

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**REPORT ON FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL MATERIAL**  
**YEAR ENDED JUNE 30, 2011**

**TOWN OF ROUND MOUNTAIN, NEVADA**  
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**TOWN OF ROUND MOUNTAIN, NEVADA  
ELECTED TOWN OFFICIALS  
JUNE 30, 2011**

**CHAIRPERSON**

Johnny Archuleta

**TOWN COUNCIL**

Lisa Schwarz

Vice-chairperson

Joy Hawkins

Clerk

Marlene Lucero

Member

Greg Schoen

Member

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Round Mountain, Nevada, (the Town) as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. My responsibility is to express opinions on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Round Mountain, Nevada, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and Special Ad Valorem Capital Projects Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 14 be presented to supplement the basic financial statements. Such information, 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. I 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 I obtained during my audit of the basic financial statements. I 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.

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

A handwritten signature in black ink, appearing to read "D. M. ...", is written over the text.

Las Vegas, Nevada  
February 14, 2012

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**For the year ended June 30, 2011**

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**Town of Round Mountain, Nevada**  
**Management's Discussion and Analysis**  
**June 30, 2011**

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the Town of Round Mountain, Nevada. The MD&A is designed to give the reader an easy-to-understand overview of the Town's financial position and results of operations for the year.

**Financial Highlights**

The Town's primary revenue sources for governmental activities were ad valorem taxes of \$819,051 and consolidated taxes of \$238,535. These revenue sources comprised 69.23%, and 20.16% respectively, or 89.39% of total governmental activities revenues.

The Town's total expenses were \$1,176,472. The greatest expenses were in the General Government (\$355,356) and Culture and Recreation (\$284,062) functions. Business-type activities contributed (\$281,718) to total expenses.

At the end of the fiscal year, the fund balance for the General Fund was \$3,306,206. This was an increase of \$79,650 from the prior year.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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



**Town of Round Mountain, Nevada**  
**Management's Discussion and Analysis**  
**June 30, 2011**

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

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

**Fund Financial Statements**

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

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financial requirements.

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

The Town maintains individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and Special Ad Valorem Capital Projects Funds which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the combining and individual fund statements and schedules.

The Town adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the Town's governmental funds to demonstrate compliance with the budget.

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**Town of Round Mountain, Nevada  
Management's Discussion and Analysis  
June 30, 2011**

**Proprietary Funds**

The Town maintains one type of proprietary fund.

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

**Notes to Financial Statements**

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

**Other Information**

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

It also includes a schedule of budgetary comparisons for both the original and final budgets of the General Fund and Special Ad Valorem Capital Projects Fund.

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

**Town of Round Mountain, Nevada  
Management's Discussion and Analysis  
June 30, 2011**

**Government-Wide Financial Analysis**

Net assets of the Town as of June 30, 2011, are summarized and analyzed below:

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Assets:</b>						
Current and other assets	\$ 3,839,598	\$ 3,538,444	\$ 266,747	\$ 240,738	\$ 4,106,345	\$ 3,779,182
Net capital assets	<u>2,526,394</u>	<u>2,558,862</u>	<u>445,202</u>	<u>487,550</u>	<u>2,971,596</u>	<u>3,046,412</u>
Total Assets	<u>6,365,992</u>	<u>6,097,306</u>	<u>711,949</u>	<u>728,288</u>	<u>7,077,941</u>	<u>6,825,594</u>
<b>Liabilities:</b>						
Current liabilities	59,739	77,678	24,352	14,677	84,091	92,355
Long-term liabilities	<u>81,491</u>	<u>83,156</u>	<u>10,032</u>	<u>7,657</u>	<u>91,523</u>	<u>90,813</u>
Total Liabilities	<u>141,230</u>	<u>160,834</u>	<u>34,384</u>	<u>22,334</u>	<u>175,614</u>	<u>183,168</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	2,526,394	2,558,862	445,202	487,550	2,971,596	3,046,412
Restricted	473,081	233,363	0	0	473,081	233,363
Unrestricted	<u>3,225,287</u>	<u>3,144,247</u>	<u>232,363</u>	<u>218,404</u>	<u>3,457,650</u>	<u>3,362,651</u>
Total Net Assets	<u>\$ 6,224,762</u>	<u>\$ 5,936,472</u>	<u>\$ 677,565</u>	<u>\$ 705,954</u>	<u>\$ 6,902,327</u>	<u>\$ 6,642,426</u>

As noted earlier, net assets may serve over time as a useful indicator of the Town's financial position. Assets exceeded liabilities by \$6,902,327, as of June 30, 2011. Total net assets increased by \$259,901 or 3.91%.

The largest portion of the Town's net assets, 43.05%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), net of any related debt outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the Town had no debt related to capital assets for the year ended June 30, 2011 and 2010.

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

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

**Town of Round Mountain, Nevada**  
**Management's Discussion and Analysis**  
**June 30, 2011**

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 43,613	\$ 39,645	\$ 250,709	\$ 214,285	\$ 294,322	\$ 253,930
General revenues:						
Ad valorem taxes	819,051	1,011,819	-	-	819,051	1,011,819
Consolidated tax	238,535	211,656	-	-	238,535	211,656
Fuel taxes	39,053	21,862	-	-	39,053	21,862
Investment income	39,449	106,048	1,842	4,125	41,291	110,173
Other	3,343	2,005	778	-	4,121	2,005
<b>Total revenues</b>	<b>1,183,044</b>	<b>1,393,035</b>	<b>253,329</b>	<b>218,410</b>	<b>1,436,373</b>	<b>1,611,445</b>
<b>Expenses:</b>						
General government	355,356	369,130	-	-	355,356	369,130
Public safety	200,262	204,989	-	-	200,262	204,989
Public works	55,074	67,742	-	-	55,074	67,742
Culture and recreation	284,062	284,769	-	-	284,062	284,769
Utility operations	-	-	281,718	266,480	281,718	266,480
<b>Total expenses</b>	<b>894,754</b>	<b>926,630</b>	<b>281,718</b>	<b>266,480</b>	<b>1,176,472</b>	<b>1,193,110</b>
<b>Change in net assets</b>	<b>288,290</b>	<b>466,405</b>	<b>(28,389)</b>	<b>(48,070)</b>	<b>259,901</b>	<b>418,335</b>
<b>Net assets - beginning</b>	<b>5,936,472</b>	<b>5,470,067</b>	<b>705,954</b>	<b>754,024</b>	<b>6,642,426</b>	<b>6,224,091</b>
<b>Net assets - ending</b>	<b>\$ 6,224,762</b>	<b>\$ 5,936,472</b>	<b>\$ 677,565</b>	<b>\$ 705,954</b>	<b>\$ 6,902,327</b>	<b>\$ 6,642,426</b>

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

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

**Town of Round Mountain, Nevada  
Management's Discussion and Analysis  
June 30, 2011**

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

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

**Governmental Funds**

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$3,779,287. This was an increase of \$319,368 or 9.23% from the previous year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,306,206.

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

Revenues decreased by \$220,546, or 16.50%. Tax revenues decreased by \$189,696 or 19.26% mainly due to a decrease in advanced net proceeds revenue received for the 2011 calendar year. Intergovernmental revenues increased by \$26,879, or 12.70%, mainly due to an increase in consolidated (sales) tax for the current year. Miscellaneous revenues decreased \$61,872 or 58.63% due to a decrease in investment income due to declining interest rates and market values.

