada State Department of Taxation notifies the Town of its acceptance of the budget.
- c. Public hearings are conducted on the third Thursday in May.
- d. After all changes have been noted and hearings closed, the Town adopts the budget on or before June 1.
- e. Whenever such an action does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions, the Town Manager may transfer appropriations within any function or program or between functions or programs within a fund, if:
  1. The governing body is advised of the action at the next regular meeting; and
  2. The action is recorded in the official minutes of the meeting.
- f. Increases to a fund's budget (augmentations) other than by transfers must be approved by the Town Board.
- g. Statutory regulations require budget control to be exercised at the function level within the general fund or at the fund level for other funds.
- h. The general fund budget was augmented (increased).

**2. Encumbrance Accounting**

Encumbrance accounting is not utilized in the governmental funds.

TOWN OF ROUND MOUNTAIN  
Notes to Financial Statements (Continued)  
June 30, 1999

C. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

1. Deposits and Investments

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

Investments made by the Nye County Treasurer from funds of the Town are a part of a pooled investment fund. Monthly interest is apportioned to the Town based on the average balance invested. Risk categories for invested funds is 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 A 3a)

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, 1999.

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

Cash on hand	\$ 3 713
Carrying amount of cash and investments	<u>616 204</u>
Total	<u>\$ 619 917</u>
Cash and cash equivalents	<u>\$ 619 917</u>

Investment income earned from pooled investments of funds that is assigned to another fund was as follows:

<u>To</u>	<u>From</u>	<u>Amount</u>
General fund	Road special revenue fund	\$ 2 355

2. Receivables

Receivables as of year end, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:				
Interest	\$ 2 439	\$ -	\$ -	\$ 2 439
Delinquent Taxes	146	-	-	146
Due from other governments	48 046	5 553	-	53 599
Accounts receivable	-	-	24 819	24 819
Due from other funds	<u>2 084</u>	<u>-</u>	<u>-</u>	<u>2 084</u>
Total receivables	<u>\$ 52 715</u>	<u>\$ 5 553</u>	<u>\$ 24 819</u>	<u>\$ 83 087</u>

TOWN OF ROUND MOUNTAIN  
Notes to Financial Statements (Continued)  
June 30, 1999

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

3. Fixed Assets

Activity in the general fixed assets account group for the year ended June 30, 1999 was as follows:

	Balance July 1, 1998	Additions	Retirements	Balance July 30, 1999
Buildings	\$1 379 697	\$ -	\$ -	\$1 379 697
Machinery and equipment	917 293	13 968	-	931 261
Total general fixed assets	<u>\$2 296 990</u>	<u>\$ 13 968</u>	<u>\$ -</u>	<u>\$2 310 958</u>

The following is a summary of proprietary fund type fixed assets for the Town at June 30, 1999:

	Enterprise Fund
Water and sewer system	\$ 975 525
Less:	
Accumulated depreciation	<u>19 965</u>
Totals	<u>\$ 955 560</u>

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 \$30,138.

5. Long-Term Debt

During the year ended June 30, 1999, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance July 31, 1998	Net Additions (Reductions)	Balance June 30, 1999
Accrued compensated absences	\$ 33 622	\$ (124)	\$ 33 498
Capital lease	4 061	(4 061)	-
Totals	<u>\$ 37 683</u>	<u>\$ (4 185)</u>	<u>\$ 33 498</u>

6. Contributed Capital

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

	Enterprise Fund
Beginning balance	\$ -
Contributions	975 525
Amortization	<u>(19 965)</u>
Ending balance contributed capital	<u>\$ 955 560</u>

TOWN OF ROUND MOUNTAIN  
Notes to Financial Statements (Continued)  
June 30, 1999

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

7. Interfund Transactions

Interfund operating transfers are made from one fund to another fund to support expenditures in accordance with the authority established for the individual funds. Transfers between fund types during the year ended June 30, 1999 were:

	Total <u>Transfers In</u>	<u>Transfers Out</u>	
		<u>General fund</u>	<u>Special Revenue</u>
General Fund	\$ 2 355	\$ -	\$ 2 355
Capital Projects	66 947	66 947	-
Total	<u>\$ 69 302</u>	<u>\$ 66 947</u>	<u>\$ 2 355</u>

D. OTHER INFORMATION

1. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town joined together with other local governments in the Nevada Public Agency Insurance Pool (NPAIP), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Town pays an annual premium to NPAIP for its property, casualty, crimes and machinery insurance coverage. NPAIP is self sustaining through member premiums and reinsures through commercial companies for claims in excess of \$100,000 property and crime; casualty \$150,000 each and every insured event. As a participatory member, the maintenance deductible is \$500 for each insured event.

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

The Town is self insured for unemployment claims.

The Town purchases health care benefits for its employees through Nye County, Nevada. Through March 31, 1999 Nye County contracted with a third party insurance carrier to provide health care benefits for its employees. As of April 1, 1999 Nye County has a self-funded health care program for its employees. Nye County has stop-loss insurance coverage. After eligible plan charges reach \$75,000 per person in any benefit year, the specific stop-loss reinsurance will begin at 100% of covered charges. The insurance company pays the lifetime maximum payable of \$1,000,000 for each insured family member. The self-funded Health Care plan is accounted for in an Internal Service Fund. Actuarially determined premium costs are obtained. These costs were paid monthly from the various funds of the County to the Internal Service Fund.

