TOWN OF ROUND MOUNTAIN, NEVADA

REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

ROUND MOUNTAIN TOWN
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
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TOWN OF ROUND MOUNTAIN, NEVADA
TOWN BOARD MEMBERS
JUNE 30, 2023

CHAIRPERSON

Nicole Silberschlag

TOWN BOARD:

Sara Sweeney	Vice-chairperson
Vicky Richardson	Clerk
Chris Philips	Member
Janet Jorgensen	Member

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

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

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Round Mountain, Nevada (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison information for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As described in Note A7t to the financial statements, the Town has adopted new accounting guidance, Governmental Accounting Standards Board Statement (GASB) No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5-12, Schedule of the Town's Contributions to the Public Employees' Retirement System of the State of Nevada on page 49, and Schedule of the Town's Proportionate Share of the Net Pension Liability on page 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

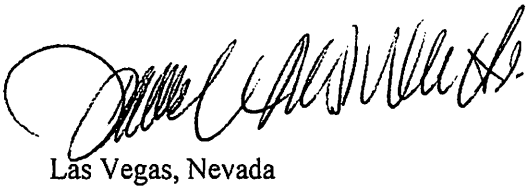
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Town's basic financial statements for the year ended June 30, 2022 which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively compromise the Town's basic financial statements as a whole. The combining and individual fund financial statements and schedules for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information was subjected to the audit procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2024 on our consideration of the Town's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Las Vegas, Nevada
April 25, 2024

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the Town of Round Mountain, Nevada ("Town") and is designed to give the reader an easy-to-understand overview of the Town's financial position and results of operations for the year. he MD&A is separated into Financial Highlights, an Overview of the Financial Statements, Government-Wide Financial Analysis, Financial Analysis of the Town's Major Funds, General Fund Budgetary Highlights, Capital Assets, Debt Administration, and Economic Factors and Next Year's Budget.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the 2023 fiscal year by $11,760,079 (net position). Total net position represents approximately $5,662,814 net investment in capital assets, $192,931 restricted for capital projects, $268,485 restricted for public safety, and $611,132 restricted for public works. The remaining $5,024,717 represents unrestricted net position, which may be used to meet the Town's ongoing obligations to its citizens and creditors.

The government-wide net position of the Town increased during the fiscal year 2023 from $11,729,796 to $11,760,079. Governmental activities net position increased by $44,288 due to changes in net investment income loss. Business-type activities net position decreased by $14,005 due to depreciation expense.

The Town's primary revenue sources for governmental activities were ad valorem taxes (property taxes) of $781,220 and consolidated taxes (sales taxes) of $489,282. The Town's primary revenue sources for business-type activities were charges for services of $321,831. Governmental activities revenue increased from the prior year by $161,698 due to an improvement in investment loss related to a decline in fair value. Business-type revenue increased by $59,143 from the prior year due to increases in operating revenues and an improvement in investment income (loss) related to changes in fair value.

The Town's total expenses were $1,690,346. The greatest governmental activities expenses were $718,794 in general government and $421,635 in the culture and recreation function. The business-type activities contributed $333,222 to the Town's total expenses. Governmental activities expenses increased $306,507 from the prior year, primarily due to an increase in general government and culture and recreation expenses. Business-type activities expenses increased $11,268 from the prior year due to an increase in utilities maintenance costs.

At the end of fiscal year 2023, the Town's governmental funds reported combined fund balances of $6,390,828, a decrease of $480,194 when compared to the previous 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 consist of government-wide financial statements, fund financial statements, and accompanying notes to the financial statements.

Government-Wide Financial Statements

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

The Statement of Net Position combines and consolidates all of the Town's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This includes combining current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting. Net position is separated into three components: net investment in capital assets; restricted; and unrestricted net position. Net position is an indicator of the overall financial position of the Town and the change in net position from year to year is an indicator of the financial position improving or deteriorating.

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OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

The government-wide financial statements report two types of activities: governmental activities and business-type activities. The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, culture and recreation and capital projects. The business-type activities include water and sewer utility operations.

Fund Financial Statements

A fund is a grouping of accounts that is used to maintain control over revenues that are designated for a specific purpose within the government. The Town uses fund financial statements to provide detailed information about its most significant funds. The Town of Round Mountain funds are classified into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements described above. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. To provide a better understanding of the relationship between the fund financial statements and government-wide financial statements, a reconciliation is provided.

The Town maintains individual governmental funds. Information is presented separately in the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single column for presentation. Individual fund information for each of these nonmajor governmental funds is provided in the combining and individual fund statements and schedules. The Town adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the Town's governmental funds to demonstrate compliance with the budget.

Proprietary Funds –The Town maintains one type of proprietary fund: The Enterprise Fund. The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the Enterprise Fund to account for its water and sewer utility activities. Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's pension benefits for its employees. The report also includes combining statements and individual fund schedules are presented immediately following the required supplementary information to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements are structured to report financial information on the Town as a whole. Condensed financial information with comparative amounts from the prior year is presented along with the accompanying analysis.

Net position of the Town as of June 30, 2023, is summarized and analyzed below:

Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	$ 6,498,960	$ 6,911,980	$ 751,735	$ 648,389	$ 7,250,695	$ 7,560,369
Net capital assets	3,774,756	3,242,096	1,892,670	1,946,417	5,667,426	5,188,513
Total assets	10,273,716	10,154,076	2,644,405	2,594,806	12,918,121	12,748,882
Deferred Outflows of Resources:	285,992	226,771	40,601	27,073	326,593	253,844
Liabilities:						
Current liabilities	107,170	39,804	76,144	12,653	183,314	52,457
Long-term liabilities	1,151,515	795,379	147,613	100,152	1,299,128	895,531
Total liabilities	1,258,685	835,183	223,757	112,805	1,482,442	947,988
Deferred Inflows of Resources:	1,941	290,870	252	34,072	2,193	324,942
Net Position:						
Net investment in capital assets	3,770,144	3,234,504	1,892,670	1,946,417	5,662,814	5,180,921
Restricted	1,072,548	1,152,150	-	-	1,072,548	1,152,150
Unrestricted	4,456,390	4,868,140	568,327	528,585	5,024,717	5,396,725
Total net position	$ 9,299,082	$ 9,254,794	$ 2,460,997	$ 2,475,002	$11,760,079	$11,729,796

The Town's assets exceeded liabilities by $11,760,079 at the close of the current year and total net position increased by $30,283, or 0.26%.

The largest portion of the Town's net position, $5,662,814, or 48.15%, reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, etc.). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The Town's total net position of $11,760,079 includes unrestricted net position totaling $5,024,717. This is used to meet the ongoing obligations of the Town. Portions of net position are subject to external restrictions on how they may be used. In the current year, there was restricted net position of $1,072,548.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 36,590	$ 42,023	$ 321,831	$ 293,161	$ 358,421	$ 335,184
Operating grants and contributions	-	12,263	-	-	-	12,263
General revenues:						
Ad valorem taxes	781,220	950,766	-	-	781,220	950,766
Consolidated taxes	489,282	478,130	-	-	489,282	478,130
Public safety sales taxes	74,890	70,676	-	-	74,890	70,676
Fuel taxes	64,813	100,796	-	-	64,813	100,796
Investment income (loss)	(47,084)	(419,688)	(2,859)	(33,192)	(49,943)	(452,880)
Miscellaneous	1,701	4,748	245	105	1,946	4,853
Total revenues	1,401,412	1,239,714	319,217	260,074	1,720,629	1,499,788
Expenses:						
General government	718,794	534,087	-	-	718,794	534,087
Public safety	149,227	159,561	-	-	149,227	159,561
Public works	67,216	64,562	-	-	67,216	64,562
Culture and recreation	421,635	292,038	-	-	421,635	292,038
Interest on long-term debt	252	369	-	-	252	369
Water and sewer	-	-	333,222	321,954	333,222	321,954
Total expenses	1,357,124	1,050,617	333,222	321,954	1,690,346	1,372,571
Change in net position	44,288	189,097	(14,005)	(61,880)	30,283	127,217
Net position - beginning	9,254,794	9,065,982	2,475,002	2,536,882	11,729,796	11,602,864
Cumulative effect of a change in accounting principle	-	(285)	-	-	-	(285)
Net position - beginning as restated	9,254,794	9,065,697	2,475,002	2,536,882	11,729,796	11,602,579
Net position - ending	$9,299,082	$9,254,794	$2,460,997	$2,475,002	$11,760,079	$11,729,796

Program revenues include charges for services and operating grants and contributions.

General revenues consist of taxes, miscellaneous, and investment income (loss). For governmental activities, the largest of these revenues was ad valorem taxes. The second largest revenue was consolidated taxes (mainly sales tax). The business-type general revenue came from charges for services related to water and sewer utility.

FINANCIAL ANALYSIS OF THE TOWN'S MAJOR FUNDS

Governmental Funds

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of $6,390,828. This is a decrease over the prior year of $480,194, or 6.99%. Fund balance components have been classified as restricted, assigned, and/or unassigned based on the extent to which the Town is to observe constraints on the use of the funds. Restricted fund balance is $1,072,548, or 16.78%, of the total. Spending of these funds is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use. The restricted fund balances include $611,132 for public works, $268,485 for public safety, and $192,931 for capital projects.

Major Funds

General Fund: The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the fund balance of the General Fund was $5,318,280, a decrease of $400,592, or 7.00%, over the prior year.

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

Revenues decreased by $88,800, or 7.62%. Tax revenue decreased by $214,550, or 21.88%, mainly due to a decrease in property taxes and net proceeds received. Intergovernmental revenues decreased by $1,111, or 0.23%, due to a decrease in grant revenue. Miscellaneous revenues increased $308,208, or 8992%, due to a reduction in investment losses related to market fluctuations in fair value.

Expenditures increased by $658,794, or 66.18%. General government expenditures increased $160,439, or 26.85%, due to increases in salaries and benefits expenditures. Culture and recreation expenditures increased by $338,921, or 106.99%, due to increases in service and supply and capital outlay expenses for parks and recreation expenditures. Public safety expenditures increased by $130,327, or 235.54%, primarily due to purchases of a fire truck.

Proprietary Funds – Major Enterprise Fund

The Town's water and sewer utility enterprise fund financial statement provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise fund totaled $568,327. Total net position of the enterprise fund decreased $14,005, or 0.57%.

