

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**REPORT ON FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2022**

**ROUND MOUNTAIN TOWN  
REPORT ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022  
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**TOWN OF ROUND MOUNTAIN, NEVADA  
TOWN BOARD MEMBERS  
JUNE 30, 2022**

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**CHAIRPERSON**

James Swigart

**TOWN BOARD:**

Heather Enzi

Vice-chairperson

Robert Spivey, Jr.

Clerk

Nicole Silberschlag

Member

Samantha Faga

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

### Report on Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Round Mountain, Nevada (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison information for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Emphasis of Matter – Change in Accounting Principle*

As described in Note E-5 to the financial statements during the year ending 2022, the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5-12, Schedule of the Town's Contributions to the Public Employees' Retirement System of the State of Nevada on page 48, and Schedule of the Town's Proportionate Share of the Net Pension Liability on page 49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Town's basic financial statements for the year ended June 30, 2021 which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively compromise the Town's basic financial statements as a whole. The combining and individual fund financial statements and schedules for the year ended June 30, 2021, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 basic financial statements. The information was subjected to the audit procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2023 on our consideration of the Town's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Las Vegas, Nevada  
January 3, 2023

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022**

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

**FINANCIAL HIGHLIGHTS**

The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the 2022 fiscal year by \$11,729,796 (net position). Total net position represents approximately \$5,180,921 net investment in capital assets, \$231,699 restricted for capital projects, \$272,540 restricted for public safety, and \$647,911 restricted for public works. The remaining \$5,396,725 represents unrestricted net position, which may be used to meet the Town's ongoing obligations to its citizens and creditors.

The government-wide net position of the Town increased during the fiscal year 2022 from \$11,602,864 to \$11,729,796. Governmental activities net position increased by \$188,812 due to a surplus in the General Fund. Business-type activities net position decreased by \$61,880 due to decreases in utilities program revenues and investment loss as well as increases in utilities services and supplies expenses.

The Town's primary revenue sources for governmental activities were ad valorem taxes (property taxes) of \$950,766 and consolidated taxes (sales taxes) of \$478,130. The Town's primary revenue sources for business-type activities were charges for services of \$293,161. Governmental activities revenue declined from the prior year by \$867,606 due to a decrease in net proceeds of mines, which varies from year to year based on mine output, and investment loss related to a decline in fair value. Business-type revenue decreased by \$65,478 from the prior year due to changes in operating revenues and an investment loss related to a decline in fair value.

The Town's total expenses were \$1,372,571. The greatest governmental activities expenses were \$534,087 in general government and \$292,038 in the culture and recreation function. The business-type activities contributed \$321,954 to the Town's total expenses. Governmental activities expenses increased \$44,998 from the prior year, primarily due to an increase in culture and recreation expenses. Business-type activities expenses increased \$50,213 from the prior year due to an increase in utilities maintenance costs for sewer.

At the end of fiscal year 2022, the Town's governmental funds reported combined fund balances of \$6,871,022, an increase of \$104,324 when compared to the previous year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements which consist of government-wide financial statements, fund financial statements, and accompanying notes to the financial statements.

**Government-Wide Financial Statements**

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

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



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*For the year ended June 30, 2022*

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Government-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

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

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

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

Notes to Financial Statements

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

Other Information

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

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

Net position of the Town as of June 30, 2022, is summarized and analyzed below:

	<b>Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Assets:</b>						
Current and other assets	\$ 6,911,980	\$ 6,920,000	\$ 648,389	\$ 612,149	\$ 7,560,369	\$ 7,532,149
Net capital assets	3,242,096	3,152,852	1,946,417	2,058,344	5,188,513	5,211,196
Total assets	<u>10,154,076</u>	<u>10,072,852</u>	<u>2,594,806</u>	<u>2,670,493</u>	<u>12,748,882</u>	<u>12,743,345</u>
<b>Deferred Outflows of Resources:</b>	<u>226,771</u>	<u>111,216</u>	<u>27,073</u>	<u>6,233</u>	<u>253,844</u>	<u>117,449</u>
<b>Liabilities:</b>						
Current liabilities	39,804	107,343	12,653	20,362	52,457	127,705
Long-term liabilities	795,379	955,248	100,152	118,251	895,531	1,073,499
Total liabilities	<u>835,183</u>	<u>1,062,591</u>	<u>112,805</u>	<u>138,613</u>	<u>947,988</u>	<u>1,201,204</u>
<b>Deferred Inflows of Resources:</b>	<u>290,870</u>	<u>55,495</u>	<u>34,072</u>	<u>1,231</u>	<u>324,942</u>	<u>56,726</u>
<b>Net Position:</b>						
Net investment in capital assets	3,234,504	3,152,852	1,946,417	2,058,344	5,180,921	5,211,196
Restricted	1,152,150	1,217,228	-	-	1,152,150	1,217,228
Unrestricted	4,868,140	4,695,902	528,585	478,538	5,396,725	5,174,440
Total net position	<u>\$ 9,254,794</u>	<u>\$ 9,065,982</u>	<u>\$ 2,475,002</u>	<u>\$ 2,536,882</u>	<u>\$11,729,796</u>	<u>\$11,602,864</u>