2. Contingent Liabilities

Grants

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

Litigation

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

TOWN OF ROUND MOUNTAIN  
Notes to Financial Statements (Continued)  
June 30, 1999

D. OTHER INFORMATION (Continued)

3. Pension Plan

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

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

Monthly benefit allowances for members are computed at 2.5% of average compensation (36 consecutive months of highest compensation) for each accredited year of service prior to retirement with a ceiling of 75% of the average compensation. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his/her life and various optional monthly payments to a named beneficiary after his/her death. Regular members are eligible for retirement at the age 65 with 5 years of service or age 60 with 10 years of service or any age with 30 years of service. Police and firemen are eligible for retirement at age 65 with 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.

*Funding Policy.* Contribution rates are established by NRS 286.410. The statute, which is tied to the increase in taxable sales within the State each year, provides for yearly increases of up to 1 percent until such time as the actuarially determined unfunded liability of the Plan is reduced to zero. The District is obligated to contribute all amounts due under the Plan. The contribution rate during 1998-99 was 18.75 percent of payroll. The contribution requirement for the year ended June 30, 1999 was \$53,768. The contributions were equal to the required contributions for the year.

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

Financial statements for the Plan are available by calling (702)687-4200 or writing to:

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

4. Year 2000 Compliance

The year 2000 issue is the result of shortcomings on many electronic data processing systems and other equipment that make operations beyond the year 1999 troublesome. For many years, programmers eliminated the first two digits from a year when writing programs. Unfortunately, many programs (if not corrected) will not be able to distinguish between the year 2000 and the year 1900. This may cause the programs to process data inaccurately or to stop processing the data altogether. Another factor that may cause problems in programs is the leap year calculation. Some programs are unable to detect the year 2000 as leap year.

TOWN OF ROUND MOUNTAIN  
Notes to Financial Statements (Continued)  
June 30, 1999

D. OTHER INFORMATION (Continued)

4. Year 2000 Compliance (Continued)

Problems affecting a wide range of governmental activities will likely result if computers and other electronic equipment that are dependent upon date-sensitive coding are not corrected. These problems have the potential for causing a disruption of governmental service.

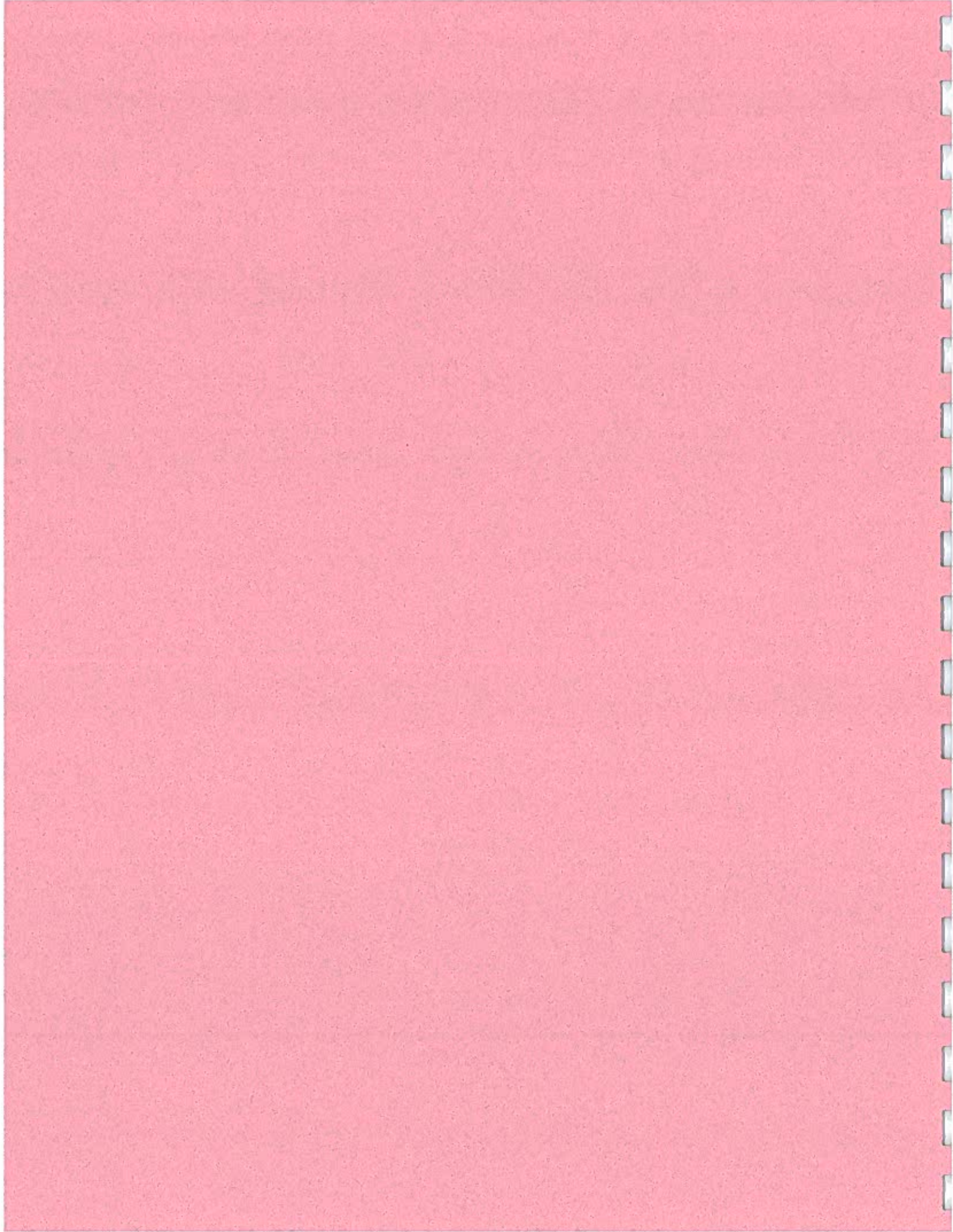
In the last three years the Town of Round Mountain has switched its entire computer system over to the new Y2K compliant units. Everything purchased to support the Town has been Y2K compliant. (IE: programs, billing software, pumps, motors, electric equipment, etc.)