Operating revenues increased by $28,670, or 9.78% due to increases in charges for services. Operating expenses increased by $11,268, or 3.50%, due to increases in salaries and benefits.

GENERAL FUND BUDGETARY HIGHLIGHTS

Nevada Statutes require that the Town legally adopt budgets for all funds. Budgets are prepared in accordance with generally accepted accounting principles. The final appropriated budget is prepared by fund, function, and object. All appropriations lapse at year-end.

Original budget compared to final budget. During the year, there were no budget augmentations or amendments.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were lower than anticipated property taxes of $190,054, greater than anticipated net proceeds of $76,890, greater than anticipated consolidated taxes of $239,282, and unanticipated investment losses of $40,126. Overall revenues were $98,283 higher than budgeted. It is the budget policy of the Town to not budget for net proceeds tax due to the volatile nature of the tax. Consolidated tax is driven by sales tax levied on sales within Nye County. It is the budget policy of the Town to not budget for investment income (loss) due to the volatile nature of the interest rates and fair value measurements of investments.

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Total expenditures in the General Fund were $1,884,995 lower than budgeted. The General Government function expenditures were $477,082 lower than budgeted. The budgeted expenditures for administration and building and grounds were less than budgeted in all areas. The Public Safety function expenditures were $270,079 lower than budgeted in benefits, service and supplies, and capital outlay. The Public Works function expenditures were $31,504 lower than budgeted. Budgeted supply and capital costs were lower than anticipated. The Culture and Recreation function expenditures were $1,006,479 lower than budgeted. Swimming pool capital costs were not incurred, and recreation capital costs were less this anticipated.

The actual General Fund balance of $5,318,280 was $857,654 higher than anticipated to begin the 2023-2024 year.

CAPITAL ASSETS

At June 30, 2023, the Town's governmental type activity had $3,770,431 (net) invested in capital assets, including land, building, and equipment. This amount represents a net increase (including additions, deletions, and depreciation) of $535,582 from the previous year. At June 30, 2023, the Town's governmental type activity had $4,325 (net) invested in intangible assets, including lease obligations. This amount represents a net decrease (including additions, deletions, and amortization) of $2,922. At June 30, 2023, the Town's business-type activity had $1,892,670 (net) invested in capital assets. This amount represents a net decrease (including additions, deletions, and depreciation) of $53,747 from the previous year.

Net investment in capital assets reflects 48.15% of the net position of the Town. The Town uses capital assets to provide services to the citizens of the Town of Round Mountain and consequently these assets are not available for future spending.

This table reflects additions and deletions to capital assets for the governmental type activities:

Governmental Activities:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 481,416	$ -	$ -	$ 481,416
Construction in progress	-	547,659	-	547,659
Total capital assets not being depreciated:	481,416	547,659	-	481,416
Capital assets being depreciated:				
Building	3,627,310	-	-	3,627,310
Improvements	182,910	-	-	182,910
Equipment	2,475,490	220,782	-	2,696,272
Total capital assets being depreciated	6,285,710	220,782	-	6,506,492
Less accumulated depreciation for:				
Building	1,565,852	109,377	-	1,675,229
Improvements	7,113	12,194	-	19,307
Equipment	1,959,312	111,288	-	2,070,600
Total accumulated depreciation	3,532,277	232,859	-	3,765,136
Total capital assets depreciated, net	2,753,433	(12,077)	-	2,741,356
Governmental activities capital assets, net	$ 3,234,849	$ 535,582	$ -	$ 3,770,431

Equipment additions include maintenance and building and grounds equipment and office equipment.
Construction commitments include new fire truck, arcade, and teen center. Construction progress also includes a ballfield, swimming pool, multi-purpose gym, town hall remodels and well rehab.

CAPITAL ASSETS (Continued)

This table reflects additions and deletions to intangible assets for the governmental activities:

Governmental Activities:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Intangible assets being amortized:				
Lease equipment	$ 14,614	$ -	$ -	$ 14,614
Less accumulated amortization for:				
Lease equipment	7,367	2,922	-	10,289
Governmental activities intangible assets, n	$ 7,247	$ (2,922)	$ -	$ 4,325

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

Business-Type Activities:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets being depreciated:				
Distribution system	$ 3,370,136	$ 55,359	$ -	$ 3,425,495
Less accumulated depreciation for:				
Distribution system	1,423,719	109,106	-	1,532,825
Business-type activities assets, net	$ 1,946,417	$ (53,747)	$ -	$ 1,892,670

System improvements include a fencing project.

Capitalization limits on capital assets was $500 for the year ended June 30, 2023.

DEBT ADMINISTRATION

Changes in Long-term Debt: During the year ended June 30, 2023, the following changes occurred in long-term debt:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due within one year
Governmental Activities:					
Compensated Absences	$ 18,946	$ -	$ 8,608	$ 10,338	$ 5,787
Lease Obligation	7,592	-	2,980	4,612	2,670
Net Pension Liability	768,841	367,724	-	1,136,565	-
Total Governmental Activities	$ 795,379	$ 367,724	$ 11,588	$ 1,151,515	$ 8,457
Business-Type Activities:					
Compensated Absences	$ 716	$ 1,003	$ -	$ 1,719	$ 825
Net Pension Liability	99,436	46,458	-	145,894	-
Total Business-Type Activities	$ 100,152	$ 47,461	$ -	$ 147,613	$ 825

Per Nevada Revised Statute Chapter 269.425, the debt limitation for the Town cannot exceed 25% of assessed valuation of property within the Town. The debt limitation currently applicable at June 30, 2023, was $75,711,976.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town approved the budget for the 2023-2024 year on May 23, 2023. The following factors were considered in the development of the budget.

- Property taxes are budgeted to be lower due to a minimal change in assessed valuation.
- The Town budgeted additional General Government expenditures for increased staffing and capital outlay for all functions.

REQUESTS FOR INFORMATION

This financial report is designed to provide its users with a general overview of the Town of Round Mountain, Nevada's finances and to demonstrate the Town's accountability for the revenues it receives. Any comments, further questions, or requests for additional information should be addressed to:

Town Administration
Town of Round Mountain, Nevada
PO Box 1369
Round Mountain, Nevada 89045

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BASIC FINANCIAL STATEMENTS

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Pooled cash and investments	$ 6,286,669	$ 658,195	$ 6,944,864
Interest receivable	22,517	2,442	24,959
Taxes receivable	71,625	-	71,625
Due from other governments	118,149	-	118,149
Accounts receivable (net)	-	36,970	36,970
Inventory	-	54,128	54,128
Capital assets, net of accumulated depreciation	3,770,431	1,892,670	5,663,101
Intangible assets, net of accumulated amortization	4,325	-	4,325
Total assets	10,273,716	2,644,405	12,918,121
Deferred Outflows of Resources:			
Deferred pension charge	285,992	40,601	326,593
Liabilities:			
Accounts payable	72,370	64,355	136,725
Accrued payroll	34,800	1,089	35,889
Customer deposits	-	10,700	10,700
Current portion of long term liabilities:			
Accrued compensated absences	5,787	825	6,612
Lease payable	2,670	-	2,670
Long term liabilities:			
Accrued compensated absences	4,551	894	5,445
Lease payable	1,942	-	1,942
Net pension liability	1,136,565	145,894	1,282,459
Total liabilities	1,258,685	223,757	1,482,442
Deferred Inflows of Resources:			
Deferred pension charge	1,941	252	2,193
Net Position:			
Net investment in capital assets	3,770,144	1,892,670	5,662,814
Restricted for:			
Capital projects	192,931	-	192,931
Public safety	268,485	-	268,485
Public works	611,132	-	611,132
Unrestricted	4,456,390	568,327	5,024,717
Total net position	$ 9,299,082	$ 2,460,997	$ 11,760,079

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

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues Charges for Service	Operating Grants and Contributions	Changes in Net Position Governmental Activities	Business-type Activities	Total
Primary Governments:						
General government	$ (718,794)	$ 5,070	$ -	$ (713,724)	$ -	$ (713,724)
Public safety	(149,227)	-	-	(149,227)	-	(149,227)
Public works	(67,216)	5,118	-	(62,098)	-	(62,098)
Culture and recreation	(421,635)	26,402	-	(395,233)	-	(395,233)
Interest on long-term debt	(252)	-	-	(252)	-	(252)
Total governmental activities	(1,357,124)	36,590	-	(1,320,534)	-	(1,320,534)
Business-Type Activities:						
Water and sewer	(333,222)	321,831	-	-	(11,391)	(11,391)
Total primary governments	$(1,690,346)	$ 358,421	$ -	(1,320,534)	(11,391)	(1,331,925)
	General Revenues:					
	Ad valorem taxes			781,220	-	781,220
	Consolidated taxes			489,282	-	489,282
	Public safety sales taxes			74,890	-	74,890
	Fuel taxes			64,813	-	64,813
	Investment income (loss)			(47,084)	(2,859)	(49,943)
	Miscellaneous			1,701	245	1,946
	Total general revenues			1,364,822	(2,614)	1,362,208
	Change in net position			44,288	(14,005)	30,283
	Net position - beginning of year			9,254,794	2,475,002	11,729,796
	Net position - end of year			$ 9,299,082	$ 2,460,997	$11,760,079

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

TOWN OF ROUND MOUNTAIN, NEVADA
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2023

	Major Fund		
	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	$ 5,235,726	$ 1,050,943	$ 6,286,669
Interest receivable	18,899	3,618	22,517
Taxes receivable	71,625	-	71,625
Due from other governments	93,005	25,144	118,149
Total assets	$ 5,419,255	$ 1,079,705	$ 6,498,960
Liabilities:			
Accounts payable	$ 65,213	$ 7,157	$ 72,370
Accrued payroll	34,800	-	34,800
Total liabilities	100,013	7,157	107,170
Deferred Inflows of Resources:			
Unavailable revenue-property taxes	962	-	962
Fund Balance:			
Restricted for:			
Capital projects	-	192,931	192,931
Public safety	-	268,485	268,485
Public works	-	611,132	611,132
Assigned for subsequent year	4,460,626	-	4,460,626
Unassigned	857,654	-	857,654
Total fund balance	5,318,280	1,072,548	6,390,828
Total liabilities, deferred inflows of resources and fund balance	$ 5,419,255	$ 1,079,705	$ 6,498,960