The Town's assets exceeded liabilities by \$11,729,796 at the close of the current year and total net position increased by \$126,932, or 1.09%.

The largest portion of the Town's net position, \$5,180,921, or 44.17%, reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, etc.). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The Town's total net position of \$11,729,796 includes unrestricted net position totaling \$5,396,725. This is used to meet the ongoing obligations of the Town. Portions of net position are subject to external restrictions on how they may be used. In the current year, there was restricted net position of \$1,152,150.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 42,023	\$ 29,003	\$ 293,161	\$ 327,084	\$ 335,184	\$ 356,087
Operating grants and contributions	12,263	-	-	-	12,263	-
General revenues:						
Ad valorem taxes	950,766	1,517,915	-	-	950,766	1,517,915
Consolidated taxes	478,130	422,643	-	-	478,130	422,643
Public safety sales taxes	70,676	65,236	-	-	70,676	65,236
Fuel taxes	100,796	88,416	-	-	100,796	88,416
Investment income (loss)	(419,688)	(17,540)	(33,192)	(1,602)	(452,880)	(19,142)
Miscellaneous	4,748	1,647	105	70	4,853	1,717
Total revenues	<u>1,239,714</u>	<u>2,107,320</u>	<u>260,074</u>	<u>325,552</u>	<u>1,499,788</u>	<u>2,432,872</u>
<b>Expenses:</b>						
General government	534,087	527,992	-	-	534,087	527,992
Public safety	159,561	170,264	-	-	159,561	170,264
Public works	64,562	39,113	-	-	64,562	39,113
Culture and recreation	292,038	268,250	-	-	292,038	268,250
Interest on long-term debt	369	-	-	-	369	-
Water and sewer	-	-	321,954	271,741	321,954	271,741
Total expenses	<u>1,050,617</u>	<u>1,005,619</u>	<u>321,954</u>	<u>271,741</u>	<u>1,372,571</u>	<u>1,277,360</u>
Change in net position	<u>189,097</u>	<u>1,101,701</u>	<u>(61,880)</u>	<u>53,811</u>	<u>127,217</u>	<u>1,155,512</u>
Net position - beginning	9,065,982	7,964,281	2,536,882	2,483,071	11,602,864	10,447,352
Cumulative effect of a change in accounting principle	(285)	-	-	-	(285)	-
Net position - beginning as restated	<u>9,065,697</u>	<u>7,964,281</u>	<u>2,536,882</u>	<u>2,483,071</u>	<u>11,602,579</u>	<u>10,447,352</u>
Net position - ending	<u>\$9,254,794</u>	<u>\$9,065,982</u>	<u>\$2,475,002</u>	<u>\$2,536,882</u>	<u>\$11,729,796</u>	<u>\$11,602,864</u>

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

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**FINANCIAL ANALYSIS OF THE TOWN'S MAJOR FUNDS**

Governmental Funds

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$6,871,022. This is an increase over the prior year of \$104,324, or 1.54%. Fund balance components have been classified as nonspendable, restricted, assigned, and/or unassigned based on the extent to which the Town is to observe constraints on the use of the funds. Restricted fund balance is \$1,152,150, or 16.77%, of the total. Spending of these funds is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use. The restricted fund balances include \$647,911 for public works, \$272,540 for public safety, and \$231,699 for capital projects.

Major Funds

**General Fund:** The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the fund balance of the General Fund was \$5,718,872, an increase of \$169,402, or 3.05%, over the prior year.

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

Revenues decreased by \$746,720, or 39.06%. Tax revenue decreased by \$491,481, or 33.38%, mainly due to a decrease in property taxes and net proceeds received. Intergovernmental revenues increased by \$67,750, or 16.03%, due to an increase in consolidated tax revenue. Miscellaneous revenues decreased \$333,333, due to investment losses related to market decline in fair value.