The Town is in the validation/testing stage, systems are year 2000 compliant and ready for use.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Town is or will be year 2000 ready, that the Town's remediation efforts will be successful in whole or in part, or that the parties with whom the Town does business will be year 2000 ready.

## GENERAL FUND

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





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TOWN OF ROUND MOUNTAIN, NEVADA  
GENERAL FUND  
COMPARATIVE BALANCE SHEET

June 30, 1999 and 1998

	1999	1998
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 479 129	\$ 577 530
Interest receivable	2 439	9 033
Delinquent property taxes receivable	146	11
Due from other governments	48 046	28 305
Due from other funds	<u>2 084</u>	<u>-</u>
Total assets	<u>\$ 531 844</u>	<u>\$ 614 879</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 13 723	\$ 20 800
Payroll accrual	21 412	20 644
Deferred taxes	<u>30 138</u>	<u>11</u>
Total liabilities	65 273	41 455
<b><u>FUND BALANCE</u></b>		
Fund balance - unreserved-undesignated	<u>466 571</u>	<u>573 424</u>
Total liabilities and fund balance	<u>\$ 531 844</u>	<u>\$ 614 879</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
Year Ended June 30, 1999  
(With Comparative Actual Amounts for Year Ended June 30, 1998)

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<b>Revenues:</b>				
Taxes	\$ 229 921	\$ 303 160	\$ 73 239	\$ 303 983
Fines and forfeitures	2 000	2 308	308	2 660
Licenses & permits	3 253	4 625	1 372	4 360
Intergovernmental	172 351	176 529	4 178	259 213
Charges for services	7 500	10 283	2 783	7 451
Other	<u>32 100</u>	<u>49 288</u>	<u>17 188</u>	<u>41 877</u>
Total revenues	<u>447 125</u>	<u>546 193</u>	<u>99 068</u>	<u>619 544</u>
<b>Expenditures:</b>				
General government	388 628	263 225	125 403	248 340
Public safety	142 746	128 575	14 171	132 751
Public works	33 500	27 597	5 903	24 991
Culture and recreation	214 558	164 888	49 670	183 989
Contingency	10 000	-	10 000	-
Debt service:				
Principal	3 514	4 061	(547)	3 853
Interest	<u>850</u>	<u>108</u>	<u>742</u>	<u>908</u>
Total expenditures	<u>793 796</u>	<u>588 454</u>	<u>205 342</u>	<u>594 832</u>
Excess (deficiency) of revenues over expenditures	<u>(346 671)</u>	<u>(42 261)</u>	<u>304 410</u>	<u>24 712</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	2 355	2 355	-
Operating transfers out	<u>(166 947)</u>	<u>(66 947)</u>	<u>100 000</u>	<u>-</u>
Total other financing sources (uses)	<u>(166 947)</u>	<u>(64 592)</u>	<u>102 355</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(513 618)	(106 853)	406 765	24 712
<b>Fund balance:</b>				
Beginning of year	<u>513 618</u>	<u>573 424</u>	<u>59 806</u>	<u>548 712</u>
End of year	<u>\$ -</u>	<u>\$ 466 571</u>	<u>\$ 466 571</u>	<u>\$ 573 424</u>

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TOWN OF ROUND MOUNTAIN, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES COMPARED TO BUDGET  
Year Ended June 30, 1999  
(With Comparative Actual Amounts for Year Ended June 30, 1998)