Expenditures decreased by \$92,626, or 10.18%. General government expenditures decreased \$53,204 or 13.43% due to a decrease in capital outlay expenditures. Culture and recreation expenditures decreased \$52,540 or 16.57% mainly due to a decrease in capital outlay expenditures. Public safety expenditures increased \$15,279 or 8.71% mainly due to an increase in salaries and benefits.

**Capital Assets and Debt Administration**

**Capital Assets**

The Town's investment in capital assets, net of accumulated depreciation at June 30, 2011, was \$2,526,394 governmental activities and \$445,202 business-type activities. Detail by type of activity and asset is summarized in the table below.

**Town of Round Mountain, Nevada  
Management's Discussion and Analysis  
June 30, 2011**

A summary of changes in capital assets for the year ended June 30, 2011 follows:

**Governmental Activities:**

	Balance <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2011</u>
Capital assets not being depreciated:				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
Capital assets being depreciated:				
Building	2,121,006	49,235	0	2,170,241
Equipment	1,418,724	51,599	0	1,470,323
Total capital assets being depreciated	<u>3,539,730</u>	<u>100,834</u>	<u>0</u>	<u>3,640,564</u>
Less accumulated depreciation for:				
Building	492,286	42,546	0	534,832
Equipment	969,998	90,756	0	1,060,754
Total accumulated depreciation	<u>1,462,284</u>	<u>133,302</u>	<u>0</u>	<u>1,595,586</u>
Total capital assets being depreciated, net	<u>2,077,446</u>	<u>(32,468)</u>	<u>0</u>	<u>2,044,978</u>
Governmental activities assets, net	<u>\$ 2,558,862</u>	<u>\$ (32,468)</u>	<u>\$ 0</u>	<u>\$ 2,526,394</u>

**Business Type Activities:**

	Balance <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2011</u>
Capital assets being depreciated:				
Equipment	\$ 1,083,534	\$ 14,316	\$ 0	\$ 1,097,850
Less accumulated depreciation for:				
Equipment	595,984	56,664	0	652,648
Business Type Activities assets, net	<u>\$ 487,550</u>	<u>\$ (42,348)</u>	<u>\$ 0</u>	<u>\$ 445,202</u>

**Town of Round Mountain, Nevada  
Management's Discussion and Analysis  
June 30, 2011**

**Long -Term Debt**

During the year ended June 30, 2011, the following changes occurred in long-term debt:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Net</u> <u>Additions</u> <u>(Reductions)</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>Governmental Activities:</b>			
Accrued compensated absences	<u>\$ 83,156</u>	<u>\$ (1,665)</u>	<u>\$ 81,491</u>
	<u>Balance</u> <u>July 1, 2010</u>	<u>Net</u> <u>Additions</u> <u>(Reductions)</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>Business Type Activities:</b>			
Accrued compensated absences	<u>\$ 7,657</u>	<u>\$ 2,375</u>	<u>\$ 10,032</u>

**REQUESTS FOR INFORMATION**

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,778,415	\$ 186,293	\$ 3,964,708
Interest receivable	13,873	662	14,535
Taxes receivable	727	-	727
Due from other governments	46,583	-	46,583
Accounts receivable (net)	-	24,186	24,186
Inventory	-	55,606	55,606
Capital assets, net of accumulated depreciation	<u>2,526,394</u>	<u>445,202</u>	<u>2,971,596</u>
 Total assets	 <u>6,365,992</u>	 <u>711,949</u>	 <u>7,077,941</u>
<b>Liabilities:</b>			
Accounts payable	40,847	10,063	50,910
Accrued payroll and benefits	18,892	4,976	23,868
Customer deposits	-	9,313	9,313
Long term liabilities:			
Portion due or payable within one year:			
Accrued compensated absences	36,822	2,269	39,091
Portion due or payable after one year:			
Accrued compensated absences	<u>44,669</u>	<u>7,763</u>	<u>52,432</u>
 Total liabilities	 <u>141,230</u>	 <u>34,384</u>	 <u>175,614</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	2,526,394	445,202	2,971,596
Restricted for:			
Capital projects	364,563	-	364,563
Roads	108,518	-	108,518
Unrestricted	<u>3,225,287</u>	<u>232,363</u>	<u>3,457,650</u>
Total net assets	<u>\$ 6,224,762</u>	<u>\$ 677,565</u>	<u>\$ 6,902,327</u>

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



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF ACTIVITIES**  
**JUNE 30, 2011**

Functions/Programs	Program Revenues		Changes in Net Assets		Total
	Expenses	Charges for Service	Governmental Activities	Business-type Activities	
<b>Primary governments:</b>					
General government	\$ (355,356)	\$ 6,188	\$ (349,168)	\$ -	\$ (349,168)
Public safety	(200,262)	6,198	(194,064)	-	(194,064)
Public works	(55,074)	-	(55,074)	-	(55,074)
Culture and recreation	(284,062)	31,227	(252,835)	-	(252,835)
<b>Total governmental activities</b>	<b>(894,754)</b>	<b>43,613</b>	<b>(851,141)</b>	<b>-</b>	<b>(851,141)</b>
<b>Business-type activities:</b>					
Water	(281,718)	250,709	-	(31,009)	(31,009)
<b>Total primary governments</b>	<b>\$ (1,176,472)</b>	<b>\$ 294,322</b>	<b>(851,141)</b>	<b>(31,009)</b>	<b>(882,150)</b>
<b>General Revenues:</b>					
Property taxes			819,051	-	819,051
Fuel tax			39,053	-	39,053
Consolidated taxes			238,535	-	238,535
Investment income			39,449	1,842	41,291
Miscellaneous			3,343	778	4,121
<b>Total general revenues</b>			<b>1,139,431</b>	<b>2,620</b>	<b>1,142,051</b>
<b>Change in net assets</b>			<b>288,290</b>	<b>(28,389)</b>	<b>259,901</b>
<b>Net assets - beginning of year</b>			<b>5,936,472</b>	<b>705,954</b>	<b>6,642,426</b>
<b>Net assets - end of year</b>			<b>\$ 6,224,762</b>	<b>\$ 677,565</b>	<b>\$ 6,902,327</b>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**BALANCE SHEET-GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	Major Fund		Other Governmental Funds	Total Governmental Funds
	General	Special Ad Valorem		
<b><u>Assets</u></b>				
Pooled cash and investments	\$ 3,294,599	\$ 159,513	\$ 324,303	\$ 3,778,415
Interest receivable	11,957	606	1,310	13,873
Taxes receivable	727	-	-	727
Due from other governments	39,921	-	6,662	46,583
<b>Total assets</b>	<b>\$ 3,347,204</b>	<b>\$ 160,119</b>	<b>\$ 332,275</b>	<b>\$ 3,839,598</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 21,534	\$ 19,313	\$ -	\$ 40,847
Accrued payroll	18,892	-	-	18,892
Deferred taxes	572	-	-	572
<b>Total liabilities</b>	<b>40,998</b>	<b>19,313</b>	<b>-</b>	<b>60,311</b>
<b><u>Fund Equity</u></b>				
Restricted for:				
Public works	-		108,518	108,518
Capital projects	-	140,806	223,757	364,563
Unassigned	3,306,206	-	-	3,306,206
<b>Subtotal</b>	<b>3,306,206</b>	<b>140,806</b>	<b>332,275</b>	<b>3,779,287</b>
<b>Total liabilities and fund equity</b>	<b>\$ 3,347,204</b>	<b>\$ 160,119</b>	<b>\$ 332,275</b>	<b>\$ 3,839,598</b>

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

**TOWN OF ROUND MOUNTAIN, NEVADA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**Total fund balance - governmental funds** **\$ 3,779,287**