Expenditures increased by \$32,344, or 3.36%. General government expenditures increased \$54,089, or 9.95%, due to increases in service and supplies and capital outlay expenditures, primarily in building and grounds. Culture and recreation expenditures increased by \$29,066, or 10.10%, due to increases in salaries and wages and service and supply expenditures. Public safety expenditures decreased by \$55,358, or 50.01%, primarily due to prior year purchases of fire equipment.

Proprietary Funds – Major Enterprise Fund

The Town's water and sewer utility enterprise fund financial statement provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise fund totaled \$528,585. Total net position of the enterprise fund decreased \$61,880, or 2.44%.

Operating revenues decreased by \$33,923, or 10.37% due to changes in revenue and fair value declines of investments. Operating expenses increased by \$50,213, or 18.48%, due to increases in maintenance costs of the sewer system.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

**GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)**

**Final budget compared to actual results.** The most significant differences between estimated revenues and actual revenues were greater than anticipated net proceeds of \$276,668, consolidated taxes of \$228,130, and investment losses of \$349,382. Overall revenues were \$9,125 higher than budgeted. It is the budget policy of the Town to not budget for net proceeds tax due to the volatile nature of the tax. Consolidated tax is driven by sales tax levied on sales within Nye County. It is the budget policy of the Town to not budget for investment income (loss) due to the volatile nature of the interest rates and fair value measurements of investments.

Total expenditures in the General Fund were \$1,875,774 lower than budgeted. The General Government function expenditures were \$924,321 lower than budgeted. The budget for building and grounds included capital projects of \$584,000 but only \$72,001 was expended. The Public Safety function expenditures were \$371,576 lower than budgeted in service and supplies and capital outlay. The Public Works function expenditures were \$54,360 lower than budgeted. Budgeted capital costs were not incurred. The Culture and Recreation function expenditures were \$445,122 lower than budgeted. Swimming pool capital costs were not incurred, and recreation capital costs were less than anticipated.

The actual General Fund balance of \$5,718,872 was \$124,531 higher than anticipated to begin the 2022-2023 year.

**CAPITAL ASSETS**

At June 30, 2022, the Town's governmental type activity had \$3,234,849 (net) invested in capital assets, including land, building, and equipment. This amount represents a net increase (including additions, deletions, and depreciation) of \$81,997 from the previous year. At June 30, 2022, the Town's governmental type activity had \$7,247 (net) invested in intangible assets, including lease obligations. This amount represents a net decrease (including additions, deletions, and amortization) of \$2,923. At June 30, 2022, the Town's business-type activity had \$1,946,417 (net) invested in capital assets. This amount represents a net decrease (including additions, deletions, and depreciation) of \$111,927 from the previous year.

Net investment in capital assets reflects 44.17% of the net position of the Town. The Town uses capital assets to provide services to the citizens of the Town of Round Mountain and consequently these assets are not available for future spending.

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

<b>Governmental Activities:</b>	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2022</b>
<b>Capital assets not being depreciated:</b>				
Land	\$ 481,416	\$ -	\$ -	\$ 481,416
<b>Capital assets being depreciated:</b>				
Building	3,627,310	-	-	3,627,310
Improvements	-	182,910	-	182,910
Equipment	2,380,417	95,073	-	2,475,490
<b>Total capital assets being depreciated</b>	<b>6,007,727</b>	<b>277,983</b>	<b>-</b>	<b>6,285,710</b>
<b>Less accumulated depreciation for:</b>				
Building	1,456,474	109,378	-	1,565,852
Improvements	-	7,113	-	7,113
Equipment	1,879,817	79,495	-	1,959,312
<b>Total accumulated depreciation</b>	<b>3,336,291</b>	<b>195,986</b>	<b>-</b>	<b>3,532,277</b>
<b>Total capital assets depreciated, net</b>	<b>2,671,436</b>	<b>81,997</b>	<b>-</b>	<b>2,753,433</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 3,152,852</b>	<b>\$ 81,997</b>	<b>\$ -</b>	<b>\$ 3,234,849</b>

Additions include resurfacing of the tennis court, security system, Bobcat, and recreation equipment.