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 173 804	\$ 229 095	\$ 55 291	\$ 158 375
Net proceeds	<u>56 117</u>	<u>74 065</u>	<u>17 948</u>	<u>145 608</u>
Total taxes	<u>229 921</u>	<u>303 160</u>	<u>73 239</u>	<u>303 983</u>
Fines and forfeitures	<u>2 000</u>	<u>2 308</u>	<u>308</u>	<u>2 660</u>
<b>Licenses and permits:</b>				
Gaming licenses	2 121	3 465	1 344	3 240
Liquor licenses	<u>1 132</u>	<u>1 160</u>	<u>28</u>	<u>1 120</u>
Total licenses	<u>3 253</u>	<u>4 625</u>	<u>1 372</u>	<u>4 360</u>
<b>Intergovernmental:</b>				
Consolidated tax	152 351	156 529	4 178	162 699
Nye County buydown	-	-	-	76 514
Grant	<u>20 000</u>	<u>20 000</u>	<u>-</u>	<u>20 000</u>
Total intergovernmental	<u>172 351</u>	<u>176 529</u>	<u>4 178</u>	<u>259 213</u>
<b>Charges for services:</b>				
Swimming pool	4 000	5 012	1 012	4 323
Arcade/Vending	500	1 751	1 251	15
Water charges	<u>3 000</u>	<u>3 520</u>	<u>520</u>	<u>3 113</u>
Total charges for services	<u>7 500</u>	<u>10 283</u>	<u>2 783</u>	<u>7 451</u>
<b>Other:</b>				
Rent	1 600	9 550	7 950	2 185
Interest	30 000	29 734	(266)	37 980
Miscellaneous	<u>500</u>	<u>10 004</u>	<u>9 504</u>	<u>1 712</u>
Total other	<u>32 100</u>	<u>49 288</u>	<u>17 188</u>	<u>41 877</u>
Total revenues	<u>\$ 447 125</u>	<u>\$ 546 193</u>	<u>\$ 99 068</u>	<u>\$ 619 544</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
GENERAL FUND  
STATEMENT OF EXPENDITURES COMPARED TO BUDGET  
Year Ended June 30, 1999  
(With Comparative Actual Amounts for Year Ended June 30, 1998)

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<b>Expenditures:</b>				
<b>General government:</b>				
Administration:				
Salaries and wages	\$ 65 677	\$ 53 282	\$ 12 395	\$ 46 829
Employee benefits	31 167	19 284	11 883	17 269
Service and supplies	64 250	41 180	23 070	49 649
Capital outlay	<u>3 000</u>	<u>2 630</u>	<u>370</u>	<u>-</u>
Total administration	<u>164 094</u>	<u>116 376</u>	<u>47 718</u>	<u>113 747</u>
Building and Grounds:				
Salaries and wages	116 179	77 651	38 528	69 055
Employee benefits	40 855	27 853	13 002	25 574
Service and supplies	<u>67 500</u>	<u>41 345</u>	<u>26 155</u>	<u>39 964</u>
Total building and grounds	<u>224 534</u>	<u>146 849</u>	<u>77 685</u>	<u>134 593</u>
Total general government	<u>388 628</u>	<u>263 225</u>	<u>125 403</u>	<u>248 340</u>
<b>Public safety:</b>				
Fire department:				
Services and supplies	<u>2 050</u>	<u>1 649</u>	<u>401</u>	<u>1 609</u>
Hadley Station:				
Salaries and wages	68 609	67 711	898	71 960
Employee benefits	28 487	24 389	4 098	25 524
Services and supplies	<u>43 600</u>	<u>34 826</u>	<u>8 774</u>	<u>33 658</u>
	<u>140 696</u>	<u>126 926</u>	<u>13 770</u>	<u>131 142</u>
Total public safety	<u>\$ 142 746</u>	<u>\$ 128 575</u>	<u>\$ 14 171</u>	<u>\$ 132 751</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
GENERAL FUND  
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)  
Year Ended June 30, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
<b>Public works:</b>				
Highways and streets:				
Services and supplies	\$ 16 000	\$ 13 073	\$ 2 927	\$ 13 151
Round Mountain Water:				
Services and supplies	<u>17 500</u>	<u>14 524</u>	<u>2 976</u>	<u>11 840</u>
Total public works	<u>33 500</u>	<u>27 597</u>	<u>5 903</u>	<u>24 991</u>
<b>Culture and recreation:</b>				
Swimming Pool:				
Salaries and wages	19 080	8 792	10 288	8 670
Employee benefits	2 030	918	1 112	1 275
Services and supplies	<u>19 850</u>	<u>16 730</u>	<u>3 120</u>	<u>10 879</u>
	<u>40 960</u>	<u>26 440</u>	<u>14 520</u>	<u>20 824</u>
Parks and recreation:				
Salaries and wages	60 196	62 808	(2 612)	86 169
Employee benefits	20 916	21 342	(426)	29 527
Services and supplies	81 736	48 836	32 900	47 469
Capital outlay	<u>10 750</u>	<u>5 462</u>	<u>5 288</u>	<u>-</u>
	<u>173 598</u>	<u>138 448</u>	<u>35 150</u>	<u>163 165</u>
Total culture and recreation	<u>214 558</u>	<u>164 888</u>	<u>49 670</u>	<u>183 989</u>
<b>Debt service:</b>				
Principal	3 514	4 061	(547)	3 853
Interest	<u>850</u>	<u>108</u>	<u>742</u>	<u>908</u>
Total debt service	<u>4 364</u>	<u>4 169</u>	<u>195</u>	<u>4 761</u>
Total expenditures	<u>\$ 783 796</u>	<u>\$ 588 454</u>	<u>\$ 195 342</u>	<u>\$ 594 832</u>