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

TOWN OF ROUND MOUNTAIN, NEVADA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Total fund balance - governmental funds	**$**	**6,390,828**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets net of the related depreciation are not reported in the governmental funds financial statement because they are not current financial resources, but they are reported in the Statement of Net Position.		3,770,431
Intangible assets net of the related amortization are not reported in the governmental funds financial statement because they are not current financial resources, but they are reported in the Statement of Net Position.		4,325
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		962
Certain liabilities (such as compensated absences and lease obligations) are not reported in the governmental funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position.		(14,950)
The Town's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:		
Deferred outflows from pension activity.		285,992
Net pension liability.		(1,136,565)
Deferred inflows from pension activity.		(1,941)
Total net position - governmental activities	**$**	**9,299,082**

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 YEAR ENDED JUNE 30, 2023

	Major Fund		
	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ 766,168	$ -	$ 766,168
Licenses and permits	4,420	-	4,420
Intergovernmental	489,282	154,947	644,229
Charges for services	27,626	-	27,626
Fines and forfeitures	650	-	650
Miscellaneous	(34,531)	(6,958)	(41,489)
Total revenues	1,253,615	147,989	1,401,604
Expenditures:			
Current:			
General government	757,867	-	757,867
Public safety	185,657	77,149	262,806
Public works	51,747	97,551	149,298
Culture and recreation	655,704	-	655,704
Capital Projects	-	52,891	52,891
Debt service:			
Principal	2,980	-	2,980
Interest	252	-	252
Total expenditures	1,654,207	227,591	1,881,798
Excess (deficiency) of revenues over expenditures	(400,592)	(79,602)	(480,194)
Fund Balance:			
Beginning of year	5,718,872	1,152,150	6,871,022
End of year	$ 5,318,280	$ 1,072,548	$ 6,390,828

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 YEAR ENDED JUNE 30, 2023

Net change in fund balance - governmental funds	$	(480,194)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over the estimated useful lives as annual depreciation expense in the Statement of Activities.		535,582
Capital outlays to purchase intangible assets are reported in governmental funds financial statements as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over the estimated useful lives as annual amortization expenses in the Statement of Activities.		(2,922)
Property taxes that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that relate to prior periods that first become available in the current period should not be reported as revenue in the Statement of Activities.		(192)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		2,980
Generally expenditures (such as compensated absences) are 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.		8,608
Net differences between pension system contributions recognized in the fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities:		
Pension contributions made after measurement date (2023 contributions).		50,830
Net pension income (expense).		(70,404)
Change in net position of governmental activities	$	44,288

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

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TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes:				
Property taxes	$ 879,332	$ 879,332	$ 689,278	$ (190,054)
Net proceeds	-	-	76,890	76,890
Total taxes	879,332	879,332	766,168	(113,164)
Licenses and permits:				
Gaming licenses	1,500	1,500	3,180	1,680
Liquor licenses	500	500	1,240	740
Total licenses and permits	2,000	2,000	4,420	2,420
Intergovernmental:				
Consolidated tax	250,000	250,000	489,282	239,282
Charges for services:				
Swimming pool	1,000	1,000	3,655	2,655
Arcade/Vending	-	-	23	23
Weight room fees	15,000	15,000	18,630	3,630
Water charges	4,000	4,000	5,118	1,118
Other	-	-	200	200
Total charges for services	20,000	20,000	27,626	7,626
Fines and forfeitures	500	500	650	150
Miscellaneous:				
Rent	3,500	3,500	3,894	394
Investment income (loss)	-	-	(40,126)	(40,126)
Other	-	-	1,701	1,701
Total miscellaneous	3,500	3,500	(34,531)	(38,031)
Total revenues	1,155,332	1,155,332	1,253,615	98,283

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 (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures				
Current:				
General government:				
Administration:				
Salaries and wages	$ 311,906	$ 311,906	$ 162,501	$ 149,405
Employee benefits	93,209	93,209	71,173	22,036
Services and supplies	172,750	172,750	111,979	60,771
Capital outlay	33,000	33,000	882	32,118
Total administration	610,865	610,865	346,535	264,330
Building and Grounds:				
Salaries and wages	179,669	179,669	148,138	31,531
Employee benefits	93,415	93,415	78,914	14,501
Services and supplies	146,000	146,000	81,943	64,057
Capital outlay	205,000	205,000	102,337	102,663
Total building and grounds	624,084	624,084	411,332	212,752
Total general government	1,234,949	1,234,949	757,867	477,082
Public Safety:				
Hadley Station:				
Employee benefits	14,876	14,876	-	14,876
Services and supplies	142,000	142,000	73,490	68,510
Capital outlay	298,860	298,860	112,167	186,693
Total public safety	455,736	455,736	185,657	270,079
Public Works:				
Highways and Streets:				
Services and supplies	23,438	23,438	17,338	6,100
Capital outlay	30,000	30,000	17,273	12,727
Total highways and streets	53,438	53,438	34,611	18,827
Round Mountain Water:				
Services and supplies	24,813	24,813	13,524	11,289
Capital outlay	5,000	5,000	3,612	1,388
Total Round Mountain water	29,813	29,813	17,136	12,677
Total public works	83,251	83,251	51,747	31,504

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 (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures (Continued)				
Current (Continued):				
Culture and Recreation:				
Swimming Pool:				
Salaries and wages	$ 39,360	$ 39,360	$ 13,592	$ 25,768
Employee benefits	5,208	5,208	1,826	3,382
Services and supplies	60,350	60,350	24,765	35,585
Capital outlay	204,000	204,000	7,690	196,310
Total swimming pool	308,918	308,918	47,873	261,045
Parks and recreation:				
Salaries and wages	88,646	88,646	78,687	9,959
Employee benefits	54,054	54,054	46,188	7,866
Services and supplies	179,250	179,250	141,221	38,029
Capital outlay	1,031,315	1,031,315	341,735	689,580
Total parks and recreation	1,353,265	1,353,265	607,831	745,434
Total culture and recreation	1,662,183	1,662,183	655,704	1,006,479
Contingency	103,083	103,083	-	103,083
Debt Service:				
Principal	-	-	2,980	(2,980)
Interest	-	-	252	(252)
Total debt service	-	-	3,232	(3,232)
Total expenditures	3,539,202	3,539,202	1,654,207	1,884,995
Excess (deficiency) of revenues over expenditures	(2,383,870)	(2,383,870)	(400,592)	1,983,278
Fund balance				
Beginning of year	5,594,341	5,594,341	5,718,872	124,531
End of year	$ 3,210,471	$ 3,210,471	$ 5,318,280	$ 2,107,809

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

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	2023
Assets:	
Current assets:	
Pooled cash and investments	$ 658,195
Interest receivable	2,442
Accounts receivable (net)	36,970
Inventory	54,128
Total current assets	751,735
Capital assets:	
Equipment	3,425,495
Less accumulated depreciation	(1,532,825)
Capital assets, net of accumulated depreciation	1,892,670
Total assets	2,644,405
Deferred Outflows of Resources:	
Deferred pension charge	40,601
Liabilities:	
Current liabilities:	
Accounts payable	64,355
Accrued payroll	1,089
Customer deposits	10,700
Accrued compensated absences	825
Total current liabilities	76,969
Long term liabilities:	
Accrued compensated absences	894
Net pension liability	145,894
Total long term liabilities	146,788
Total liabilities	223,757
Deferred Inflows of Resources:	
Deferred pension charge	252
Net Position:	
Net investment in capital assets	1,892,670
Unrestricted	568,327
Total net position	$ 2,460,997

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

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023
Operating Revenues:	
Charges for services	$ 321,831
Operating Expenses:	
Utility operations:	
Salaries and wages	39,773
Employee benefits	19,343
Services and supplies	165,000
Depreciation	109,106
Total operating expenses	333,222
Operating Income (Loss)	(11,391)
Non-Operating Revenues (Expenses):	
Investment income (loss)	(2,859)
Miscellaneous	245
Total non-operating revenues (expenses):	(2,614)
Change in net position	(14,005)
Net Position:	
Beginning of year	2,475,002
End of year	$ 2,460,997

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

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TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023
Cash Flows From Operating Activities:	
Cash received from customers	$ 331,940
Cash paid for salaries, wages, and employee benefits	(60,387)
Cash paid for services and supplies	(88,900)
Cash provided by operating activities	182,653
Cash Flows From Non-Capital Financing Activities:	
Miscellaneous	245
Cash Flows From Capital and Related Financing Activities:	
Purchase of capital assets	(55,359)
Cash Flows From Investing Activities:	
Investment income (loss)	(3,915)
Net increase in cash	123,624
Cash:	
Beginning of year	534,571
End of year	$ 658,195
Reconciliation of Operating Income (Loss) to Cash Provided by Operating Activities:	
Operating income (loss)	$ (11,391)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:	
Depreciation	109,106
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	8,759
(Increase) decrease in deferred outflows	(13,528)
(Increase) decrease in prepaid items	11,470
(Increase) decrease in inventory	1,105
Increase (decrease) in accounts payable	63,525
Increase (decrease) in accrued payroll	(1,384)
Increase (decrease) in compensated absences	1,003
Increase (decrease) in customer deposits	1,350
Increase (decrease) in net pension liability	46,458
Increase (decrease) in deferred inflows	(33,820)
Total adjustments	194,044
Cash Provided by Operating Activities	$ 182,653

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Round Mountain ("Town") financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

1. Reporting Entity

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Town. The Town is governed by an elected five-member board. The Board is legally separate and fiscally independent from other governing bodies; therefore, the Town is a primary government, and the Town is not reported as a component unit by any other governmental unit.

2. Basic Financial Statements

The Town's basic financial statements consist of the government-wide statements and the fund financial statements. The government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities. These statements include the aggregated financial information of the Town as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The fund financial statements include financial information for the two fund types: governmental and proprietary. Reconciliations between the fund statements, the Statement of Net Position, and the Statement of Activities are also included along with Statements of Revenues, Expenditures, and Changes in Fund Balances that show an original to final budget comparison for the Town's General Fund.

3. Basis of Presentation - Government-Wide Financial Statements

The government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities. These statements include the aggregated financial information of the Town as a whole. Governmental activities are reported separately from business-type activities. As a general rule, the effect of interfund activity has been removed from these statements. While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Town's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds.