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

Capital assets net of the related depreciation are not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the Statement of Net Assets. 2,526,394

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 572

Certain liabilities, such as compensated absences, are not reported in the governmental funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Assets. (81,491)

**Total net assets - governmental activities** **\$ 6,224,762**

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Major Fund			Total Governmental Funds
	General	Special Ad Valorem	Other Governmental Funds	
<b>Revenues:</b>				
Taxes	\$ 795,064	\$ -	\$ -	\$ 795,064
Licenses and permits	3,820	-	-	3,820
Intergovernmental	238,535	24,262	39,053	301,850
Charges for services	33,015	-	-	33,015
Fines and forfeitures	2,368	-	-	2,368
Miscellaneous	43,661	1,783	1,758	47,202
<b>Total revenues</b>	<u>1,116,463</u>	<u>26,045</u>	<u>40,811</u>	<u>1,183,319</u>
<b>Expenditures:</b>				
General government	342,917	-	-	342,917
Public safety	190,641	-	-	190,641
Public works	18,797	-	8,459	27,256
Culture and recreation	264,458	-	-	264,458
Capital projects	-	38,679	-	38,679
<b>Total expenditures</b>	<u>816,813</u>	<u>38,679</u>	<u>8,459</u>	<u>863,951</u>
Excess (deficiency) of revenues over expenditures	299,650	(12,634)	32,352	319,368
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	220,000	220,000
Operating transfers out	(220,000)	-	-	(220,000)
<b>Total other financing sources (uses):</b>	<u>(220,000)</u>	<u>-</u>	<u>220,000</u>	<u>-</u>
<b>Net change in fund balance</b>	79,650	(12,634)	252,352	319,368
<b>Fund balance:</b>				
Beginning of year	3,226,556	153,440	79,923	3,459,919
<b>End of year</b>	<u>\$ 3,306,206</u>	<u>\$ 140,806</u>	<u>\$ 332,275</u>	<u>\$ 3,779,287</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**Net change in fund balance - governmental funds** **\$ 319,368**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over the estimated useful lives as annual depreciation expense in the Statement of Activities. (32,468)

Property taxes that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenues in the Statement of Activities. (275)

Generally, expenditures recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred. 1,665

**Change in net assets of governmental activities** **\$ 288,290**

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 266,542	\$ 266,542	\$ 248,615	\$ (17,927)
Net proceeds	-	-	546,449	546,449
Total taxes	<u>266,542</u>	<u>266,542</u>	<u>795,064</u>	<u>528,522</u>
<b>Licenses and permits:</b>				
Gaming licenses	1,500	1,500	2,700	1,200
Liquor licenses	1,000	1,000	1,120	120
Total licenses and permits	<u>2,500</u>	<u>2,500</u>	<u>3,820</u>	<u>1,320</u>
<b>Intergovernmental:</b>				
Consolidated tax	<u>209,439</u>	<u>209,439</u>	<u>238,535</u>	<u>29,096</u>
<b>Charges for services:</b>				
Swimming pool	4,000	4,000	4,360	360
Arcade/Vending	-	-	591	591
Weight room fees	13,000	13,000	21,866	8,866
Water charges	4,000	4,000	6,198	2,198
Total charges for services	<u>21,000</u>	<u>21,000</u>	<u>33,015</u>	<u>12,015</u>
<b>Fines and forfeitures</b>	<u>3,200</u>	<u>3,200</u>	<u>2,368</u>	<u>(832)</u>
<b>Miscellaneous:</b>				
Rent	2,505	2,505	4,410	1,905
Investment income	35,000	35,000	35,908	908
Other	-	-	3,343	3,343
Total miscellaneous	<u>37,505</u>	<u>37,505</u>	<u>43,661</u>	<u>6,156</u>
Total revenues	<u>540,186</u>	<u>540,186</u>	<u>1,116,463</u>	<u>576,277</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Administration:</b>				
Salaries and wages	\$ 169,780	\$ 169,780	\$ 66,178	\$ 103,602
Employee benefits	31,581	31,581	24,432	7,149
Services and supplies	115,600	115,600	74,495	41,105
Capital outlay	11,000	11,000	2,212	8,788
Total administration	<u>327,961</u>	<u>327,961</u>	<u>167,317</u>	<u>160,644</u>
<b>Building and Grounds:</b>				
Salaries and wages	87,947	87,947	84,572	3,375
Employee benefits	37,029	37,029	31,985	5,044
Services and supplies	106,000	106,000	48,486	57,514
Capital outlay	30,000	30,000	10,557	19,443
Total building and grounds	<u>260,976</u>	<u>260,976</u>	<u>175,600</u>	<u>85,376</u>
Total general government	<u>588,937</u>	<u>588,937</u>	<u>342,917</u>	<u>246,020</u>
<b>Public Safety:</b>				
<b>Hadley Station:</b>				
Salaries and wages	111,024	111,024	106,933	4,091
Employee benefits	76,448	76,448	51,320	25,128
Services and supplies	53,200	53,200	25,532	27,668
Capital outlay	15,000	15,000	6,856	8,144
Total public safety	<u>255,672</u>	<u>255,672</u>	<u>190,641</u>	<u>65,031</u>
<b>Public Works:</b>				
<b>Highways and Streets:</b>				
Services and supplies	20,000	20,000	12,734	7,266
Capital outlay	25,000	25,000	-	25,000
<b>Round Mountain Water:</b>				
Services and supplies	25,000	25,000	6,063	18,937
Total public works	<u>70,000</u>	<u>70,000</u>	<u>18,797</u>	<u>51,203</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (Continued):</b>				
<b>Culture and Recreation:</b>				
<b>Swimming Pool:</b>				
Salaries and wages	\$ 54,480	\$ 54,480	\$ 12,211	\$ 42,269
Employee benefits	6,679	6,679	1,380	5,299
Services and supplies	35,700	35,700	29,291	6,409
Total swimming pool	<u>96,859</u>	<u>96,859</u>	<u>42,882</u>	<u>53,977</u>
<b>Parks and recreation:</b>				
Salaries and wages	99,640	99,640	71,158	28,482
Employee benefits	40,878	40,878	29,258	11,620
Services and supplies	122,950	122,950	80,934	42,016
Capital outlay	30,000	30,000	40,226	(10,226)
Total parks and recreation	<u>293,468</u>	<u>293,468</u>	<u>221,576</u>	<u>71,892</u>
Total culture and recreation	<u>390,327</u>	<u>390,327</u>	<u>264,458</u>	<u>125,869</u>
<b>Contingency</b>	<u>39,148</u>	<u>39,148</u>	-	<u>39,148</u>
Total expenditures	<u>1,344,084</u>	<u>1,344,084</u>	<u>816,813</u>	<u>527,271</u>
Excess (deficiency) of revenues over expenditures	(803,898)	(803,898)	299,650	1,103,548
<b>Other financing sources (uses):</b>				
Operating transfers out	<u>(220,000)</u>	<u>(220,000)</u>	<u>(220,000)</u>	-
Net change in fund balance	(1,023,898)	(1,023,898)	79,650	1,103,548
<b>Fund balance:</b>				
Beginning of year	<u>2,478,627</u>	<u>2,478,627</u>	<u>3,226,556</u>	<u>747,929</u>
End of year	<u>\$ 1,454,729</u>	<u>\$ 1,454,729</u>	<u>\$ 3,306,206</u>	<u>\$ 1,851,477</u>