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

**CAPITAL ASSETS (Continued)**

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

<b>Governmental Activities:</b>	Restatement Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b>Intangible assets being amortized:</b>				
Lease equipment	\$ 14,614	\$ -	\$ -	\$ 14,614
<b>Less accumulated amortization for:</b>				
Lease equipment	4,444	2,923	-	7,367
<b>Governmental activities intangible assets, net</b>	<u>\$ 10,170</u>	<u>\$ (2,923)</u>	<u>\$ -</u>	<u>\$ 7,247</u>

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

<b>Business-Type Activities:</b>	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b>Capital assets being depreciated:</b>				
Distribution system	\$ 3,370,136	\$ -	\$ -	\$ 3,370,136
<b>Less accumulated depreciation for:</b>				
Distribution system	1,311,792	111,927	-	1,423,719
<b>Business-type activities assets, net</b>	<u>\$ 2,058,344</u>	<u>\$ (111,927)</u>	<u>\$ -</u>	<u>\$ 1,946,417</u>

Capitalization limits on capital assets was \$500 for the year ended June 30, 2022.

The Town had no construction commitments at June 30, 2022.

**DEBT ADMINISTRATION**

**Changes in Long-term Debt:** During the year ended June 30, 2022, the following changes occurred in long-term debt:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within one year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 16,212	\$ 2,734	\$ -	\$ 18,946	\$ 9,190
Lease Obligation as Restated	10,455	-	2,863	7,592	2,980
Net Pension Liability	939,036	-	170,195	768,841	-
Total Governmental Activities	<u>\$ 965,703</u>	<u>\$ 2,734</u>	<u>\$ 173,058</u>	<u>\$ 795,379</u>	<u>\$ 12,170</u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 403	\$ 313	\$ -	\$ 716	\$ 716
Net Pension Liability	117,848	-	18,412	99,436	-
Total Business-Type Activities	<u>\$ 118,251</u>	<u>\$ 313</u>	<u>\$ 18,412</u>	<u>\$ 100,152</u>	<u>\$ 716</u>

Per Nevada Revised Statute Chapter 269.425, the debt limitation for the Town cannot exceed 25% of assessed valuation of property within the Town. The debt limitation currently applicable at June 30, 2022, was \$123,382,378.

**TOWN OF ROUND MOUNTAIN, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Town approved the budget for the 2022-2023 year on May 24, 2022. The following factors were considered in the development of the budget.

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

**REQUESTS FOR INFORMATION**

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

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



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*For the year ended June 30, 2022*

# **BASIC FINANCIAL STATEMENTS**

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Pooled cash and investments	\$ 6,706,294	\$ 534,571	\$ 7,240,865
Interest receivable	16,943	1,386	18,329
Taxes receivable	1,207	-	1,207
Due from other governments	127,041	-	127,041
Accounts receivable (net)	-	45,729	45,729
Prepaid items	60,495	11,470	71,965
Inventory	-	55,233	55,233
Capital assets, net of accumulated depreciation	3,234,849	1,946,417	5,181,266
Intangible assets, net of accumulated amortization	7,247	-	7,247
Total assets	<u>10,154,076</u>	<u>2,594,806</u>	<u>12,748,882</u>
<b>Deferred Outflows of Resources:</b>			
Deferred pension charge	<u>226,771</u>	<u>27,073</u>	<u>253,844</u>
<b>Liabilities:</b>			
Accounts payable	19,608	830	20,438
Accrued payroll	20,196	2,473	22,669
Customer deposits	-	9,350	9,350
Current portion of long term liabilities:			
Accrued compensated absences	9,190	716	9,906
Lease payable	2,980	-	2,980
Long term liabilities:			
Accrued compensated absences	9,756	-	9,756
Lease payable	4,612	-	4,612
Net pension liability	<u>768,841</u>	<u>99,436</u>	<u>868,277</u>
Total liabilities	<u>835,183</u>	<u>112,805</u>	<u>947,988</u>
<b>Deferred Inflows of Resources:</b>			
Deferred pension charge	<u>290,870</u>	<u>34,072</u>	<u>324,942</u>
<b>Net Position:</b>			
Net investment in capital assets	3,234,504	1,946,417	5,180,921
Restricted for:			
Capital projects	231,699	-	231,699
Public safety	272,540	-	272,540
Public works	647,911	-	647,911
Unrestricted	<u>4,868,140</u>	<u>528,585</u>	<u>5,396,725</u>
Total net position	<u>\$ 9,254,794</u>	<u>\$ 2,475,002</u>	<u>\$ 11,729,796</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program		Changes in Net Position		
		Revenues Charges for Service	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Governments:</b>						
General government	\$ (534,087)	\$ 8,028	\$ 3,856	\$ (522,203)	\$ -	\$ (522,203)
Public safety	(159,561)	-	-	(159,561)	-	(159,561)
Public works	(64,562)	8,876	-	(55,686)	-	(55,686)
Culture and recreation	(292,038)	25,119	8,407	(258,512)	-	(258,512)
Interest on long-term debt	(369)	-	-	(369)	-	(369)
<b>Total governmental activities</b>	<b>(1,050,617)</b>	<b>42,023</b>	<b>12,263</b>	<b>(996,331)</b>	<b>-</b>	<b>(996,331)</b>
<b>Business-Type Activities:</b>						
Water and sewer	(321,954)	293,161	-	-	(28,793)	(28,793)
<b>Total primary governments</b>	<b>\$(1,372,571)</b>	<b>\$ 335,184</b>	<b>\$ 12,263</b>	<b>(996,331)</b>	<b>(28,793)</b>	<b>(1,025,124)</b>
<b>General Revenues:</b>						
Ad valorem taxes				950,766	-	950,766
Consolidated taxes				478,130	-	478,130
Public safety sales taxes				70,676	-	70,676
Fuel taxes				100,796	-	100,796
Investment income (loss)				(419,688)	(33,192)	(452,880)
Miscellaneous				4,748	105	4,853
<b>Total general revenues</b>				<b>1,185,428</b>	<b>(33,087)</b>	<b>1,152,341</b>
<b>Change in net position</b>				<b>189,097</b>	<b>(61,880)</b>	<b>127,217</b>
<b>Net position - beginning of year</b>				<b>9,065,982</b>	<b>2,536,882</b>	<b>11,602,864</b>
Cumulative effect of a change in accounting principle				(285)	-	(285)
<b>Net position - beginning of year - as restated</b>				<b>9,065,697</b>	<b>2,536,882</b>	<b>11,602,579</b>
<b>Net position - end of year</b>				<b>\$ 9,254,794</b>	<b>\$ 2,475,002</b>	<b>\$11,729,796</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, 2022**