The Statement of Net Position presents the consolidated financial position of the Town at year-end, in separate columns, for both governmental and business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Program revenues include charges for services, operating grants and contributions. 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Financial Statements

The financial accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, deferred outflows and inflows, fund balance/net position, revenues, and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds and proprietary funds.

The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all resources and costs of operations traditionally associated with governments which are not required to be accounted for in other funds.

Additionally, the Town reports the following major proprietary fund:

Enterprise Funds – Enterprise Funds are used to account for the goods or services provided to the public for a fee that makes the entity self-supporting. Currently, there is one Enterprise Fund.

Round Mountain Public Utilities Enterprise Fund – The Round Mountain Public Utilities Fund is used to account for the revenues and expenses associated with providing the delivery of water and sewer services.

5. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus and Basis of Accounting (Continued)

The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered "measurable" when in the hands of intermediary collecting governments and are then recognized as revenue. The government considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable, and the payment seems certain. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences and claims and judgments, are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The major revenue sources of the Town include consolidated taxes (generally sales taxes), ad valorem taxes (property taxes), and net proceeds taxes (tax on net proceeds of mines).

Property taxes, consolidated taxes, net proceeds taxes, licenses, and investment income (loss) associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

6. Budgetary Information

Nevada Revised Statutes and Town policies and regulations require that local governments legally adopt budgets for all funds. The budgets are filed as a matter of public record with the County Clerk and the State Department of Taxation. The Town staff uses the following procedures to establish, modify, and control the budgetary data reflected in the financial statements:

a. The statutes provide for the following timetable in adoption of budgets:

1. On or before April 15, the Town submits to the Nevada State Department of Taxation a tentative budget for the upcoming year. The tentative budget includes proposed expenditures and the means to finance them.

2. A public hearing must be held by the Board of Trustees no sooner than the third Monday in May and no later than the last day in May. Notice of the public hearing must be published in the local newspaper not more than 14 nor less than 7 days before the hearing.

3. On or Before June 1, the Town Board must adopt a final budget.

b. NRS 354.598005(1) provides that the Town Board may augment the budget of a fund that receives ad valorem tax by a majority vote of the Board providing the Board publishes notice of its intention to act in a newspaper of general circulation within its county at least three days before the date set for adoption of the resolution. If it is desired to augment a fund that does not receive ad valorem tax or an enterprise or internal service fund, the Board may do so by adopting a resolution by majority vote authorizing the augmentation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Budgetary Information (Continued)

c. Nevada Revised Statute 354.598005(5) allows appropriations to be transferred between functions, funds, or contingency accounts if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions. The Town Manager may transfer appropriations within any function within a fund. They may also transfer appropriations between functions within a fund, if the Town Board is advised of the action at the next regular meeting, and the action is recorded in the official minutes of the meeting. The Town Board may authorize the transfer of appropriations between funds or from the contingency account if the Town Board announces the transfer of appropriations at a regularly scheduled meeting sets forth the exact amounts to be transferred and the accounts, functions, programs and funds affected. The Town Board must also set forth reasons for the transfer, and the action must be recorded in the official minutes of the meeting.

d. Statutory regulations require budget control to be exercised at the function level within the funds.

e. Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles.

f. There were no budgets augmented during the year.

g. All appropriations lapse at the end of the fiscal year.

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

a. Pooled Cash and Investments

Cash includes cash in the hands of Town officers, cash in the custody of the Nye County Treasurer and cash deposited in interest-bearing accounts at banks by the Nye County Treasurer. The majority of cash and investment transactions of the Town are overseen by the Nye County Treasurer's office. Cash balances are combined and invested as permitted by law in combination with County funds. Investments consist of investment in the Nye County Treasurer's Investment Pool. Investments are stated at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of Town investments are part of investment income that is included in revenue from other sources on the Statement of Activities **(See Note D1).**

The Town's cash and cash equivalents in both governmental and proprietary fund types are considered to be cash on hand, cash in custody of the Nye County Treasurer, demand deposits, non-negotiable certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

The majority of the Town's cash and cash equivalents are in the custody of the Nye County Treasurer as required by Nevada Revised Statutes.

Nevada Revised Statutes authorize the Town to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not exceed more than 10 years from the date of purchase.

2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over $250,000 must be fully collateralized).

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. Pooled Cash and Investments (Continued)

Nevada Revised Statutes authorize the Town to invest in (Continued):

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 25 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.

9. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development or obligations publicly issued in the United States by a foreign financial entity registered with the Securities and Exchange Commission, denominated in dollars with a maturity of 5 years or less with a rating of "AA" or better.

The Town has not established an investment policy further limiting its investments.

b. Property Taxes

Taxes on real property are levied in July of each year and are due in July. They can be paid in quarterly installments in August, October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10 percent per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien.

Article X, Section 2 of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any County (i.e., the County, the County School District, the State, and any other City, Town, or special District) to an amount not to exceed $5 per $100 of assessed valuation of the property being taxed. The Nevada Legislature enacted provisions whereby the combined overlapping tax rate was limited to $3.64 per $100 of assessed valuation. The Nevada legislature passed a property tax abatement law in 2005 that generally caps increases in property tax on owner-occupied residential property to 3% and 8% per year for all other property **(See Notes D2 and D4).**

c. Net Proceeds

Taxes for the net proceeds of minerals extracted by operators are due annually in May for mining production of the previous calendar year. In accordance with NRS 362.130 tax payments are to be made to the Nevada Department of Taxation on or before May 10th, after which collections are to be remitted to local governments on or before May 30th.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

d. 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. The proprietary type funds reports inventory expense when consumed rather than when purchased.

Payments to vendors that will benefit periods beyond June 30, 2023, are recorded as prepaid items in the government-wide and fund financial statements when consumed rather than when purchased.

e. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of $500 or more and an estimated useful life in excess of one year. Intangible lease and Subscription-Based Information Technology Arrangements (SBITA) assets are amortized over the shorter of the lease or SBITA term or the estimated life of the underlying asset.

If purchased or constructed, capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are valued at their estimated value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The Town is required to capitalize and report its major general infrastructure assets acquired in fiscal years ending after June 30, 1980. In addition, infrastructure assets acquired before June 30, 1980, that received significant reconstruction must be capitalized. Round Mountain Town has no infrastructure assets that were acquired or constructed that must be capitalized.

Land and construction in progress are not depreciated. The other property, plant and equipment of the Town are depreciated using the straight line method over the following estimated useful lives:

Capital Assets	Years
Buildings and Improvements	25-50
Vehicles	8
Various Other Equipment	5-20
Infrastructure	25-50
Intangible Lease Assets	2-5
Intangible SBITA Assets	2-5

f. Intangible Assets - Leases

The Town recognizes a lease liability and an intangible right to use leased assets in the Town-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of $500 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lesser of its useful life or the lease term.

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

f. Intangible Assets - Leases (Continued)

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The Town recognizes a lease receivable and deferred inflows of resources in the Town-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

g. Subscription-Based Information Technology Arrangements (SBITAs)

For the year ended June 30, 2023, the Town adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard established accounting and financial reporting for all SBITAs. SBITAs, which include software contracts, are reported in the governmental column in the government-wide financial statement. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITA contracts contain non-cancellable terms of 12 months or greater; OR non-cancellable terms of 12 months or less with the option to extend (regardless of the probability of being exercised). SBITAs are recorded at the net present value of subscription payments expected to be made during the subscription term, plus any payments made to the SBITA vendor before commencement of the subscription term and certain direct costs (less any incentives). A subscription asset should be amortized over the shorter of the subscription term or the useful life of the underlying IT asset. The Town established its SBITA contract threshold at $10,000 or greater per fiscal year. There were no contracts that met these criteria. **(See Note A7t).**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

h. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows include the Town's pension related contributions subsequent to the measurement date but before the end of the fiscal year and changes in proportion of the Town's contributions to the Town's proportionate share of the net pension liability.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one item of this type, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

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

i. Pensions

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

j. Compensated Absences

Vacation leave and sick leave included in accrued salaries and benefits and recorded as expenditures in governmental fund types is the amount normally liquidated from "available spendable resources" (**See Note D5**).

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

k. Accrued Salaries and Benefits

Town salaries earned but not paid by June 30, 2023, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2023.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

l. Interfund Activity

During the course of operations, the Town may have activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, balances between the funds included in the governmental activities are eliminated. The Town has one enterprise fund; therefore, there is no interfund activity between business-type funds.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported as operating transfers in or out. While reported in fund financial statements, transfers between the funds included in governmental activities are eliminated in the governmental activities column.

m. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts as well as deferred losses and gains, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures during the current period. Deferred charges related to the refunding of debt are reported as a deferred outflow of resources. They are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

n. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

1. **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact, such as inventories and prepaids.

2. **Restricted** –Amounts that can be spent only for a specific purpose because of state or federal laws, or externally imposed conditions by grantors or creditors.

3. **Committed** – These amounts can only be used for specific purposes as set forth by the Town Board. The Board must take formal action (vote approval by majority) in order to establish an ending fund balance commitment for any specific purpose. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest-level action to remove or change the constraint.

4. **Assigned** –Assignments are neither restrictions nor commitments and represent the Town's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the Town's ending fund balance. Intent can be expressed by the Town Board or Town Manager.

5. **Unassigned** – All amounts not included in other spendable classifications for the General Fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

o. Fund Balance Flow Assumptions

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

p. Net Position Policies

In the government-wide statements, net position on the Statement of Net Position includes the following:

1. **Net Investment in Capital Assets** – This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.

2. **Restricted Assets** – This is the component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Currently, the Town restricts assets as follows:

a)	NRS 354.59815 Special Ad Valorem Capital Projects	$192,931
b)	NRS 365.190 Road Improvements	$611,132
c)	NRS 545 Nye County Public Safety Sales Tax Sheriff	$123,442
d)	NRS 545 Nye County Public Safety Sales Tax Fire	$145,043

3. **Unrestricted** – This is the component of net position that is the difference between the assets and liabilities not reported as Net Investment in Capital Assets and Restricted Assets.

q. Net Position Flow Assumption

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

r. Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

s. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

t. New Accounting Pronouncement

The Governmental Accounting Standard Board (GASB) issued statement number 96, *Subscription-Based Information Technology Arrangements(SBITAs),* effective for fiscal year ended June 30, 2023. The implementation of this standard established accounting and financial reporting for all SBITAs. The Town implemented GASB Statement Number 96 in 2023, which had no material effect on the financial statements (**See Note A7g**).