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



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
County	\$ 20,000	\$ 20,000	\$ 24,262	\$ 4,262
<b>Miscellaneous:</b>				
Investment income	<u>500</u>	<u>500</u>	<u>1,783</u>	<u>1,283</u>
Total revenues	20,500	20,500	26,045	5,545
<b>Expenditures:</b>				
Capital projects	<u>100,000</u>	<u>100,000</u>	<u>38,679</u>	<u>61,321</u>
Excess (deficiency) of revenues over expenditures	(79,500)	(79,500)	(12,634)	66,866
<b>Fund balance:</b>				
Beginning of year	<u>149,123</u>	<u>149,123</u>	<u>153,440</u>	<u>4,317</u>
End of year	<u>\$ 69,623</u>	<u>\$ 69,623</u>	<u>\$ 140,806</u>	<u>\$ 71,183</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

2011

**ASSETS**

Current assets:

Pooled cash and investments	\$	186,293
Interest receivable		662
Accounts receivable (net)		24,186
Prepaid expenses		-
Inventory		55,606
Total current assets		266,747

Capital assets:

Equipment		1,097,850
Less accumulated depreciation		(652,648)
Capital assets (net of accumulated depreciation)		445,202
Total assets		711,949

**LIABILITIES**

Current liabilities:

Accounts payable		10,063
Accrued payroll		4,976
Customer deposits		9,313
Total current liabilities		24,352

Long term liabilities:

Portion due or payable within one year:		
Accrued compensated absences		2,269
Portion due or payable after one year:		
Accrued compensated absences		7,763
Total long term liabilities		10,032
Total liabilities		34,384

**NET ASSETS**

Invested in capital assets, net of related debt		445,202
Unrestricted		232,363
Total net assets	\$	677,565

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET ASSETS - PROPRIETARY FUND - ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	2011
<b>Operating Revenues:</b>	
Charges for services	\$ <u>250,709</u>
<b>Operating Expenses:</b>	
Utility operations:	
Salaries and wages	99,965
Employee benefits	29,929
Services and supplies	95,160
Depreciation	<u>56,664</u>
Total operating expenses	<u>281,718</u>
<b>Operating income (loss)</b>	<b>(31,009)</b>
<b>Non-operating revenues (expenses):</b>	
Investment income	1,842
Miscellaneous income	<u>778</u>
Total non-operating revenues (expenses):	<u>2,620</u>
Net income (loss)	(28,389)
<b>Net assets:</b>	
Beginning of year	<u>705,954</u>
End of year	<u>\$ 677,565</u>

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

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**For the year ended June 30, 2011**

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**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	2011
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 252,233
Cash paid for services and supplies	(90,913)
Cash paid for salaries and employee benefits	<u>(126,318)</u>
Cash provided by operating activities	35,002
<b>Cash flows from capital and related financing activities:</b>	
Purchase of fixed assets	(14,316)
Miscellaneous	<u>778</u>
Cash provided by capital and related financing activities	<u>(13,538)</u>
<b>Cash flows from investing activities:</b>	
Investment income	<u>1,891</u>
Net increase in cash	23,355
<b>Cash:</b>	
Beginning of year	<u>162,938</u>
End of year	<u>\$ 186,293</u>
<b>Reconciliation of operating income (loss) to cash</b>	
provided by operating activities:	
Operating income (loss)	<u>\$ (31,009)</u>
<b>Adjustments to reconcile operating income (loss)</b>	
<b>to cash provided by operating activities:</b>	
Depreciation	56,664
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(3,241)
(Increase) decrease in prepaid expenses	282
(Increase) decrease in inventory	256
Increase (decrease) in accounts payable	3,709
Increase (decrease) in accrued payroll	1,201
Increase (decrease) in compensated absences	2,375
Increase (decrease) in customer deposits	<u>4,765</u>
Total adjustments	<u>66,011</u>
<b>Cash provided by operating activities</b>	<u>\$ 35,002</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so. The more significant accounting policies established in GAAP and used by the Town is discussed below.

**1. Reporting Entity**

The Town is governed by an elected five member board. As required by generally accepted accounting principles, these financial statements present the Town's funds and account groups for which the Town is considered to be financially accountable. There were no component units of the Town at June 30, 2011. The Town is not included in any other governmental reporting entity as a component unit as defined by Governmental Accounting Standards Board pronouncements.

**2. Basic Financial Statements**

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

**3. Government-wide Financial Statements**

The government-wide financial statements are made up of the Statement of Net Assets and the Statement of Activities. These statements include the aggregated financial information of the Town as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. For the most part, the effect of interfund activity has been removed from these statements.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Program revenues include operating grants and contributions and investment earnings legally restricted to support a specific program. Taxes and other revenues properly not included among program revenues are reported instead as general revenues. This statement provides a net cost or net revenue of specific programs and functions within the Town. Those functions with a net cost are generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

**4. Fund Financial Statements**

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

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

Additionally the Town reports the following major fund types:

Proprietary Fund:

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Round Mountain Utility Fund are customer charges. Expenses are those required to provide the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**6. Assets, Liabilities, and Equity**

**a. Deposits and Investments**

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

Investments are stated at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of Town investments are part of investment income which is included in revenue from local sources on the Statement of Revenues, Expenditures, and Changes in Fund Balance. (See Note D1).



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

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

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

Nevada Revised Statutes authorize the Town to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not extend more than ten years from the date purchased.
2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$100,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 20 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

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

**b. Receivables and Payables**

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

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

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

Article X, Section 2 of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the County, the County School District, the State, and any other City, Town, or special District) to an amount not to exceed \$5 per \$100 of assessed valuation of the property being taxed. The Nevada Legislature enacted provisions whereby the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation. (See Note D2)

**c. Inventories and Prepaid Items**

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

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

Payments to vendors that will benefit periods beyond June 30, 2011 are recorded as prepaid expenses in the fund financial statements. They are recorded as prepaid expenses in the government-wide financial statements.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

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

**d. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. If purchased or constructed, capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are valued at their estimated value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

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

GASB No. 34 requires the Town to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2008. The Town is required to capitalize and report its major general infrastructure assets acquired in fiscal years ending after June 30, 1980. In addition, infrastructure assets acquired before June 30, 1980 that received significant reconstruction must be capitalized. Round Mountain Town has no infrastructure assets that were acquired or reconstructed that must be capitalized.

**e. Compensated Absences**

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements. No expenditure is reported for these amounts in the fund financial statements. (See Note D6) Vacation leave and sick leave included in accrued liabilities and recorded as expenditures in governmental fund types is the amount normally liquidated from "available spendable resources".

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

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

**f. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Deferred losses related to the refunding of debt are reported as a deferred charge component of bonds payable and are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**g. 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.
2. **Restricted** – Amounts that can be spent only for a specific purpose because of the Town ordinance, state or federal laws, or externally imposed conditions by grantors or creditors.
3. **Committed** – Amounts that can be used only for specific purposes determined by a formal action of the board.
4. **Assigned** – Amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed.
5. **Unassigned** – All amounts not included in other spendable classifications.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

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

**h. Net Assets**

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

**1. Invested in Capital Assets, net of Related Debt**

This is the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

**2. Restricted Assets**

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

**3. Unrestricted**

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

**i. Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

**j. Comparative Data/Reclassifications**

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

Governmental Accounting Standards Board Statement 54 was implemented during the year requiring the Town to comply with new fund balance classifications. The 2010 information has been restated to provide comparative information. Fund balance classifications have been restated to the following: nonspendable, restricted, committed, assigned, and unassigned.