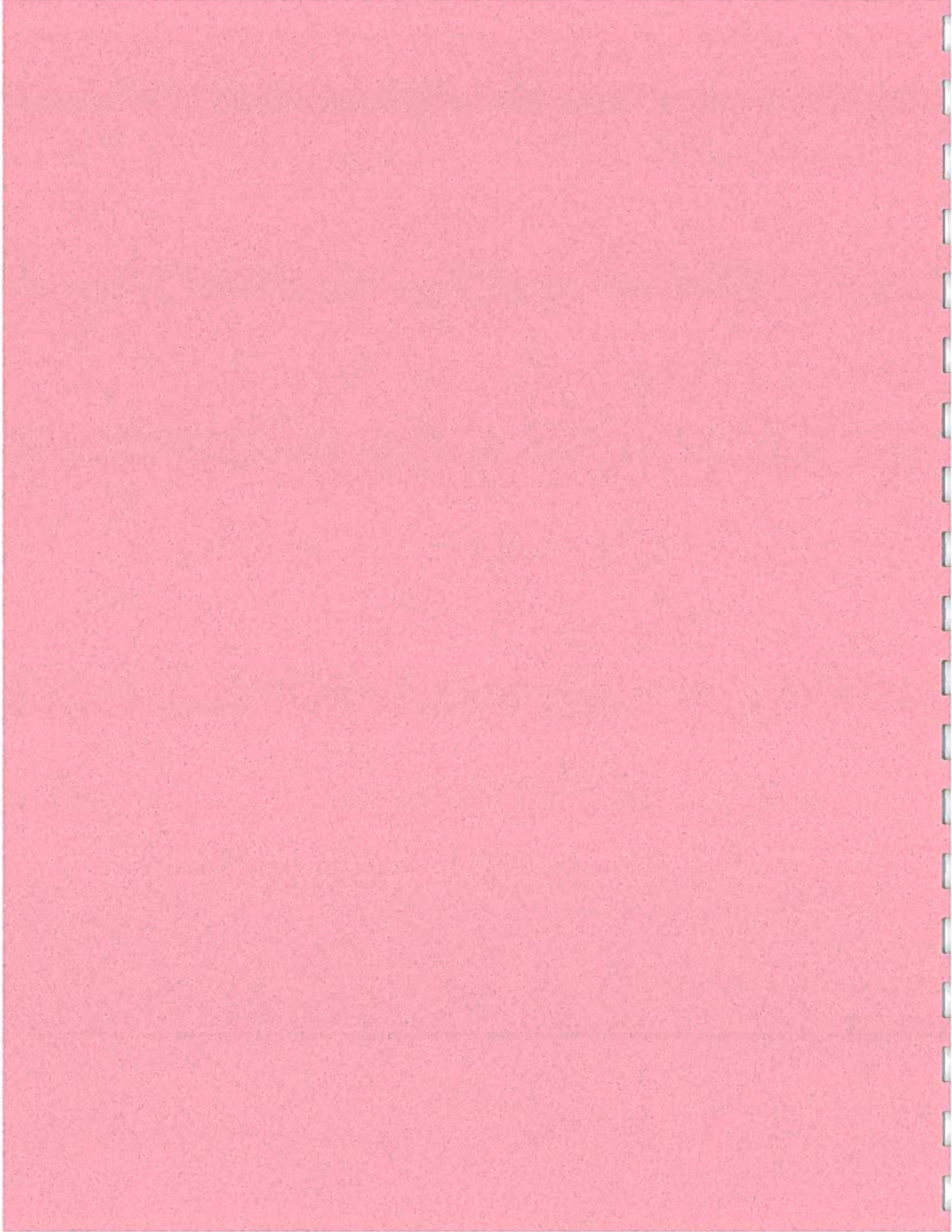
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## SPECIAL REVENUE FUNDS

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

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



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TOWN OF ROUND MOUNTAIN, NEVADA  
ROAD SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1998

	1999	1998
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 54 677	\$ 34 676
Due from other government	<u>5 553</u>	<u>5 337</u>
Total Assets	<u>\$ 60 230</u>	<u>\$ 40 013</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 478	\$ 545
<b><u>FUND BALANCE</u></b>		
Fund balance unreserved-undesignated	<u>59 752</u>	<u>39 468</u>
Total liabilities and fund balance	<u>\$ 60 230</u>	<u>\$ 40 013</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
ROAD SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

For the Period Ended June 30, 1999  
(With Comparative Actual Amounts For Year Ended June 30, 1998)

	Budget	Actual	Variance- Favorable (Unfavorable)	1998
<b>Revenue:</b>				
Intergovernmental				
Gas Tax \$1.75	\$ 35 000	\$ 32 290	\$ (2 710)	\$ 34 065
Interest	<u>-</u>	<u>2 355</u>	<u>2 355</u>	<u>-</u>
Total revenue	<u>35 000</u>	<u>34 645</u>	<u>(355)</u>	<u>34 065</u>
<b>Expenditures:</b>				
Public works:				
Highways and streets				
Service and supplies	61 092	12 006	49 086	15 862
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>20 000</u>
Total expenditures	<u>61 092</u>	<u>12 006</u>	<u>49 086</u>	<u>35 862</u>
Excess (deficiency) of				
revenues over expenditures	(26 092)	22 639	48 731	(1 797)
<b>Other operating (uses):</b>				
Operating transfers out	<u>-</u>	<u>(2 355)</u>	<u>(2 355)</u>	<u>-</u>
Excess (deficiency) of				
revenues over				
expenditures and				
other uses	(26 092)	20 284	46 376	(1 797)
<b>Fund balance</b>				
Beginning of year	<u>26 092</u>	<u>39 468</u>	<u>13 376</u>	<u>41 265</u>
End of year	<u>\$ -</u>	<u>\$ 59 752</u>	<u>\$ 59 752</u>	<u>\$ 39 468</u>