	<u>Major Fund</u>		
	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Pooled cash and investments	\$ 5,584,372	\$ 1,121,922	\$ 6,706,294
Interest receivable	14,157	2,786	16,943
Taxes receivable	1,207	-	1,207
Due from other governments	99,496	27,545	127,041
Prepaid items	<u>60,495</u>	<u>-</u>	<u>60,495</u>
Total assets	<u>\$ 5,759,727</u>	<u>\$ 1,152,253</u>	<u>\$ 6,911,980</u>
<b>Liabilities:</b>			
Accounts payable	\$ 19,505	\$ 103	\$ 19,608
Accrued payroll	<u>20,196</u>	<u>-</u>	<u>20,196</u>
Total liabilities	<u>39,701</u>	<u>103</u>	<u>39,804</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue-property taxes	<u>1,154</u>	<u>-</u>	<u>1,154</u>
<b>Fund Balance:</b>			
Nonspendable	60,495	-	60,495
Restricted for:			
Capital projects	-	231,699	231,699
Public safety	-	272,540	272,540
Public works	-	647,911	647,911
Assigned for subsequent year	5,594,341	-	5,594,341
Unassigned	<u>64,036</u>	<u>-</u>	<u>64,036</u>
Total fund balance	<u>5,718,872</u>	<u>1,152,150</u>	<u>6,871,022</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 5,759,727</u>	<u>\$ 1,152,253</u>	<u>\$ 6,911,980</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022**

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**Total fund balance - governmental funds** **\$ 6,871,022**

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

Capital assets net of the related depreciation are not reported in the governmental funds financial statement because they are not current financial resources, but they are reported in the Statement of Net Position. 3,234,849

Intangible assets net of the related amortization are not reported in the governmental funds financial statement because they are not current financial resources, but they are reported in the Statement of Net Position. 7,247

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 1,154

Certain liabilities (such as compensated absences and lease obligations) are not reported in the governmental funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position. (26,538)

The Town's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred outflows from pension activity.	226,771
Net pension liability.	(768,841)
Deferred inflows from pension activity.	<u>(290,870)</u>