**k. Use of Estimates**

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

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

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

Capital outlay		\$	100,834
Depreciation expense			<u>(133,302)</u>
			<u>\$ ( 32,468)</u>

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

Compensated absences		\$	<u>1,665</u>
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**C. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**1. Budgetary Information**

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

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

**1. Budgetary Information (Continued)**

- c. Public hearings are conducted on the third Thursday in May.
- d. After all changes have been noted and hearings closed, the Town adopts the budget on or before June 1.
- e. Whenever such an action does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions, the Town may transfer appropriations within any function or program or between functions or programs within a fund, if:
  - 1. The governing body is advised of the action at the next regular meeting; and
  - 2. The action is recorded in the official minutes of the meeting.
- f. Increases to a fund budget (augmentation) other than by transfers must be approved by the Town Board.
- g. Statutory regulations require budget control to be exercised at the function level within the General Fund or at the fund level for other funds.
- h. There were no budget augmentations (increases) for the year ended June 30, 2011.
- i. All appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year.

**D. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**1. Deposits and Investments**

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

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

Pursuant to policy established by the Nye County Treasurer in accordance with Nevada Revised Statutes Chapter 355.168, the Town has elected to be a part of the Nye County Treasurer's Investment Pool. Any local government within Nye County whose money is held under the custody of the Nye County Treasurer may invest its money with the investment pool. The County Treasurer may invest the money of the investment pool in investments which have been authorized as investments by Nevada Revised Statutes. (See Note A6a)

Interest is apportioned to the Town monthly based on the average balance invested for the month.

The fair value of the Town's investment in the Nye County Treasurer's Investment Pool was determined by multiplying the pool's fair value per share factor times the Town's pool balance as of June 30, 2011.

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

	Governmental <u>Funds</u>	Enterprise <u>Fund</u>	<u>Total</u>
Cash in the hands of officers	\$ 6,811	\$ 26,249	\$ 33,060
Carrying amount of cash and investments	<u>3,771,604</u>	<u>160,044</u>	<u>3,931,648</u>
Total	<u>\$ 3,778,415</u>	<u>\$ 186,293</u>	<u>\$ 3,964,708</u>
Cash and cash equivalents	<u>\$ 3,778,415</u>	<u>\$ 186,293</u>	<u>\$ 3,964,708</u>

**2. Receivables**

Receivables as of June 30, 2011 are as follows:

	General <u>Fund</u>	Special <u>Ad Valorem</u>	Other Governmental <u>Funds</u>	Enterprise <u>Fund</u>	<u>Total</u>
Receivables:					
Delinquent taxes	\$ 727	\$ 0	\$ 0	\$ 0	\$ 727
Interest	11,957	606	1,310	662	14,535
Due from other governments:					
Consolidated taxes	39,921	0	0	0	39,921
Fuel taxes	0	0	6,662	0	6,662
Accounts receivable - utility	0	0	0	24,186	24,186
Total receivables	<u>\$ 52,605</u>	<u>\$ 606</u>	<u>\$ 7,972</u>	<u>\$ 24,848</u>	<u>\$ 86,031</u>

**3. Interfund Balances and Transfers**

In the fund financial statements, interfund transfers are shown as other financing sources or uses. Transfers between funds during the year ended June 30, 2011 were:

<u>Fund</u>	Total <u>Transfers In</u>	<u>Transfer Out</u>	
		<u>General Fund</u>	<u>Other Governmental</u>
General Fund	\$ 220,000	\$ 0	\$ 220,000



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

**4. Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2011 follows:

**Governmental Activities:**

	Balance <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2011</u>
Capital assets not being depreciated:				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
Capital assets being depreciated:				
Building	2,121,006	49,235	0	2,170,241
Equipment	<u>1,418,724</u>	<u>51,599</u>	<u>0</u>	<u>1,470,323</u>
Total capital assets being depreciated	3,539,730	<u>100,834</u>	<u>0</u>	<u>3,640,564</u>
Less accumulated depreciation for:				
Building	492,286	42,546	0	534,832
Equipment	<u>969,998</u>	<u>90,756</u>	<u>0</u>	<u>1,060,754</u>
Total accumulated depreciation	<u>1,462,284</u>	<u>133,302</u>	<u>0</u>	<u>1,595,586</u>
Total capital assets being depreciated, net	<u>2,077,446</u>	<u>(32,468)</u>	<u>0</u>	<u>2,044,978</u>
Governmental activities assets, net	<u>\$ 2,558,862</u>	<u>\$ (32,468)</u>	<u>\$ 0</u>	<u>\$ 2,526,394</u>

**Business Type Activities:**

	Balance <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2011</u>
Equipment	\$ 1,083,534	\$ 14,316	\$ 0	\$ 1,097,850
Less accumulated depreciation for:				
Equipment	<u>595,984</u>	<u>56,664</u>	<u>0</u>	<u>652,648</u>
Business Type Activities assets, net	<u>\$ 487,550</u>	<u>\$ (42,348)</u>	<u>\$ 0</u>	<u>\$ 445,202</u>

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

Governmental activities:

General government	\$ 25,943
Public safety	16,999
Public works	30,123
Culture and recreation	<u>60,237</u>
	<u>\$ 133,302</u>

Business activities:

Water and sewer	<u>\$ 56,664</u>
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**Construction commitments:**

The Town has no active projects as of June 30, 2011.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

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

**5. Deferred Revenue**

Delinquent taxes receivable not collected within sixty days after year end are recorded as deferred revenue as they are not available to pay liabilities of the current period. Deferred taxes in the General Fund were \$572.

**6. Long -Term Debt**

During the year ended June 30, 2011, the following changes occurred in long-term debt:

	<u>Balance</u> <u>July 1, 2010</u>	Net Additions (Reductions)	<u>Balance</u> <u>June 30, 2011</u>
<b>Governmental Activities:</b>			
Accrued compensated absences	\$ 83,156	\$ (1,665)	\$ 81,491
	<u>Balance</u> <u>July 1, 2010</u>	Net Additions (Reductions)	<u>Balance</u> <u>June 30, 2011</u>
<b>Business Type Activities:</b>			
Accrued compensated absences	\$ 7,657	\$ 2,375	\$ 10,032

**E. OTHER INFORMATION**

**1. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town joined together with other local governments in the Nevada Public Agency Insurance Pool (NPAIP), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Town pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of \$200,000 property/crime/equipment breakdown; casualty \$500,000 each and every insured event. As a participatory member, the maintenance deductible is \$500 for each insured event.

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

The Town is self-insured for unemployment claims.

The Town purchases health care benefits for its employees from a commercial insurance carrier.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

**E. OTHER INFORMATION (Continued)**

**2. Contingent Liabilities**

Grants

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

Litigation

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

**3. Pension Plan**

*Plan Description.* The Town of Round Mountain is a public employer contributing to the Public Employee Retirement System of the State of Nevada (PERS), a cost sharing multi-employer defined benefit pension plan. The Plan is administered by the State of Nevada Retirement System. Benefits as required by Nevada Revised Statutes are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the Plan include pension benefits, disability benefits and death benefits.

Monthly benefit allowances for members are computed at 2.5% for each accredited year of service prior to July 1, 2001 and 2.67% thereafter, to a maximum of 30 years, times average compensation. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his/her life and various optional monthly payments to a named beneficiary after his/her death. Members are eligible for retirement at age 65 with 5 years of service, age 60 with 10 years of service, or any age with 30 years of service. Benefits fully vest with 5 years of service. Police and firemen are eligible for retirement at age 65 with 5 years of accredited police and fire service or age 55 with 10 years of service or at age 50 with 20 years of accredited police and fire service.