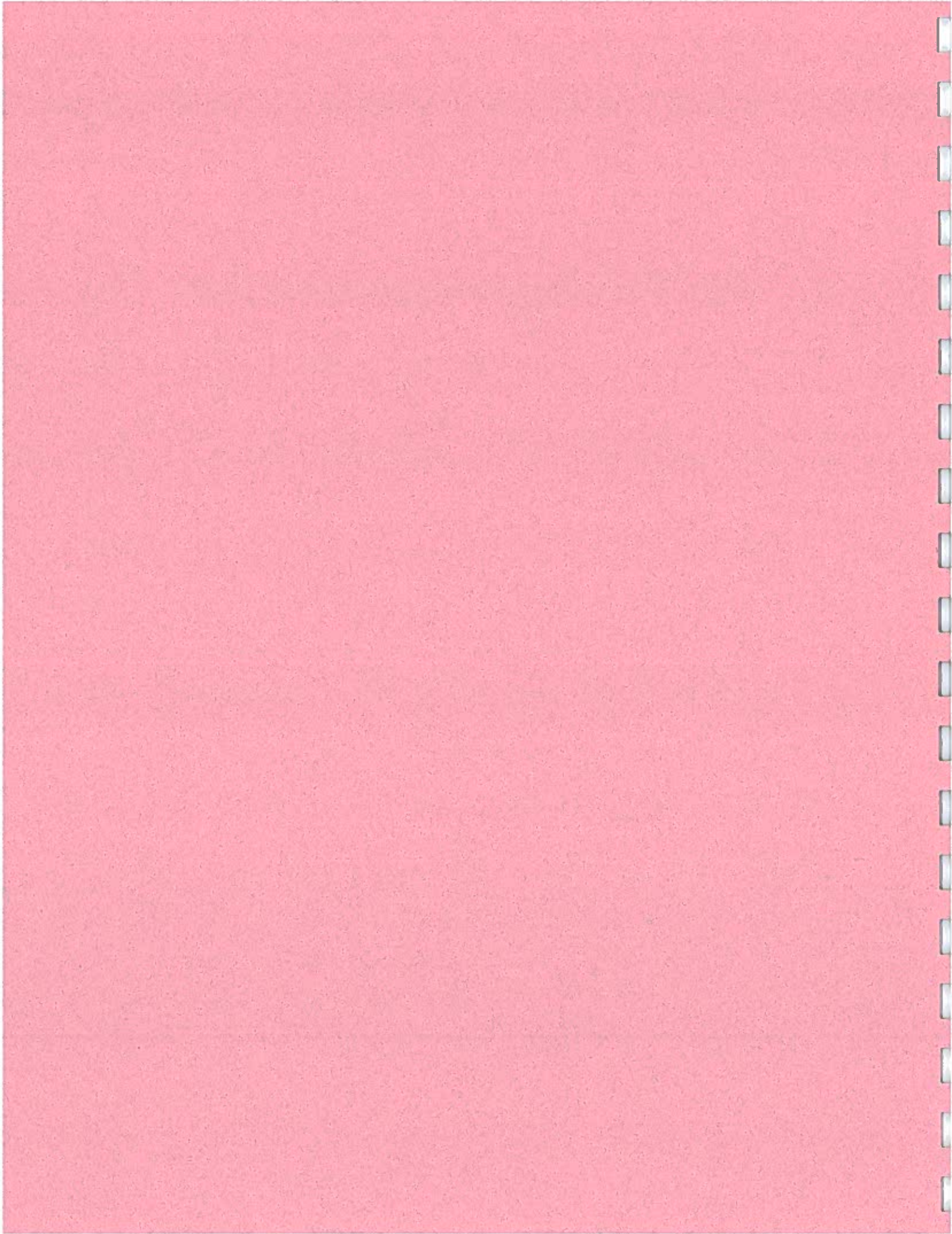
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## CAPITAL PROJECTS

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

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

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





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TOWN OF ROUND MOUNTAIN, NEVADA  
 CAPITAL PROJECTS FUND  
 COMBINING BALANCE SHEET  
 June 30, 1999  
 (With Comparative Totals for June 30, 1998)

	Capital Projects	Special Ad Valorem Capital Projects	Totals	
			1999	1998
<b><u>ASSETS</u></b>				
Pooled cash and investments	<u>\$ 70 021</u>	<u>\$ 16 090</u>	<u>\$ 86 111</u>	<u>\$ 35 748</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 20 500
Fund balance - unreserved-undesignated	<u>70 021</u>	<u>16 090</u>	<u>86 111</u>	<u>15 248</u>
Total liabilities and fund balance	<u>\$ 70 021</u>	<u>\$ 16 090</u>	<u>\$ 86 111</u>	<u>\$ 35 748</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
 CAPITAL PROJECTS FUND  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE

Year Ended June 30, 1999  
 (With Comparative Totals for June 30, 1998)

	Capital Projects	Special Ad Valorem Capital Projects	Totals 1999	Totals 1998
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 11 716	\$ 11 716	\$ 11 134
<b>Expenditures:</b>				
Capital projects	-	7 800	7 800	20 500
Excess (deficiency) of revenues over expenditures	-	3 916	3 916	(9 366)
<b>Other financing sources:</b>				
Operating transfers in	66 947	-	66 947	-
Excess (deficiency) of revenues and other sources over expenditures	66 947	3 916	70 863	(9 366)
<b>Fund balance:</b>				
Beginning of year	3 074	12 174	15 248	24 614
End of year	<u>\$ 70 021</u>	<u>\$ 16 090</u>	<u>\$ 86 111</u>	<u>\$ 15 248</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1998