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Revenues and Expenditures/Expenses

a. Program /General Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

b. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental funds Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes a reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide Statement of Net Position. One element of the reconciliation explains that "certain liabilities (such as bonds payable and lease obligations) 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 Position." The details of this difference are as follows:

Compensated absences	$ (10,338)
Lease obligations	(4,612)
Net adjustment to reduce fund balance - governmental funds to arrive at net position - governmental activities	$ (14,950)

2. Explanation of certain differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities." The detail of this difference is as follows:

Capital outlay	$ 768,441
Depreciation expense	(232,859)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 535,582

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

2. Explanation of certain differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities (Continued)

Another element of that reconciliation states that, "Capital outlays to purchase intangible assets are reported in Governmental Funds financial statements as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual amortization expense in the Statement of Activities." The details of this difference are as follows:

Amortization expense	$ (2,922)

NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance and Accountability

The Town conformed to significant statutory requirements regarding financial administration during the year. Nevada Revised Statutes 354.626 requires that the Town report expenditures that exceed budgeted appropriations at the function level for the General Fund, special revenue funds, and capital projects funds. For the year ended June 30, 2023, no expenditures were over appropriations.

NOTE D – DETAILED NOTES ON ALL FUNDS

1. Pooled Cash and Investments

Through the Nye County Treasurer, the Town maintains a cash and investment pool that is available for use by all funds. The majority of all cash and investments of the Town are included in the cash and investment pool of the Nye County Treasurer. At June 30, 2023, this pool is displayed by the Statement of Net Position and on the governmental funds Balance Sheet as "Pooled Cash and Investments."

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

	Governmental Activities	Business-Type Activities	Totals
Cash in the hands of officers	$ 18,522	$ 18,444	$ 36,966
Pooled cash and investments – Nye County Treasurer	6,268,147	639,751	6,907,898
Total	$ 6,286,669	$ 658,195	$ 6,944,864

Pursuant to policy established by the Nye County Treasurer in accordance with Nevada Revised Statutes Chapter 355.168, the Town has elected to be part of the Nye County Treasurer's Investment Pool. Any local government within Nye County whose money is held under the custody of the Nye County Treasurer may invest its money with the investment pool. The County Treasurer may invest the money of the investment pool in investments which have been authorized as investments by Nevada Revised Statutes **(See Note A7a).** As noted, Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. Detailed information concerning the investment pool is in the annual financial report of Nye County, Nevada.

Investment gain or loss is apportioned to the Town funds monthly based on the average balance invested for the month. The fair value of the Town's investment in the Nye County Treasurer's Investment Pool was determined by multiplying the pool's fair value per share factor times the Town's portion of pool balance as of June 30, 2023.

NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)

1. Pooled Cash and Investments (Continued)

Interest Rate Risk: Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. To limit exposure to interest rate risk, the Nevada Revised Statutes limits bankers' acceptances to 180 days of maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. The approximate weighted average maturity of investments in the Nye County Treasurer's investment pool was 3.17 years. As of June 30, 2023, Town investments held in the Nye County Treasurer's investment pool are categorized as follows:

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	> 10
U.S. Agencies	82.67%	16.08%	57.45%	26.47%	0.00%
Corporate Commercial Paper	3.30%	0.00%	100.00%	0.00%	0.00%
Negotiable Certificates of Deposit	10.91%	21.16%	66.29%	12.55%	0.00%
NV Local Government Investment Pool	0.60%	100.00%	0.00%	0.00%	0.00%
Money Market Mutual Funds	2.52%	100.00%	0.00%	0.00%	0.00%
	100.00%				

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The Nye County Treasurer investment pool includes instruments which have been authorized by Nevada Revised Statutes **(See Note A7a).** At June 30, 2023, the Nye County Treasurer's investment pool ratings were as follows:

	Quality Ratings by Moody's	
Investment Type	Aaa	N/A
U.S. Agencies	100%	0%
Corporate Commercial Paper	100%	0%
Negotiable Certificates of Deposit	0%	100%
NV Local Government Investment Pool	0%	100%
Money Market Mutual Funds	0%	100%

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Town's deposits may not be returned. The Town's bank deposits are covered by FDIC insurance. Deposits in excess of FDIC insurance coverage in the Nye County Treasurer cash and investment pool are collateralized by securities held by the Office of the State Treasurer/Nevada Collateral Pool.

Credit Concentration Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments with a single issuer within the Nye County Treasurer Investment pool that represent five percent or more of total investments as of June 30, 2023, are as follows:

Federal Farm Credit Bank	27.34%
Federal Home Loan Bank (FHLB)	33.93%
Freddie Mac	17.06%

NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)

1. Pooled Cash and Investments (Continued)

The Town reports investments at fair value in accordance with generally accepted accounting principles. Investments are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following fair value measurements as of June 30, 2023:

Investment Type	Fair Value	Level 1	Level 2	Level 3	N/A
U.S. Agencies	82.67%	0.00%	100.00%	0.00%	0.00%
Corporate Commercial Paper	3.30%	0.00%	100.00%	0.00%	0.00%
Negotiable Certificates of Deposit	10.91%	0.00%	100.00%	0.00%	0.00%
NV Local Government Investment Pool	0.60%	39.50%	60.50%	0.00%	0.00%
Money Market Mutual Funds	2.52%	100.00%	0.00%	0.00%	0.00%
	100.00%				

Investment Income (Loss): Investment income (loss) is made up of interest income, net of fees to earn the interest, and net market value gains and (losses). The table below includes the interest income net of fees, and net investment market value gains and loss:

	Governmental Activities	Business-Type Activities	Government Wide
Interest income	$ 110,309	$ 10,235	$ 120,544
Unrealized market loss	(157,393)	(13,094)	(170,487)
Investment income (loss)	$ (47,084)	$ (2,859)	$ (49,943)

2. Receivables

Below is the detail of receivables for each major fund and the nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Other Governmental	Enterprise	Total
Receivables:				
Interest receivable	$ 18,899	$ 3,618	$ 2,442	$ 24,959
Property taxes	71,625	0	0	71,625
Due from other governments:				
Consolidated taxes	93,005	0	0	93,005
Fuel taxes	0	11,634	0	11,634
Public safety sales taxes	0	13,510	0	13,510
Net accounts receivable utility	0	0	36,970	36,970
Net total receivables	$ 183,529	$ 28,762	$ 39,412	$ 251,703

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

Governmental Activities:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 481,416	$ -	$ -	$ 481,416
Construction in progress	-	547,659	-	547,659
Total capital assets not being depreciated:	481,416	547,659	-	481,416
Capital assets being depreciated:				
Building	3,627,310	-	-	3,627,310
Improvements	182,910	-	-	182,910
Equipment	2,475,490	220,782	-	2,696,272
Total capital assets being depreciated	6,285,710	220,782	-	6,506,492
Less accumulated depreciation for:				
Building	1,565,852	109,377	-	1,675,229
Improvements	7,113	12,194	-	19,307
Equipment	1,959,312	111,288	-	2,070,600
Total accumulated depreciation	3,532,277	232,859	-	3,765,136
Total capital assets depreciated, net	2,753,433	(12,077)	-	2,741,356
Governmental activities capital assets, net	$ 3,234,849	$ 535,582	$ -	$ 3,770,431

Governmental Activities:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Intangible assets being amortized:				
Lease equipment	$ 14,614	$ -	$ -	$ 14,614
Less accumulated amortization for:				
Lease equipment	7,367	2,922	-	10,289
Governmental activities intangible assets, n	$ 7,247	$ (2,922)	$ -	$ 4,325

Business-Type Activities:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets being depreciated:				
Distribution system	$ 3,370,136	$ 55,359	$ -	$ 3,425,495
Less accumulated depreciation for:				
Distribution system	1,423,719	109,106	-	1,532,825
Business-type activities assets, net	$ 1,946,417	$ (53,747)	$ -	$ 1,892,670

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

Governmental activities:	
General government	$ 2,922

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets (Continued)

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

Governmental activities:	
General government	$ 55,527
Public safety	56,373
Public works	10,923
Culture and recreation	110,036
	$ 232,859
Business activities:	
Water and sewer	$ 109,106

Construction commitments: The Town has active construction projects as of June 30, 2023.

Project	Paid to Date	Contract	Amount Remain
Rebel brush truck	$ 111,557	$ 223,114	$ 111,557
Arcade Remodel	36,144	144,576	108,432
Teen Center Remodel	920	9,200	8,280
	$ 148,621	$ 376,890	$ 228,269

4. Unavailable Revenue

Delinquent taxes receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. Unavailable tax revenue in the General Fund was $962 as of June 30, 2023.

5. Long-Term Debt

Lease Obligation. The Town leases a copier with a lease term of 60 months with varying monthly payments with an imputed interest rate of 4.0%. At the end of the lease, the Town has an option to purchase the copier but will likely enter into a new lease for equipment. The copier has a five-year estimated useful life. This year, $6,800 is included in accumulated amortization.

The future minimum lease obligations as of June 30, 2023, were as follows:

Year Ending June 30,	Principal	Interest
2024	2,246	127
2025	1,942	36
	$ 4,188	$ 163

Lease Obligation. The Town leases postage equipment with a lease term of 60 months with varying monthly payments with an imputed interest rate of 4.0%. At the end of the lease, the Town has an option to purchase the equipment but will likely enter into a new lease for equipment. The postage equipment has a five-year estimated useful life. This year, $3,489 is included in accumulated amortization.

The future minimum lease obligations as of June 30, 2023, were as follows:

Year Ending June 30,	Principal	Interest
2024	$ 424	$ 6

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

5. Long-Term Debt (Continued)

Changes in General Long-Term Liabilities

During the year ended June 30, 2023, the following changes occurred:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due within one year
Governmental Activities:					
Compensated Absences	$ 18,946	$ -	$ 8,608	$ 10,338	$ 5,787
Lease Obligation	7,592	-	2,980	4,612	2,670
Net Pension Liability	768,841	367,724	-	1,136,565	-
Total Governmental Activities	$ 795,379	$ 367,724	$ 11,588	$ 1,151,515	$ 8,457
Business-Type Activities:					
Compensated Absences	$ 716	$ 1,003	$ -	$ 1,719	$ 825
Net Pension Liability	99,436	46,458	-	145,894	-
Total Business-Type Activities	$ 100,152	$ 47,461	$ -	$ 147,613	$ 825

Governmental type liabilities will be liquidated primarily by the General Fund.