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2011**

**E. OTHER INFORMATION (Continued)**

**3. Pension Plan (Continued)**

*Funding Policy.* Contribution rates are established by NRS 286.410. The Town's contributions are based on the actuarially determined statutory rate. The Town is obligated to contribute all amounts due under the Plan. The contribution rate for 2011 and 2010 was 21.50% and for 2009 was 20.50% of payroll for regular employees. The rate for police and fireman is 37.0% in 2011 and 2010 and was 33.5% in 2009. The contribution requirement for the year ended June 30, 2011 was \$107,747. These contributions were equal to the required contributions for the year. Contributions for the years ended June 30, 2010 and 2009 were \$101,841 and \$91,159, respectively, which equaled the determined contribution requirement.

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

**4. Postemployment Health Care Plan**

**Plan Description** 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.

Benefit provisions for the plan are established pursuant to NRS 287.023 and amended through negotiations between the Town and its employees. NRS 288.150 assigns the authority to establish benefit provisions to the Town Board. The plan provides healthcare insurance for eligible retirees through the Town's group health insurance plan, which covers both active and retired members. Under NRS 287.023, eligible retirees are able to participate in the plan. Retirees may choose to stay on the Town's health insurance plan. Town retirees had the option to participate in the Town's regular health insurance plan or to join the Nevada Public Employees' Benefits Plan (PEBP). The Nevada State legislature eliminated the option to join PEBP for employees who retire after November 29, 2008.

**Funding Policy** 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, 2011, there were no retirees using the plan. In addition, there were no retirees who were part of the PEBP plan.

**Annual Other Post Employment Benefits Costs and Net Obligation** The Town's annual other postemployment benefit costs (expense) and net obligation is deemed to be zero. Employees are required to pay the full amount of their coverage.

**Funding Status and Funding Progress** As of June 30, 2011 Town liabilities for post employment health care benefits are estimated to be zero. The Town has not prefunded any potential liability.

## **MAJOR FUNDS**

### **GENERAL FUND**

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

### **Special Ad Valorem Capital Projects Fund**

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

**TOWN OF ROUND MOUNTAIN, NEVADA  
MAJOR FUND - GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2011 AND 2010**

	2011	2010
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 3,294,599	\$ 3,250,457
Interest receivable	11,957	14,331
Taxes receivable	727	870
Due from other governments	39,921	36,745
Prepaid expenses	<u>-</u>	<u>2,191</u>
 Total assets	 <u>\$ 3,347,204</u>	 <u>\$ 3,304,594</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 21,534	\$ 37,929
Accrued payroll	18,892	39,262
Deferred taxes	<u>572</u>	<u>847</u>
 Total liabilities	 40,998	 78,038
<b><u>FUND BALANCE</u></b>		
Unassigned	<u>3,306,206</u>	<u>3,226,556</u>
 Total liabilities and fund balance	 <u>\$ 3,347,204</u>	 <u>\$ 3,304,594</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011		Variance -	
	Budget	Actual	Positive (Negative)	2010 Actual
<b>Revenues:</b>				
Taxes	\$ 266,542	\$ 795,064	\$ 528,522	\$ 984,760
Licenses and permits	2,500	3,820	1,320	3,555
Intergovernmental	209,439	238,535	29,096	211,656
Charges for services	21,000	33,015	12,015	27,472
Fines and forfeitures	3,200	2,368	(832)	4,033
Miscellaneous	37,505	43,661	6,156	105,533
<b>Total revenues</b>	<u>540,186</u>	<u>1,116,463</u>	<u>576,277</u>	<u>1,337,009</u>
<b>Expenditures:</b>				
General government	588,937	342,917	246,020	396,121
Public safety	255,672	190,641	65,031	175,362
Public works	70,000	18,797	51,203	20,958
Culture and recreation	390,327	264,458	125,869	316,998
Contingency	39,148	-	39,148	-
<b>Total expenditures</b>	<u>1,344,084</u>	<u>816,813</u>	<u>527,271</u>	<u>909,439</u>
Excess (deficiency) of revenues over expenditures	(803,898)	299,650	1,103,548	427,570
<b>Other financing sources (uses):</b>				
Operating transfers out	(220,000)	(220,000)	-	-
<b>Net change in fund balance</b>	(1,023,898)	79,650	1,103,548	427,570
<b>Fund balance:</b>				
Beginning of year	2,478,627	3,226,556	747,929	2,798,986
End of year	<u>\$ 1,454,729</u>	<u>\$ 3,306,206</u>	<u>\$ 1,851,477</u>	<u>\$ 3,226,556</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2010)**

	2011		Variance -	
	Budget	Actual	Positive (Negative)	2010 Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 266,542	\$ 248,615	\$ (17,927)	\$ 211,839
Net proceeds	-	546,449	546,449	772,921
Total taxes	<u>266,542</u>	<u>795,064</u>	<u>528,522</u>	<u>984,760</u>
<b>Licenses and permits:</b>				
Gaming licenses	1,500	2,700	1,200	2,475
Liquor licenses	<u>1,000</u>	<u>1,120</u>	<u>120</u>	<u>1,080</u>
Total licenses and permits	<u>2,500</u>	<u>3,820</u>	<u>1,320</u>	<u>3,555</u>
<b>Intergovernmental:</b>				
Consolidated tax	<u>209,439</u>	<u>238,535</u>	<u>29,096</u>	<u>211,656</u>
<b>Charges for services:</b>				
Swimming pool	4,000	4,360	360	4,757
Arcade/vending	-	591	591	-
Weight room fees	13,000	21,866	8,866	18,075
Water charges	<u>4,000</u>	<u>6,198</u>	<u>2,198</u>	<u>4,640</u>
Total charges for services	<u>21,000</u>	<u>33,015</u>	<u>12,015</u>	<u>27,472</u>
<b>Fines and forfeitures</b>	<u>3,200</u>	<u>2,368</u>	<u>(832)</u>	<u>4,033</u>
<b>Miscellaneous:</b>				
Rent	2,505	4,410	1,905	4,585
Investment income	35,000	35,908	908	98,196
Other	-	<u>3,343</u>	<u>3,343</u>	<u>2,752</u>
Total other	<u>37,505</u>	<u>43,661</u>	<u>6,156</u>	<u>105,533</u>
<b>Total revenues</b>	<u>\$ 540,186</u>	<u>\$ 1,116,463</u>	<u>\$ 576,277</u>	<u>\$ 1,337,009</u>



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011		Variance -	
	Budget	Actual	Positive (Negative)	2010 Actual
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Administration:</b>				
Salaries and wages	\$ 169,780	\$ 66,178	\$ 103,602	\$ 61,247
Employee benefits	31,581	24,432	7,149	25,648
Services and supplies	115,600	74,495	41,105	79,057
Capital outlay	11,000	2,212	8,788	49,943
Total administration	<u>327,961</u>	<u>167,317</u>	<u>160,644</u>	<u>215,895</u>
<b>Building and Grounds:</b>				
Salaries and wages	87,947	84,572	3,375	79,146
Employee benefits	37,029	31,985	5,044	32,648
Services and supplies	106,000	48,486	57,514	49,339
Capital outlay	30,000	10,557	19,443	19,093
Total building and grounds	<u>260,976</u>	<u>175,600</u>	<u>85,376</u>	<u>180,226</u>
Total general government	<u>588,937</u>	<u>342,917</u>	<u>246,020</u>	<u>396,121</u>
<b>Public Safety:</b>				
<b>Hadley Station:</b>				
Salaries and wages	111,024	106,933	4,091	99,084
Employee benefits	76,448	51,320	25,128	48,563
Services and supplies	53,200	25,532	27,668	24,999
Capital outlay	15,000	6,856	8,144	2,716
Total public safety	<u>255,672</u>	<u>190,641</u>	<u>65,031</u>	<u>175,362</u>
<b>Public Works:</b>				
<b>Highways and Streets:</b>				
Services and supplies	20,000	12,734	7,266	12,500
Capital outlay	25,000	-	25,000	-
<b>Round Mountain Water:</b>				
Services and supplies	25,000	6,063	18,937	8,458
Total public works	<u>70,000</u>	<u>18,797</u>	<u>51,203</u>	<u>20,958</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2010)**