---

	1999	1998
<hr/>		
<b><u>ASSETS</u></b>		
Pooled cash and investments	<u>\$ 70 021</u>	<u>\$ 3 074</u>
<b><u>FUND BALANCE</u></b>		
Fund balance - unreserved-undesignated	<u>\$ 70 021</u>	<u>\$ 3 074</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
 CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 1999  
 (With Comparative Actual Amounts for Year Ended June 30, 1998)

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
County	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
<b>Capital projects:</b>				
Public safety	<u>70 021</u>	<u>-</u>	<u>70 021</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(70 021)	-	70 021	-
<b>Other financing sources:</b>				
Operating transfer in	<u>66 947</u>	<u>66 947</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures	(3 074)	66 947	70 021	-
<b>Fund balance:</b>				
Beginning of year	<u>3 074</u>	<u>3 074</u>	<u>-</u>	<u>3 074</u>
End of year	<u>\$ -</u>	<u>\$ 70 021</u>	<u>\$ 70 021</u>	<u>\$ 3 074</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
SPECIAL AD VALOREM CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1998

---

	1999	1998
<hr/>		
<b><u>ASSETS</u></b>		
Pooled cash and investments	<u>\$ 16 090</u>	<u>\$ 32 674</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ 20 500
<b><u>FUND BALANCE</u></b>		
Fund balance - unreserved-undesignated	<u>16 090</u>	<u>12 174</u>
Total liabilities and fund balance	<u>\$ 16 090</u>	<u>\$ 32 674</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
SPECIAL AD VALOREM CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 1999  
(With Comparative Actual Amounts for Year Ended June 30, 1998)

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<b>Revenues:</b>				
Intergovernmental	\$ 10 000	\$ 11 716	\$ 1 716	\$ 11 134
<b>Expenditures:</b>				
Capital projects	<u>10 000</u>	<u>7 800</u>	<u>2 200</u>	<u>20 500</u>
Excess (deficiency) of revenues over expenditures	-	3 916	3 916	(9 366)
<b>Fund balance:</b>				
Beginning of year	<u>-</u>	<u>12 174</u>	<u>12 174</u>	<u>21 540</u>
End of year	<u>\$ -</u>	<u>\$ 16 090</u>	<u>\$ 16 090</u>	<u>\$ 12 174</u>

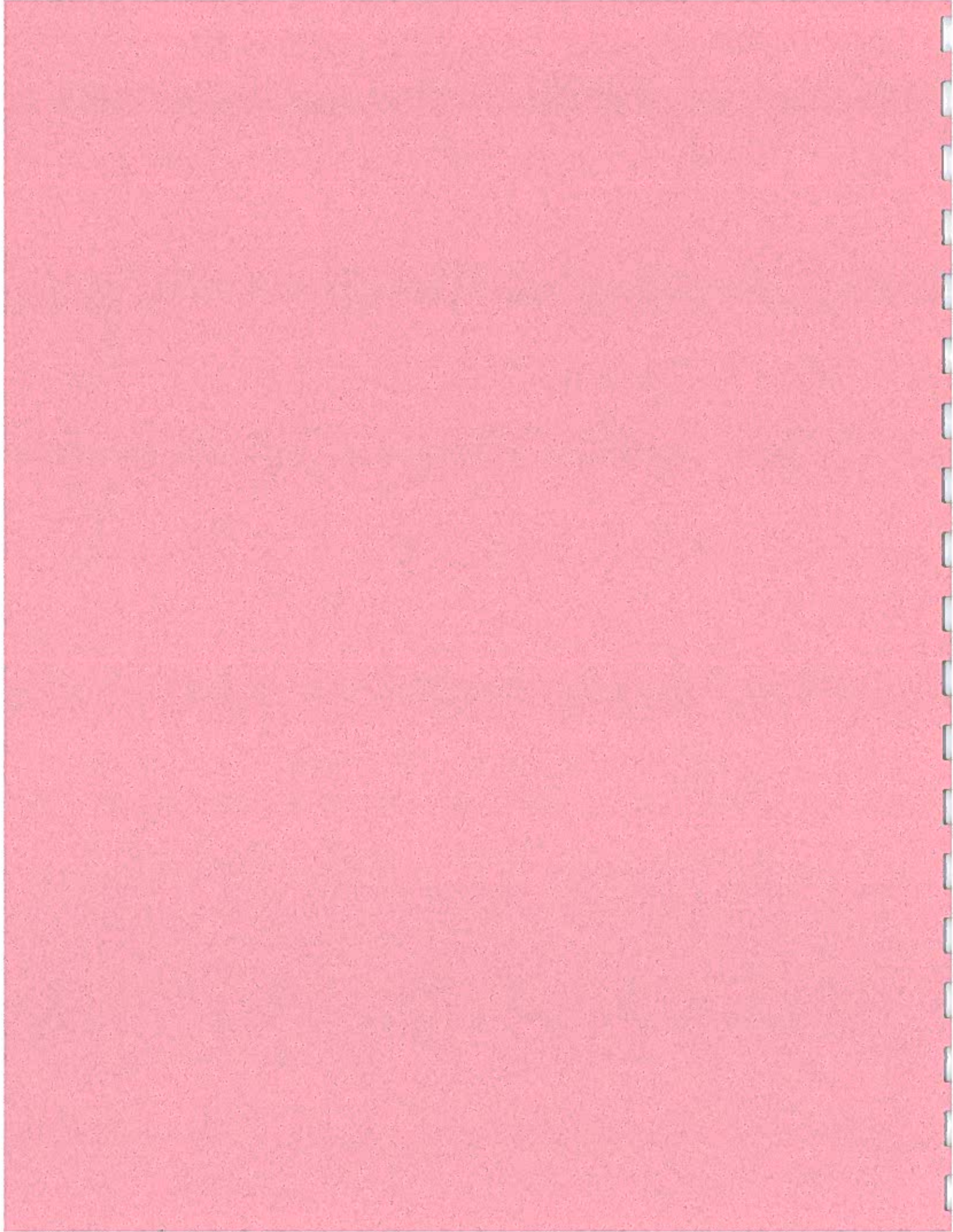
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## ENTERPRISE FUND