Per Nevada Revised Statute Chapter 269.425, the debt limitation for the Town cannot exceed 25% of assessed valuation of property within the Town. The debt limitation currently applicable at June 30, 2023, was $75,711,976.

6. Interfund Transfers

Interfund transfers are made from one fund to another fund to support expenditures in accordance with authority established for the individual funds. In the fund financial statements, interfund transfers are shown as other financing sources or uses. During the year ended June 30, 2023, there were no transfers.

NOTE 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 has joined together with other local governments throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for members. The Town pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to $10,000,000 per event and a $10,000,000 annual aggregate per member. Property, crime, and equipment breakdown coverage is provided to its members up to $300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities. As a participatory member the maintenance deductible is $500 for each insured event.

The Town has additional coverage of $3,000,000 per incident for cyber security events with various sub-limits established for security failure, network interruption and proof of loss. As a participatory member, there is no maintenance deductible for each insured event.

NOTE E – OTHER INFORMATION (Continued)

1. Risk Management (Continued)

The Town has additional coverage $2,000,000 per incident for site pollution legal liabilities with a $10,000,000 policy aggregate. As a participatory member, the maintenance deductible is $25,000 for each incident.

The Town has also joined together with similar public agencies creating a pool under the Nevada Interlocal Cooperation Act for workers' compensation insurance. The Public Agency Compensation Trust (PACT) is an intergovernmental self-insurance association for workers' compensation insurance. The County pays premiums based upon payroll costs to the PACT. The PACT is considered a self-sustaining pool that will provide coverage based upon the statutory limit of $2,000,000.

The Town is self-insured for unemployment claims.

The Town carries commercial insurance for all other risks of loss including employee health and accident insurance.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

2. Contingent Liabilities

Claims

In the ordinary course of its operations, claims may be filed against the Town. It is the opinion of management that claims will not have any material adverse effect on the Town's financial position, results of operation, or cash flows.

The Town does not accrue for estimated future legal/defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when services are rendered.

3. Defined Benefit Pension Plan

Plan Description. Town employees, who work half-time or greater, are provided pension benefits through the Public Employees' Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer, defined benefit plan administered by the Public Employees' Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS Chapter 286 establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees' Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS that can be obtained at www.nvpers.org under Quick Links — Publications.

Benefits Provided. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Vested members are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member's years of service to a maximum of 33 and 1/3 years.

NOTE E – OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows:

Eligibility for Regular Members:

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	60	2.50%	60	2.67%	62	2.50%	62	2.25%
30 years	Any	2.50%	Any	2.67%	Any	2.50%	55	2.25%
33 1/3 years							Any	2.25%

Eligibility for Police and Fire Members:

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	55	2.50%	55	2.67%	60	2.50%	60	2.25%
20 years	50	2.50%	50	2.67%	50	2.50%	50	2.25%
25 years	Any	2.50%	Any	2.67%				
30 years					Any	2.50%	Any	2.25%

* Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. The System 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 or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

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

Contributions: Benefits for plan members are funded under the employer pay contribution plan. The Town is required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The Town's required contribution rate for the year ending June 30, 2022, was 29.75% for regular members and 44.00% for police and firefighters. The Town has fully funded the amounts due for the years ending June 30, 2022 and June 30, 2023. For purposes of GASB No. 82, the Town recognized only the employer portion as a deferred outflow.

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

NOTE E – OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

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

At June 30, 2023, the Town reported a liability of $1,282,459 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2022. The Town's proportionate share of the net pension liability decreased from 0.00952% measured at June 30, 2021, to 0.00710% measured at June 30, 2022.

For the year ended June 30, 2023, the Town recognized pension expense of $79,554. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	$ 98,769	$ 545
Net difference between projected and actual earnings on pension plan investments	9,306	0
Changes in proportion	59,663	1,648
Changes of assumptions	97,985	0
Town contributions subsequent to measurement date	60,870	0
Total	$ 326,593	$ 2,193

The Town reported $60,870 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	$ 49,961
2025	46,999
2026	36,939
2027	110,815
2028	18,816
	$ 263,530

NOTE E – OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions: The System's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Payroll Growth	Regular: 3.50%
	Police/Fire: 3.50%
Investment Rate of Return	7.25%, including inflation
Productivity pay increase	0.50%
Projected Salary increases	Regular: 4.20% to 9.10%, depending on service
	Police/Fire: 4.60% to 14.50%, depending on service
	Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2022 funding actuarial valuation

Mortality rates were based on the following:

Healthy:

Regular Members: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020.

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. *

Police/Fire Members: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above-listed mortality tables only provide rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, we have used the pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables rates. *

NOTE E – OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

Mortality rates were based on the following (Continued):

Disabled:

Regular Members: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Police/Fire Members: Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 30% for males and 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Beneficiaries:

Regular and Police/Fire Current Beneficiaries in Pay Status: Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 15% for males and 30% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above listed mortality table only provides rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub 2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. *

Regular and Police/Fire Contingent Beneficiaries: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount -Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates.*

For the mortality table applicable to contingent beneficiaries, "Approach 1" from the Society of Actuaries "Pub-2010 Public Retirement Plans Mortality Tables Report" was utilized. In particular, the mortality basis for contingent beneficiaries has been assumed to be the same mortality basis as the Healthy Regular retiree table listed above (except using rates applicable to the beneficiary's gender) for both when the primary retiree is alive and is no longer alive.

The Pub-210 Amount-Weighted Mortality Tables (with loading factors as described above) reasonably reflect the projected mortality experience of the Plan as of the measurement date. The generational projection is a provision made for future mortality improvement.

NOTE E – OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

Mortality rates were based on the following (Continued):

Pre-Retirement	**Regular Members:** Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020.
	Police/Fire Members: Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table separate tables for males and females). Projected generationally with the two-dimensional mortality improvement scale MP-2020.

* This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

The Pub-2010 Amount-Weighted Mortality Tables reasonably reflect the projected mortality experience of the plan as of the measurement date. The generational projection is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of the experience study for the period of July 1, 2016 through June 30, 2020.

The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the Board adopted policy target asset allocation as of June 30, 2022:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
U.S. Stock	42%	5.50%
International Stock	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%

*As of June 30, 2022, PERS' long-term inflation assumption was 2.50%

Discount Rate: The discount rate used to measure the total pension liability was 7.25% at June 30, 2021 and June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employer and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

NOTE E – OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the Town's proportionate share of the net pension liability to change in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	1.0% Decrease (6.25%)	Discount Rate (7.25%)	1.0% Increase (8.25%)
Town's proportionate share of the net pension liability	$ 1,968,977	$ 1,282,459	$ 715,958

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

Pension contributions payable. At June 30, 2023, the Town reported payables to the defined benefit pension plan of $6,484 for legally required employer contributions which had not yet been remitted to PERS.

4. Post-Employment Health Care Plan

The Town administers a single-employer defined benefit healthcare plan. The plan provides medical, dental, prescription, and life insurance benefits to eligible retired Town employees. The plan provides healthcare insurance for eligible retirees through the Town's group health insurance plan, which covers both active and retired members. Retirees may choose to stay on the Town's health insurance plan upon retirement. The retiree is required to pay the full amount of their coverage. The Town does not contribute to the cost of coverage. As of June 30, 2023, there were no retirees using the plan.

With no participating retired employees, at June 30, 2023, the Town's annual other postemployment benefit costs (expense) and net obligation is deemed to be zero.

5. Subscription-Based Information Technology Arrangements (SBITAs)

In fiscal year 2023 the Town implemented GASB Statement No. 96, *SBITAs*, see **Note A7t.**

This statement required software arrangements to be recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation. Accordingly, SBITAs liabilities for fiscal year 2023 were measured using the remaining agreement terms as of July 1, 2022. SBITAs right-to-use assets were measured based on the SBITAs liabilities at the same date. Therefore, no restatement of beginning net position is required as both the liabilities and right-to-use assets were valued the same on July 1, 2022. The Town had no software arrangements within the scope for SBITAs.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ROUND MOUNTAIN, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS
JUNE 30, 2023

Year Ended June 30	Contractually Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2014	$ 127,797	$ 127,797	$ -	$ 441,946	28.92%
2015	117,615	117,615	-	381,663	30.82%
2016	96,474	96,474	-	323,296	29.84%
2017	94,368	94,368	-	347,610	27.15%
2018	47,637	47,637	-	353,724	13.47%
2019	47,685	47,685	-	352,799	13.52%
2020	44,256	44,256	-	301,488	14.68%
2021	44,318	44,318	-	301,760	14.69%
2022	44,953	44,953	-	301,412	14.91%
2023	60,870	60,870	-	378,494	16.08%

Beginning with the year-ended 2018, all contributions shown reflect employer-paid contributions only, and employer-paid member contributions are excluded. Actuarially determined contributions above are based on actuarially determined contribution rates (employer portion only) from the most recent rate-setting year prior to the year shown, applied to covered payroll for year shown.

See accompanying notes to the required supplementary information.

TOWN OF ROUND MOUNTAIN, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS*
JUNE 30, 2023

Reporting Year Ended June 30:	Town's proportion of the net pension liability	Town's proportionate share of the net pension liability	Town's covered-employee payroll	Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.00845%	$ 880,703	$ 441,946	199.28%	76.31%
2016	0.00835%	956,344	381,663	250.57%	75.10%
2017	0.00743%	1,000,035	323,296	309.32%	72.20%
2018	0.00714%	949,508	347,610	273.15%	74.40%
2019	0.00727%	991,483	353,724	280.30%	75.20%
2020	0.00748%	1,020,302	352,799	289.20%	76.50%
2021	0.00759%	1,056,884	301,488	350.56%	77.00%
2022	0.00952%	868,277	301,760	287.74%	86.50%
2023	0.00710%	1,282,459	301,412	425.48%	75.10%

**Fiscal year 2015 was the first year of implementation. Therefore, only nine years are shown.*

The Town's proportionate share of the net pension liability is based upon the measurement taken on June 30th of the prior year.