	2011		Variance -	
	Budget	Actual	Positive (Negative)	2010 Actual
<b>Expenditures (Continued):</b>				
<b>Culture and Recreation:</b>				
<b>Swimming Pool:</b>				
Salaries and wages	\$ 54,480	\$ 12,211	\$ 42,269	\$ 12,281
Employee benefits	6,679	1,380	5,299	1,536
Services and supplies	35,700	29,291	6,409	24,245
Capital outlay	-	-	-	38,846
<b>Total swimming pool</b>	<u>96,859</u>	<u>42,882</u>	<u>53,977</u>	<u>76,908</u>
<b>Parks and recreation:</b>				
Salaries and wages	99,640	71,158	28,482	88,372
Employee benefits	40,878	29,258	11,620	34,736
Services and supplies	122,950	80,934	42,016	83,205
Capital outlay	30,000	40,226	(10,226)	33,777
<b>Total parks and recreation</b>	<u>293,468</u>	<u>221,576</u>	<u>71,892</u>	<u>240,090</u>
<b>Total culture and recreation</b>	<u>390,327</u>	<u>264,458</u>	<u>125,869</u>	<u>316,998</u>
<b>Contingency</b>	<u>39,148</u>	<u>-</u>	<u>39,148</u>	<u>-</u>
<b>Total expenditures</b>	<u>1,344,084</u>	<u>816,813</u>	<u>527,271</u>	<u>909,439</u>
Excess (deficiency) of revenues over expenditures	(803,898)	299,650	1,103,548	427,570
<b>Other financing sources (uses):</b>				
Operating transfers out	(220,000)	(220,000)	-	-
<b>Net change in fund balance</b>	(1,023,898)	79,650	1,103,548	-
<b>Fund balance:</b>				
Beginning of year	2,478,627	3,226,556	747,929	2,798,986
End of year	<u>\$ 1,454,729</u>	<u>\$ 3,306,206</u>	<u>\$ 1,851,477</u>	<u>\$ 3,226,556</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2011 AND 2010**

	2011	2010
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 159,513	\$ 152,660
Interest receivable	<u>606</u>	<u>780</u>
Total assets	<u>\$ 160,119</u>	<u>\$ 153,440</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 19,313	\$ -
<b><u>FUND BALANCE</u></b>		
Restricted for capital projects	<u>140,806</u>	<u>153,440</u>
Total liabilities and fund balance	<u>\$ 160,119</u>	<u>\$ 153,440</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR 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, 2011**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2010)**

	2011		Variance - Positive (Negative)	2010 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
County	\$ 20,000	\$ 24,262	\$ 4,262	\$ 26,832
<b>Miscellaneous:</b>				
Investment income	<u>500</u>	<u>1,783</u>	<u>1,283</u>	<u>5,584</u>
Total revenues	20,500	26,045	5,545	32,416
<b>Expenditures:</b>				
Capital projects	<u>100,000</u>	<u>38,679</u>	<u>61,321</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(79,500)	(12,634)	66,866	32,416
<b>Fund balance:</b>				
Beginning of year	<u>149,123</u>	<u>153,440</u>	<u>4,317</u>	<u>121,024</u>
End of year	<u>\$ 69,623</u>	<u>\$ 140,806</u>	<u>\$ 71,183</u>	<u>\$ 153,440</u>

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**For the year ended June 30, 2011**

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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 businesses enterprises – where the intent of the Town’s management is that the costs of providing goods and services be financed or recovered primarily through user charges.**

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET ASSETS**  
**JUNE 30, 2011 AND 2010**

	2011	2010
<b><u>ASSETS</u></b>		
Current assets:		
Pooled cash and investments	\$ 186,293	\$ 162,938
Interest receivable	662	711
Accounts receivable (net)	24,186	20,945
Prepaid expenses	-	282
Inventory	55,606	55,862
Total current assets	<u>266,747</u>	<u>240,738</u>
Capital assets:		
Equipment	1,097,850	1,083,534
Less accumulated depreciation	<u>(652,648)</u>	<u>(595,984)</u>
Capital assets (net of accumulated depreciation)	<u>445,202</u>	<u>487,550</u>
Total assets	<u>711,949</u>	<u>728,288</u>
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable	10,063	6,354
Accrued payroll	4,976	3,775
Customer deposits	<u>9,313</u>	<u>4,548</u>
Total current liabilities	<u>24,352</u>	<u>14,677</u>
Long term liabilities:		
Portion due or payable within one year:		
Accrued compensated absences	2,269	5,144
Portion due or payable after one year:		
Accrued compensated absences	<u>7,763</u>	<u>2,513</u>
Total long term liabilities	<u>10,032</u>	<u>7,657</u>
Total liabilities	<u>34,384</u>	<u>22,334</u>
<b><u>NET ASSETS</u></b>		
Invested in capital assets, net of related debt	445,202	487,550
Unrestricted	<u>232,363</u>	<u>218,404</u>
Total net assets	<u>\$ 677,565</u>	<u>\$ 705,954</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2010)**

	2011		Variance - Positive (Negative)	2010 Actual
	Budget	Actual		
<b>Revenues:</b>				
Charges for services	\$ 260,000	\$ 250,709	\$ (9,291)	\$ 214,285
<b>Expenses:</b>				
Utility operations:				
Salaries and wages	93,861	99,965	(6,104)	85,103
Employee benefits	37,437	29,929	7,508	30,041
Services and supplies	178,150	95,160	82,990	95,905
Capital Outlay	60,000	-	60,000	-
Depreciation	60,000	56,664	3,336	55,431
Total operating expenses	429,448	281,718	147,730	266,480
<b>Operating income (loss)</b>	(169,448)	(31,009)	138,439	(52,195)
<b>Non-operating revenues (expenses):</b>				
Investment income	3,000	1,842	(1,158)	4,125
Miscellaneous	-	778	778	-
Total non-operating revenues (expenses)	3,000	2,620	(380)	4,125
Change in net assets	\$ (166,448)	(28,389)	\$ 138,059	(48,070)
<b>Net assets:</b>				
Beginning of year		705,954		754,024
End of year		\$ 677,565		\$ 705,954



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**YEARS ENDED JUNE 30, 2011 AND 2010**