**Total net position - governmental activities** **\$ 9,254,794**

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Major Fund</u>		
	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 980,718	\$ -	\$ 980,718
Licenses and permits	6,183	-	6,183
Intergovernmental	490,393	186,325	676,718
Charges for services	28,415	-	28,415
Fines and forfeitures	1,845	-	1,845
Miscellaneous	<u>(342,739)</u>	<u>(66,621)</u>	<u>(409,360)</u>
 Total revenues	 <u>1,164,815</u>	 <u>119,704</u>	 <u>1,284,519</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	597,428	-	597,428
Public safety	55,330	57,549	112,879
Public works	22,640	41,240	63,880
Culture and recreation	316,783	-	316,783
<b>Capital Projects</b>	-	85,993	85,993
<b>Debt service:</b>			
Principal	2,863	-	2,863
Interest	<u>369</u>	<u>-</u>	<u>369</u>
 Total expenditures	 <u>995,413</u>	 <u>184,782</u>	 <u>1,180,195</u>
 Excess (deficiency) of revenues over expenditures	 169,402	 (65,078)	 104,324
<b>Fund Balance:</b>			
Beginning of year	<u>5,549,470</u>	<u>1,217,228</u>	<u>6,766,698</u>
 End of year	 <u>\$ 5,718,872</u>	 <u>\$ 1,152,150</u>	 <u>\$ 6,871,022</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 YEAR ENDED JUNE 30, 2022**

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<b>Net change in fund balance - governmental funds</b>	<b>\$ 104,324</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over the estimated useful lives as annual depreciation expense in the Statement of Activities.	81,997
Capital outlays to purchase intangible assets are reported in governmental funds financial statements as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over the estimated useful lives as annual amortization expenses in the Statement of Activities.	(2,923)
Property taxes that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that relate to prior periods that first become available in the current period should not be reported as revenue in the Statement of Activities.	(44,805)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,863
Generally expenditures (such as compensated absences) are recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred.	(2,734)
Net differences between pension system contributions recognized in the fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities:	
Pension contributions made after measurement date (2022 contributions).	39,783
Net pension income (expense).	10,592
<b>Change in net position of governmental activities</b>	<b>\$ 189,097</b>

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



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*For the year ended June 30, 2022*