See accompanying notes to the required supplementary information.

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Note 1 – Net Pension Liability

Changes in benefit terms. There have been no changes in benefit terms since the last valuation.

Changes in assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

SUPPLEMENTARY INFORMATION

MAJOR FUNDS

GENERAL FUND

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

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022

	2023	2022
Assets:		
Pooled cash and investments	$ 5,235,726	$ 5,584,372
Interest receivable	18,899	14,157
Taxes receivable	71,625	1,207
Due from other governments	93,005	99,496
Prepaid items	-	60,495
Total assets	$ 5,419,255	$ 5,759,727
Liabilities:		
Accounts payable	$ 65,213	$ 19,505
Accrued payroll	34,800	20,196
Total liabilities	100,013	39,701
Deferred Inflows of Resources:		
Unavailable revenue-property taxes	962	1,154
Fund Balance:		
Nonspendable	-	60,495
Assigned for subsequent year	4,460,626	5,594,341
Unassigned	857,654	64,036
Total fund balance	5,318,280	5,718,872
Total liabilities, deferred inflows of resources and fund balance	$ 5,419,255	$ 5,759,727

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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance - Positive	2022
	Budget	Actual	(Negative)	Actual
Revenues:				
Taxes	$ 879,332	$ 766,168	$ (113,164)	$ 980,718
Licenses and permits	2,000	4,420	2,420	6,183
Intergovernmental	250,000	489,282	239,282	490,393
Charges for services	20,000	27,626	7,626	28,415
Fines and forfeitures	500	650	150	1,845
Miscellaneous	3,500	(34,531)	(38,031)	(342,739)
Total revenues	1,155,332	1,253,615	98,283	1,164,815
Expenditures:				
Current:				
General government	1,234,949	757,867	477,082	597,428
Public safety	455,736	185,657	270,079	55,330
Public works	83,251	51,747	31,504	22,640
Culture and recreation	1,662,183	655,704	1,006,479	316,783
Contingency	103,083	-	103,083	-
Debt Service:				
Principal	-	2,980	(2,980)	2,863
Interest	-	252	(252)	369
Total expenditures	3,539,202	1,654,207	1,884,995	995,413
Excess (deficiency) of revenues over expenditures	(2,383,870)	(400,592)	1,983,278	169,402
Fund Balance:				
Beginning of year	5,594,341	5,718,872	124,531	5,549,470
End of year	$ 3,210,471	$ 5,318,280	$ 2,107,809	$ 5,718,872

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TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance - Positive	2022
	Budget	Actual	(Negative)	Actual
Revenues:				
Taxes:				
Property taxes	$ 879,332	$ 689,278	$ (190,054)	$ 704,050
Net proceeds	-	76,890	76,890	276,668
Total taxes	879,332	766,168	(113,164)	980,718
Licenses and permits:				
Gaming licenses	1,500	3,180	1,680	5,423
Liquor licenses	500	1,240	740	760
Total licenses and permits	2,000	4,420	2,420	6,183
Intergovernmental:				
Consolidated tax	250,000	489,282	239,282	478,130
Grant	-	-	-	12,263
Total intergovernmental	250,000	489,282	239,282	490,393
Charges for services:				
Swimming pool	1,000	3,655	2,655	3,810
Arcade/vending	-	23	23	596
Weight room fees	15,000	18,630	3,630	15,033
Water charges	4,000	5,118	1,118	8,876
Other	-	200	200	100
Total charges for services	20,000	27,626	7,626	28,415
Fines and forfeitures	500	650	150	1,845
Miscellaneous:				
Rent	3,500	3,894	394	5,580
Investment income (loss)	-	(40,126)	(40,126)	(349,382)
Other	-	1,701	1,701	1,063
Total miscellaneous	3,500	(34,531)	(38,031)	(342,739)
Total revenues	$ 1,155,332	$ 1,253,615	$ 98,283	$ 1,164,815

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF EXPENDITURES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance - Positive	2022
	Budget	Actual	(Negative)	Actual
Expenditures				
Current:				
General government:				
Administration:				
Salaries and wages	$ 311,906	$ 162,501	$ 149,405	$ 135,146
Employee benefits	93,209	71,173	22,036	65,053
Services and supplies	172,750	111,979	60,771	92,260
Capital outlay	33,000	882	32,118	4,200
Total administration	610,865	346,535	264,330	296,659
Building and Grounds:				
Salaries and wages	179,669	148,138	31,531	91,807
Employee benefits	93,415	78,914	14,501	50,428
Services and supplies	146,000	81,943	64,057	86,533
Capital outlay	205,000	102,337	102,663	72,001
Total building and grounds	624,084	411,332	212,752	300,769
Total general government	1,234,949	757,867	477,082	597,428
Public Safety:				
Hadley Station:				
Employee benefits	14,876	-	14,876	-
Services and supplies	142,000	73,490	68,510	55,330
Capital outlay	298,860	112,167	186,693	-
Total public safety	455,736	185,657	270,079	55,330
Public Works:				
Highways and Streets:				
Services and supplies	23,438	17,338	6,100	14,313
Capital outlay	30,000	17,273	12,727	-
Total highways and streets	53,438	34,611	18,827	14,313
Round Mountain Water:				
Services and supplies	24,813	13,524	11,289	8,327
Capital outlay	5,000	3,612	1,388	-
Total Round Mountain water	29,813	17,136	12,677	8,327
Total public works	$ 83,251	$ 51,747	$ 31,504	$ 22,640

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance - Positive	2022
	Budget	Actual	(Negative)	Actual
Expenditures (Continued)				
Current (Continued):				
Culture and Recreation:				
Swimming Pool:				
Salaries and wages	$ 39,360	$ 13,592	$ 25,768	$ 11,987
Employee benefits	5,208	1,826	3,382	2,032
Services and supplies	60,350	24,765	35,585	25,878
Capital outlay	204,000	7,690	196,310	-
Total swimming pool	308,918	47,873	261,045	39,897
Parks and recreation:				
Salaries and wages	88,646	78,687	9,959	58,924
Employee benefits	54,054	46,188	7,866	29,464
Services and supplies	179,250	141,221	38,029	72,709
Capital outlay	1,031,315	341,735	689,580	115,789
Total parks and recreation	1,353,265	607,831	745,434	276,886
Total culture and recreation	1,662,183	655,704	1,006,479	316,783
Contingency	103,083	-	103,083	-
Debt Service:				
Principal	-	2,980	(2,980)	2,863
Interest	-	252	(252)	369
Total debt service	-	3,232	(3,232)	3,232
Total expenditures	$ 3,539,202	$ 1,654,207	$ 1,884,995	$ 995,413

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MAJOR ENTERPRISE FUND

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

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

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022

	2023	2022
Assets:		
Current assets:		
Pooled cash and investments	$ 658,195	$ 534,571
Interest receivable	2,442	1,386
Accounts receivable (net)	36,970	45,729
Prepaid items	-	11,470
Inventory	54,128	55,233
Total current assets	751,735	648,389
Capital assets:		
Equipment	3,425,495	3,370,136
Less accumulated depreciation	(1,532,825)	(1,423,719)
Capital assets (net of accumulated depreciation)	1,892,670	1,946,417
Total assets	2,644,405	2,594,806
Deferred Outflows of Resources:		
Deferred pension charge	40,601	27,073
Liabilities:		
Current liabilities:		
Accounts payable	64,355	830
Accrued payroll	1,089	2,473
Customer deposits	10,700	9,350
Accrued compensated absences	825	716
Total current liabilities	76,969	13,369
Long term liabilities:		
Accrued compensated absences	894	-
Net pension liability	145,894	99,436
Total long term liabilities	146,788	99,436
Total liabilities	223,757	112,805
Deferred Inflows of Resources:		
Deferred pension charge	252	34,072
Net Position:		
Invested in capital assets	1,892,670	1,946,417
Unrestricted	568,327	528,585
Total net position	$ 2,460,997	$ 2,475,002

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance - Positive	2022
	Budget	Actual	(Negative)	Actual
Operating Revenues:				
Charges for services	$ 300,000	$ 321,831	$ 21,831	$ 293,161
Operation Expenses:				
Utility operations:				
Salaries and wages	68,872	39,773	29,099	35,402
Employee benefits	43,435	19,343	24,092	15,374
Services and supplies	190,800	165,000	25,800	159,251
Capital outlay	211,000	-	211,000	-
Depreciation	110,000	109,106	894	111,927
Total operating expenses	624,107	333,222	290,885	321,954
Operating Income (Loss)	(324,107)	(11,391)	312,716	(28,793)
Non-Operating Revenues (Expenses):				
Investment income (loss)	-	(2,859)	(2,859)	(33,192)
Miscellaneous	-	245	245	105
Total non-operating revenues (expenses)	-	(2,614)	(2,614)	(33,087)
Change in net position	$ (324,107)	(14,005)	$ 310,102	(61,880)
Net Position:				
Beginning of year		2,475,002		2,536,882
End of year		$ 2,460,997		$ 2,475,002

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TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities:		
Cash received from customers	$ 331,940	$ 273,117
Cash paid for salaries, wages, and employee benefits	(60,387)	(59,740)
Cash paid for services and supplies	(88,900)	(171,138)
Cash provided by operating activities	182,653	42,239
Cash Flows From Non-Capital Financing Activities:		
Miscellaneous	245	105
Cash Flows From Capital and Related Financing Activities:		
Purchase of capital assets	(55,359)	-
Cash Flows From Investing Activities:		
Investment income (loss)	(3,915)	(33,508)
Net increase (decrease) in cash	123,624	8,836
Cash:		
Beginning of year	534,571	525,735
End of year	$ 658,195	$ 534,571
Reconciliation of Operating Income (Loss) to Cash Provided by Operating Activities:		
Operating income (loss)	$ (11,391)	$ (28,793)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:		
Depreciation	109,106	111,927
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	8,759	(17,644)
(Increase) decrease in deferred outflows	(13,528)	(20,840)
(Increase) decrease in prepaid items	11,470	(9,556)
(Increase) decrease in inventory	1,105	112
Increase (decrease) in accounts payable	63,525	(2,443)
Increase (decrease) in accrued payroll	(1,384)	(2,866)
Increase (decrease) in compensated absences	1,003	313
Increase (decrease) in customer deposits	1,350	(2,400)
Increase (decrease) in net pension liability	46,458	(18,412)
Increase (decrease) in deferred inflows	(33,820)	32,841
Total adjustments	194,044	71,032
Cash Provided by Operating Activities	$ 182,653	$ 42,239

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NONMAJOR GOVERNMENTAL FUNDS

Combining statements of all nonmajor governmental activity.