	2011	2010
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 252,233	\$ 208,729
Cash paid for services and supplies	(90,913)	(112,112)
Cash paid for salaries, wages and employee benefits	(126,318)	(111,449)
Cash provided by operating activities	<u>35,002</u>	<u>(14,832)</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchase of fixed assets	(14,316)	(33,075)
Miscellaneous	778	-
Cash provided by capital and related financing activities	<u>(13,538)</u>	<u>(33,075)</u>
<b>Cash flows from investing activities:</b>		
Cash received from investments	<u>1,891</u>	<u>5,202</u>
Net increase in cash	23,355	(42,705)
<b>Cash:</b>		
Beginning of year	<u>162,938</u>	<u>205,643</u>
End of year	<u>\$ 186,293</u>	<u>\$ 162,938</u>
<b>Reconciliation of operating income (loss) to cash provided by operating activities:</b>		
Operating income (loss)	<u>\$ (31,009)</u>	<u>\$ (52,195)</u>
<b>Adjustments to reconcile operating income (loss) to cash provided by operating activities:</b>		
Depreciation	56,664	55,431
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(3,241)	(1,754)
(Increase) decrease in prepaid expenses	282	(282)
(Increase) decrease in inventory	256	(14,558)
Increase (decrease) in accounts payable	3,709	(1,367)
Increase (decrease) in accrued payroll	1,201	(1,571)
Increase (decrease) in compensated absences	2,375	5,266
Increase (decrease) in customer deposits	4,765	(3,802)
Total adjustments	<u>66,011</u>	<u>37,363</u>
<b>Cash provided by operating activities</b>	<u>\$ 35,002</u>	<u>\$ (14,832)</u>

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**For the year ended June 30, 2011**

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# **NONMAJOR GOVERNMENTAL FUNDS**

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

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**For the year ended June 30, 2011**

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2011 Totals	2010 Totals
<b>Assets:</b>				
Pooled cash and investments	\$ 101,459	\$ 222,844	\$ 324,303	\$ 76,124
Interest receivable	397	913	1,310	386
Due from other governments	<u>6,662</u>	<u>-</u>	<u>6,662</u>	<u>3,900</u>
<b>Total assets</b>	<b><u>\$ 108,518</u></b>	<b><u>\$ 223,757</u></b>	<b><u>\$ 332,275</u></b>	<b><u>\$ 80,410</u></b>
<b>Liabilities:</b>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 487</u>
<b>Fund Balance:</b>				
Restricted for public works	108,518	-	108,518	76,949
Restricted for capital projects	<u>-</u>	<u>223,757</u>	<u>223,757</u>	<u>2,974</u>
<b>Total fund balance</b>	<b><u>108,518</u></b>	<b><u>223,757</u></b>	<b><u>332,275</u></b>	<b><u>79,923</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 108,518</u></b>	<b><u>\$ 223,757</u></b>	<b><u>\$ 332,275</u></b>	<b><u>\$ 80,410</u></b>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2011 Totals	2010 Totals
<b>Revenues:</b>				
Intergovernmental	\$ 39,053	\$ -	\$ 39,053	\$ 21,862
Miscellaneous	<u>975</u>	<u>783</u>	<u>1,758</u>	<u>2,268</u>
Total revenues	40,028	783	40,811	24,130
<b>Expenditures:</b>				
Current:				
Public works	<u>8,459</u>	<u>-</u>	<u>8,459</u>	<u>19,943</u>
Excess (deficiency) of revenues over expenditures	31,569	783	32,352	4,187
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>-</u>	<u>220,000</u>	<u>220,000</u>	<u>-</u>
Net change in fund balance	31,569	220,783	252,352	4,187
<b>Fund balance:</b>				
Beginning of year	<u>76,949</u>	<u>2,974</u>	<u>79,923</u>	<u>75,736</u>
End of year	<u>\$ 108,518</u>	<u>\$ 223,757</u>	<u>\$ 332,275</u>	<u>\$ 79,923</u>

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**For the year ended June 30, 2011**

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## **NONMAJOR SPECIAL REVENUE FUND**

### **ROAD FUND**

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



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**For the year ended June 30, 2011**

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND - ROAD SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2011 and 2010**

	2011	2010
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 101,459	\$ 73,165
Interest receivable	397	371
Due from other governments	<u>6,662</u>	<u>3,900</u>
 Total assets	 <u>\$ 108,518</u>	 <u>\$ 77,436</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ 487
<b><u>FUND BALANCE</u></b>		
Restricted for public works	<u>108,518</u>	<u>76,949</u>
 Total liabilities and fund balance	 <u>\$ 108,518</u>	 <u>\$ 77,436</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND - ROAD SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

**(With Comparative Actual Amounts for the Year Ended June 30, 2010)**

	2011		Variance - Positive (Negative)	2010 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Gas tax \$1.75	\$ 20,000	\$ 39,053	\$ 19,053	\$ 21,862
<b>Miscellaneous:</b>				
Investment income	<u>500</u>	<u>975</u>	<u>475</u>	<u>2,188</u>
Total revenues	<u>20,500</u>	<u>40,028</u>	<u>19,528</u>	<u>24,050</u>
<b>Expenditures:</b>				
<b>Public works</b>				
Services and supplies	60,000	6,154	53,846	16,114
Capital outlay	<u>-</u>	<u>2,305</u>	<u>(2,305)</u>	<u>3,829</u>
Total expenditures	<u>60,000</u>	<u>8,459</u>	<u>51,541</u>	<u>19,943</u>
Excess (deficiency) of revenues over expenditures	(39,500)	31,569	71,069	4,107
<b>Fund balance:</b>				
Beginning of year	<u>64,850</u>	<u>76,949</u>	<u>12,099</u>	<u>72,842</u>
End of year	<u>\$ 25,350</u>	<u>\$ 108,518</u>	<u>\$ 83,168</u>	<u>\$ 76,949</u>

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**For the year ended June 30, 2011**

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## **NONMAJOR CAPITAL PROJECTS**

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

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

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**For the year ended June 30, 2011**

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**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND - CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2011 AND 2010**

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	2011	2010
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 222,844	\$ 2,959
Interest receivable	<u>913</u>	<u>15</u>
Total assets	<u>\$ 223,757</u>	<u>\$ 2,974</u>
 <b><u>FUND BALANCE</u></b>		
Restricted for capital projects	<u>\$ 223,757</u>	<u>\$ 2,974</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR FUND - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2010)**

	2011		Variance -	2010
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ -	\$ 783	\$ 783	\$ 80
<b>Expenditures:</b>				
Capital projects	<u>220,000</u>	<u>-</u>	<u>220,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(220,000)	783	220,783	80
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>220,000</u>	<u>220,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	220,783	220,783	80
<b>Fund balance:</b>				
Beginning of year	<u>2,930</u>	<u>2,974</u>	<u>44</u>	<u>2,894</u>
End of year	<u>\$ 2,930</u>	<u>\$ 223,757</u>	<u>\$ 220,827</u>	<u>\$ 2,974</u>



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**For the year ended June 30, 2011**

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DANIEL C. McARTHUR, LTD.  
Certified Public Accountant

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

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

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

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Round Mountain, Nevada, (the Town) as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements and have issued my report thereon dated February 14, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

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

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

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



Las Vegas, Nevada  
February 14, 2012

**TOWN OF ROUND MOUNTAIN, NEVADA  
APPENDIX A  
SCHEDULE OF CAPITAL PROJECTS ACTIVITY  
JUNE 30, 2011**

The following are responses to requirements of NRS 354.6113.

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

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

Response

Capital Projects Fund	\$ <u>    0</u>
Special Capital Projects Fund - Public Safety Building	\$ <u>38,679</u>

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

Response

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

Capital Projects Fund:

Transfer from General Fund	\$ 500,000
----------------------------	------------

Special Capital Projects Fund:

Taxes	\$ 20,000
Interest	\$ 500

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

Response

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

Capital Projects Fund:	\$ 500,000
Special Capital Projects Fund	\$ 90,000

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

Response

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