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
<b>Taxes:</b>				
Property taxes	\$ 879,690	\$ 879,690	\$ 704,050	\$ (175,640)
Net proceeds	-	-	276,668	276,668
Total taxes	<u>879,690</u>	<u>879,690</u>	<u>980,718</u>	<u>101,028</u>
<b>Licenses and permits:</b>				
Gaming licenses	1,500	1,500	5,423	3,923
Liquor licenses	500	500	760	260
Total licenses and permits	<u>2,000</u>	<u>2,000</u>	<u>6,183</u>	<u>4,183</u>
<b>Intergovernmental:</b>				
Consolidated tax	250,000	250,000	478,130	228,130
Grants	-	-	12,263	12,263
Total intergovernmental	<u>250,000</u>	<u>250,000</u>	<u>490,393</u>	<u>240,393</u>
<b>Charges for services:</b>				
Swimming pool	1,000	1,000	3,810	2,810
Arcade/Vending	-	-	596	596
Weight room fees	15,000	15,000	15,033	33
Water charges	4,000	4,000	8,876	4,876
Other	-	-	100	100
Total charges for services	<u>20,000</u>	<u>20,000</u>	<u>28,415</u>	<u>8,415</u>
<b>Fines and forfeitures</b>	<u>500</u>	<u>500</u>	<u>1,845</u>	<u>1,345</u>
<b>Miscellaneous:</b>				
Rent	3,500	3,500	5,580	2,080
Investment income (loss)	-	-	(349,382)	(349,382)
Other	-	-	1,063	1,063
Total miscellaneous	<u>3,500</u>	<u>3,500</u>	<u>(342,739)</u>	<u>(346,239)</u>
<b>Total revenues</b>	<u>1,155,690</u>	<u>1,155,690</u>	<u>1,164,815</u>	<u>9,125</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 (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures</b>				
<b>Current:</b>				
<b>General government:</b>				
<b>Administration:</b>				
Salaries and wages	\$ 310,246	\$ 310,246	\$ 135,146	\$ 175,100
Employee benefits	91,615	91,615	65,053	26,562
Services and supplies	161,750	161,750	92,260	69,490
Capital outlay	33,000	33,000	4,200	28,800
Total administration	<u>596,611</u>	<u>596,611</u>	<u>296,659</u>	<u>299,952</u>
<b>Building and Grounds:</b>				
Salaries and wages	127,829	127,829	91,807	36,022
Employee benefits	78,309	78,309	50,428	27,881
Services and supplies	135,000	135,000	86,533	48,467
Capital outlay	584,000	584,000	72,001	511,999
Total building and grounds	<u>925,138</u>	<u>925,138</u>	<u>300,769</u>	<u>624,369</u>
Total general government	<u>1,521,749</u>	<u>1,521,749</u>	<u>597,428</u>	<u>924,321</u>
<b>Public Safety:</b>				
<b>Hadley Station:</b>				
Employee benefits	16,806	16,806	-	16,806
Services and supplies	134,100	134,100	55,330	78,770
Capital outlay	276,000	276,000	-	276,000
Total public safety	<u>426,906</u>	<u>426,906</u>	<u>55,330</u>	<u>371,576</u>
<b>Public Works:</b>				
<b>Highways and Streets:</b>				
Services and supplies	18,750	18,750	14,313	4,437
Capital outlay	30,000	30,000	-	30,000
Total highways and streets	<u>48,750</u>	<u>48,750</u>	<u>14,313</u>	<u>34,437</u>
<b>Round Mountain Water:</b>				
Services and supplies	23,250	23,250	8,327	14,923
Capital outlay	5,000	5,000	-	5,000
Total Round Mountain water	<u>28,250</u>	<u>28,250</u>	<u>8,327</u>	<u>19,923</u>
Total public works	<u>77,000</u>	<u>77,000</u>	<u>22,640</u>	<u>54,360</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 (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures (Continued)</b>				
<b>Current (Continued):</b>				
<b>Culture and Recreation:</b>				
<b>Swimming Pool:</b>				
Salaries and wages	\$ 39,360	\$ 39,360	\$ 11,987	\$ 27,373
Employee benefits	5,208	5,208	2,032	3,176
Services and supplies	45,300	45,300	25,878	19,422
Capital outlay	154,000	154,000	-	154,000
Total swimming pool	<u>243,868</u>	<u>243,868</u>	<u>39,897</u>	<u>203,971</u>
<b>Parks and recreation:</b>				
Salaries and wages	88,646	88,646	58,924	29,722
Employee benefits	54,040	54,040	29,464	24,576
Services and supplies	154,200	154,200	72,709	81,491
Capital outlay	221,151	221,151	115,789	105,362
Total parks and recreation	<u>518,037</u>	<u>518,037</u>	<u>276,886</u>	<u>241,151</u>
Total culture and recreation	<u>761,905</u>	<u>761,905</u>	<u>316,783</u>	<u>445,122</u>
<b>Contingency</b>	<u>83,627</u>	<u>83,627</u>	<u>-</u>	<u>83,627</u>
<b>Debt Service:</b>				
Principal	-	-	2,863	(2,863)
Interest	-	-	369	(369)
Total debt service	<u>-</u>	<u>-</u>	<u>3,232</u>	<u>(3,232)</u>
Total expenditures	<u>2,871,187</u>	<u>2,871,187</u>	<u>995,413</u>	<u>1,875,774</u>
Excess (deficiency) of revenues over expenditures	(1,715,497)	(1,715,497)	169,402	1,884,899
<b>Fund balance</b>				
Beginning of year	<u>4,478,783</u>	<u>4,478,783</u>	<u>5,549,470</u>	<u>1,070,687</u>
End of year	<u>\$ 2,763,286</u>	<u>\$ 2,763,286</u>	<u>\$ 5,718,872</u>	<u>\$ 2,955,586</u>

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2022**

	2022
<b>Assets:</b>	
Current assets:	
Pooled cash and investments	\$ 534,571
Interest receivable	1,386
Accounts receivable (net)	45,729
Prepaid items	11,470
Inventory	55,233
Total current assets	648,389
Capital assets:	
Equipment	3,370,136
Less accumulated depreciation	(1,423,719)
Capital assets, net of accumulated depreciation	1,946,417
Total assets	2,594,806
<b>Deferred Outflows of Resources:</b>	
Deferred pension charge	27,073
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	830
Accrued payroll	2,473
Customer deposits	9,350
Accrued compensated absences	716
Total current liabilities	13,369
Long term liabilities:	
Net pension liability	99,436
Total liabilities	112,805
<b>Deferred Inflows of Resources:</b>	
Deferred pension charge	34,072
<b>Net Position:</b>	
Net investment in capital assets	1,946,417
Unrestricted	528,585
Total net position	\$ 2,475,002