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2023 Totals	2022 Totals
Assets:				
Pooled cash and investments	$ 853,447	$ 197,496	$ 1,050,943	$ 1,121,922
Interest receivable	3,004	614	3,618	2,786
Due from other governments	25,144	-	25,144	27,545
Total assets	$ 881,595	$ 198,110	$ 1,079,705	$ 1,152,253
Liabilities:				
Accounts payable	$ 1,978	$ 5,179	$ 7,157	$ 103
Fund Balance:				
Restricted for capital projects	-	192,931	192,931	231,699
Restricted for public safety	268,485	-	268,485	272,540
Restricted for public works	611,132	-	611,132	647,911
Total fund balance	879,617	192,931	1,072,548	1,152,150
Total liabilities and fund balance	$ 881,595	$ 198,110	$ 1,079,705	$ 1,152,253

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2023 Totals	2022 Totals
Revenues:				
Intergovernmental	$ 139,703	$ 15,244	$ 154,947	$ 186,325
Miscellaneous	(5,837)	(1,121)	(6,958)	(66,621)
Total revenues	133,866	14,123	147,989	119,704
Expenditures:				
Current:				
Public safety	77,149	-	77,149	57,549
Public works	97,551	-	97,551	41,240
Capital Projects	-	52,891	52,891	85,993
Total expenditures	174,700	52,891	227,591	184,782
Excess (deficiency) of revenues over expenditures	(40,834)	(38,768)	(79,602)	(65,078)
Fund Balance:				
Beginning of year	920,451	231,699	1,152,150	1,217,228
End of year	$ 879,617	$ 192,931	$ 1,072,548	$ 1,152,150

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NONMAJOR SPECIAL REVENUE FUND

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

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

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

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	Road	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire	2023 Totals	2022 Totals
Assets:					
Pooled cash and investments	$ 598,879	$ 116,760	$ 137,808	$ 853,447	$ 890,765
Interest receivable	2,119	405	480	3,004	2,244
Due from other governments	11,634	6,755	6,755	25,144	27,545
Total assets	$ 612,632	$ 123,920	$ 145,043	$ 881,595	$ 920,554
Liabilities:					
Accounts payable	$ 1,500	$ 478	$ -	$ 1,978	$ 103
Fund Balance:					
Restricted for public safety	-	123,442	145,043	268,485	272,540
Restricted for public works	611,132	-	-	611,132	647,911
Total fund balance	611,132	123,442	145,043	879,617	920,451
Total liabilities and fund balance	$ 612,632	$ 123,920	$ 145,043	$ 881,595	$ 920,554

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	Road	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire	2023 Totals	2022 Totals
Revenues:					
Intergovernmental	$ 64,813	$ 37,445	$ 37,445	$ 139,703	$ 171,472
Miscellaneous	(4,041)	(587)	(1,209)	(5,837)	(52,532)
Total revenues	60,772	36,858	36,236	133,866	118,940
Expenditures:					
Current:					
Public safety	-	14,186	62,963	77,149	57,549
Public works	97,551	-	-	97,551	41,240
Total expenditures	97,551	14,186	62,963	174,700	98,789
Excess (deficiency) of revenues over expenditures	(36,779)	22,672	(26,727)	(40,834)	20,151
Fund Balance:					
Beginning of year	647,911	100,770	171,770	920,451	900,300
End of year	$ 611,132	$ 123,442	$ 145,043	$ 879,617	$ 920,451

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - ROAD SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022

	2023	2022
Assets:		
Pooled cash and investments	$ 598,879	$ 629,123
Interest receivable	2,119	1,569
Due from other governments	11,634	17,219
Total assets	$ 612,632	$ 647,911
Liabilities:		
Accounts payable	$ 1,500	$ -
Fund Balance:		
Restricted for public works	611,132	647,911
Total liabilities and fund balance	$ 612,632	$ 647,911

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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance - Positive	2022
	Budget	Actual	(Negative)	Actual
Revenues:				
Intergovernmental:				
Gas tax $1.75	$ 60,000	$ 64,813	$ 4,813	$ 100,796
Miscellaneous:				
Investment income (loss)	-	(4,041)	(4,041)	(38,572)
Total revenues	60,000	60,772	772	62,224
Expenditures:				
Current:				
Public works:				
Services and supplies	75,000	4,056	70,944	41,240
Capital outlay	50,000	93,495	(43,495)	-
Total expenditures	125,000	97,551	27,449	41,240
Excess (deficiency) of revenues over expenditures	(65,000)	(36,779)	28,221	20,984
Fund Balance:				
Beginning of year	635,445	647,911	12,466	626,927
End of year	$ 570,445	$ 611,132	$ 40,687	$ 647,911

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022

	2023	2022
Assets:		
Pooled cash and investments	$ 116,760	$ 95,448
Interest receivable	405	262
Due from other governments	6,755	5,163
Total assets	$ 123,920	$ 100,873
Liabilities:		
Accounts payable	$ 478	$ 103
Fund Balance:		
Restricted for public safety	123,442	100,770
Total liabilities and fund balance	$ 123,920	$ 100,873

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance - Positive	2022
	Budget	Actual	(Negative)	Actual
Revenues				
Intergovernmental:				
Public safety tax - Nye County	$ 33,618	$ 37,445	$ 3,827	$ 35,338
Miscellaneous:				
Investment income (loss)	100	(587)	(687)	(7,375)
Other	-	-	-	3,685
Total miscellaneous	100	(587)	(687)	(3,690)
Total revenues	33,718	36,858	3,140	31,648
Expenditures				
Current:				
Public safety:				
Services and supplies	33,599	1,349	32,250	8,207
Capital outlay	50,000	12,837	37,163	40,552
Total public safety	83,599	14,186	69,413	48,759
Excess (deficiency) of revenues over expenditures	(49,881)	22,672	72,553	(17,111)
Fund balance				
Beginning of year	49,881	100,770	50,889	117,881
End of year	$ -	$ 123,442	$ 123,442	$ 100,770

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022

	2023	2022
Assets:		
Pooled cash and investments	$ 137,808	$ 166,194
Interest receivable	480	413
Due from other governments	6,755	5,163
Total assets	$ 145,043	$ 171,770
Liabilities:		
Accounts payable	$ -	$ -
Fund Balance:		
Restricted for public safety	145,043	171,770
Total liabilities and fund balance	$ 145,043	$ 171,770

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance - Positive	2022
	Budget	Actual	(Negative)	Actual
Revenues:				
Intergovernmental:				
Public safety tax - Nye County	$ 33,618	$ 37,445	$ 3,827	$ 35,338
Miscellaneous:				
Investment income (loss)	100	(1,209)	(1,309)	(10,270)
Total revenues	33,718	36,236	2,518	25,068
Expenditures:				
Current:				
Public safety:				
Services and supplies	61,210	5,178	56,032	8,790
Capital outlay	100,000	57,785	42,215	-
Total expenditures	161,210	62,963	98,247	8,790
Excess (deficiency) of revenues over expenditures	(127,492)	(26,727)	100,765	16,278
Fund Balance:				
Beginning of year	127,492	171,770	44,278	155,492
End of year	$ -	$ 145,043	$ 145,043	$ 171,770

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For the year ended June 30, 2023

NONMAJOR CAPITAL PROJECTS

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

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

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

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2023 AND 2022

	2023	2022
Assets:		
Pooled cash and investments	$ 197,496	$ 231,157
Interest receivable	614	542
Total assets	$ 198,110	$ 231,699
Liabilities:		
Accounts payable	$ 5,179	$ -
Fund Balance:		
Restricted for capital projects	192,931	231,699
Total liabilities and fund balance	$ 198,110	$ 231,699

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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance - Positive	2022
	Budget	Actual	(Negative)	Actual
Revenues:				
Intergovernmental:				
County	$ 20,000	$ 15,244	$ (4,756)	$ 14,853
Miscellaneous:				
Investment income (loss)	-	(1,121)	(1,121)	(13,439)
Total revenues	20,000	14,123	(5,877)	1,414
Expenditures:				
Capital Projects	250,285	52,891	197,394	-
Excess (deficiency) of revenues over expenditures	(230,285)	(38,768)	191,517	1,414
Fund Balance:				
Beginning of year	230,285	231,699	1,414	230,285
End of year	$ -	$ 192,931	$ 192,931	$ 231,699

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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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023		Variance - Positive	2022
	Budget	Actual	(Negative)	Actual
Revenues:				
Miscellaneous:				
Investment income (loss)	$ -	$ -	$ -	$ (650)
Expenditures:				
Capital Projects	-	-	-	85,993
Excess (deficiency) of revenues over expenditures	-	-	-	(86,643)
Fund Balance:				
Beginning of year	230	-	(230)	86,643
End of year	$ 230	$ -	$ (230)	$ -

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Round Mountain, Nevada (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 25, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Las Vegas, Nevada
April 25, 2024

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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INDEPENDENT AUDITOR'S COMMENTS

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

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Round Mountain, Nevada (the Town) as of and for the year ended June 30, 2023, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Town failed to comply with the specific requirements of Nevada Revised Statutes referenced below in so far as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town's noncompliance with the requirements of Nevada Revised Statutes noted below, in so far as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

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

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

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

CURRENT YEAR RECOMMENDATIONS

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

PRIOR YEAR RECOMMENDATIONS

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

NEVADA REVISED STATUTE 354.59815 – SPECIAL AD VALOREM CAPITAL PROJECTS FUND

Special Ad Valorem Capital Projects Fund

The Town established the Special Ad Valorem Capital Projects Fund in accordance with Nevada Revised Statutes 354.59815. There were projects funded during the year of $52,891 for the Arcade project. The Town does not plan to accumulate money in the fund for future projects.

Las Vegas, Nevada
April 25, 2024