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

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



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TOWN OF ROUND MOUNTAIN, NEVADA  
ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND  
BALANCE SHEET

June 30, 1999

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	1999
<hr/>	
<b><u>ASSETS</u></b>	
Current assets:	
Accounts receivable (net)	\$ 24 819
Fixed assets:	
Equipment	975 525
Accumulated depreciation	<u>(19 965)</u>
Total assets	<u>\$ 980 379</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	\$ 6 087
Accrued payroll	2 114
Customer deposits	1 240
Due to other funds	<u>2 084</u>
Total liabilities	<u>11 525</u>
<b><u>EQUITY</u></b>	
Contributed capital	955 560
Retained earnings- unreserved-undesignated	<u>13 294</u>
Total equity	<u>968 854</u>
Total liabilities and equity	<u>\$ 980 379</u>

TOWN OF ROUND MOUNTAIN, NEVADA  
 ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 BUDGET AND ACTUAL

Year Ended June 30, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Operating revenues:</b>			
Charges for services:			
Water	\$ -	\$ 92 071	\$ 92 071
<b>Operating expenses:</b>			
Utility operations:			
Salaries and wages	6 000	6 970	(970)
Employee benefits	2 700	1 764	936
Services and supplies	86 300	70 043	16 257
Capital outlay	5 000	-	5 000
Depreciation	-	19 965	(19 965)
Total expenses	<u>100 000</u>	<u>98 742</u>	<u>1 258</u>
Operating income (loss)	(100 000)	(6 671)	93 329
<b>Non-operating income (expense):</b>			
Transfer in	100 000	-	(100 000)
<b>Add back depreciation- contributed assets</b>	-	19 965	19 965
<b>Retained earnings:</b>			
Beginning of year	-	-	-
End of year	<u>\$ -</u>	<u>\$ 13 294</u>	<u>\$ 13 294</u>

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TOWN OF ROUND MOUNTAIN, NEVADA  
ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
Year Ended June 30, 1999

<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 67 252
Cash paid for service and supplies	(61 872)
Cash paid for employees and benefits	<u>(6 620)</u>
Net cash used by operating activities	<u>(1 240)</u>
<b>Cash flows from non-capital financing activities:</b>	
Customer deposits	<u>1 240</u>
Net increase in cash	-
<b>Cash:</b>	
Beginning of year	<u>-</u>
End of year	<u>\$ -</u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss	<u>\$ (6 671)</u>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>	
Depreciation	19 965
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(24 819)
Increase (decrease) in accounts payable	6 087
Increase (decrease) in accrued payroll	2 114
Increase (decrease) in other liabilities	<u>2 084</u>
Total adjustments	<u>5 431</u>
<b>Net cash used by operating activities:</b>	<u>\$ (1 240)</u>

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

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE**

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

I have audited the general purpose financial statements of Town of Round Mountain (the Town), as of and for the year ended June 30, 1999, and have issued my report thereon dated November 3, 1999, which was qualified because insufficient audit evidence exists to support the Town's disclosures with respect to the Year 2000 Issue. Except as discussed in the preceding sentence, I conducted my audit in accordance with generally accepted auditing standards.

As part of obtaining reasonable assurance about whether the Town's general purpose financial statements are free of material misstatement I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance that are required to be reported under Nevada Revised Statutes (NRS) 354.624 Sec 4.

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

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

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



Las Vegas, Nevada  
November 3, 1999

MEMORANDUM FOR THE DIRECTOR, FBI

DATE: 10/15/54

TO: SAC, NEW YORK

RE: [Faint, illegible text]



**SCHEDULE OF CAPITAL PROJECTS ACTIVITY  
JUNE 30, 1999**

The following are responses to requirements of 354.6113.

NRS 354.6113.4 requires that the audit specifically identify the fund and:

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

Response

The following capital projects were constructed or under construction.

Capital Projects fund	\$ -
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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	\$ 80 000
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3. Specify any proposed capital projects that will be constructed with money from the fund during the next fiscal year.

Response

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

Capital Projects fund:

Ambulance Bay	\$ 150 021
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Special Capital Projects:

Town Hall Remodel	\$ 24 374
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4. Identify any planned accumulation of the money in the fund.

Response

The Town does not plan to accumulate any fund balance.

0 100