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2022
<b>Operating Revenues:</b>	
Charges for services	\$ <u>293,161</u>
<b>Operating Expenses:</b>	
Utility operations:	
Salaries and wages	35,402
Employee benefits	15,374
Services and supplies	159,251
Depreciation	<u>111,927</u>
Total operating expenses	<u>321,954</u>
<b>Operating Income (Loss)</b>	<u>(28,793)</u>
<b>Non-Operating Revenues (Expenses):</b>	
Investment income (loss)	(33,192)
Miscellaneous	<u>105</u>
Total non-operating revenues (expenses):	<u>(33,087)</u>
Change in net position	(61,880)
<b>Net Position:</b>	
Beginning of year	<u>2,536,882</u>
End of year	<u>\$ 2,475,002</u>

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

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*For the year ended June 30, 2022*

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2022
<b>Cash Flows From Operating Activities:</b>	
Cash received from customers	\$ 273,117
Cash paid for salaries, wages, and employee benefits	(59,740)
Cash paid for services and supplies	<u>(171,138)</u>
Cash provided by operating activities	42,239
<b>Cash Flows From Non-Capital Financing Activities:</b>	
Miscellaneous	105
<b>Cash Flows From Investing Activities:</b>	
Investment income (loss)	<u>(33,508)</u>
Net increase in cash	8,836
<b>Cash:</b>	
Beginning of year	<u>525,735</u>
End of year	<u>\$ 534,571</u>
<b>Reconciliation of Operating Income (Loss) to Cash Provided by Operating Activities:</b>	
Operating income (loss)	<u>\$ (28,793)</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:</b>	
Depreciation	111,927
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(17,644)
(Increase) decrease in deferred outflows	(20,840)
(Increase) decrease in prepaid items	(9,556)
(Increase) decrease in inventory	112
Increase (decrease) in accounts payable	(2,443)
Increase (decrease) in accrued payroll	(2,866)
Increase (decrease) in compensated absences	313
Increase (decrease) in customer deposits	(2,400)
Increase (decrease) in net pension liability	(18,412)
Increase (decrease) in deferred inflows	<u>32,841</u>
Total adjustments	<u>71,032</u>
<b>Cash Provided by Operating Activities</b>	<u>\$ 42,239</u>

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



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*For the year ended June 30, 2022*

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Reporting Entity**

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

**2. Basic Financial Statements**

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

**3. Basis of Presentation - Government-Wide Financial Statements**

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

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. Basis of Presentation - Fund Financial Statements**

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

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

The Town reports the following major governmental funds:

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

Additionally, the Town reports the following major proprietary fund:

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

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

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

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

**6. Budgetary Information**

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

- a. The statutes provide for the following timetable in adoption of budgets:
  1. On or before April 15, the Town submits to the Nevada State Department of Taxation a tentative budget for the upcoming year. The tentative budget includes proposed expenditures and the means to finance them.
  2. A public hearing must be held by the Board of Trustees no sooner than the third Monday in May and no later than the last day in May. Notice of the public hearing must be published in the local newspaper not more than 14 nor less than 7 days before the hearing.
  3. On or Before June 1, the Town Board must adopt a final budget.
- b. NRS 354.598005(1) provides that the Town Board may augment the budget of a fund that receives ad valorem tax by a majority vote of the Board providing the Board publishes notice of its intention to act in a newspaper of general circulation within its county at least three days before the date set for adoption of the resolution. If it is desired to augment a fund that does not receive ad valorem tax or an enterprise or internal service fund, the Board may do so by adopting a resolution by majority vote authorizing the augmentation.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Budgetary Information (Continued)**

- c. Nevada Revised Statute 354.598005(5) allows appropriations to be transferred between functions, funds, or contingency accounts if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions. The Town Manager may transfer appropriations within any function within a fund. They may also transfer appropriations between functions within a fund, if the Town Board is advised of the action at the next regular meeting, and the action is recorded in the official minutes of the meeting. The Town Board may authorize the transfer of appropriations between funds or from the contingency account if the Town Board announces the transfer of appropriations at a regularly scheduled meeting sets forth the exact amounts to be transferred and the accounts, functions, programs and funds affected. The Town Board must also set forth reasons for the transfer, and the action must be recorded in the official minutes of the meeting.
- d. Statutory regulations require budget control to be exercised at the function level within the funds.
- e. Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles.
- f. There were no budgets augmented during the year.
- g. All appropriations lapse at the end of the fiscal year.

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

**a. Pooled Cash and Investments**

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

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

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

Nevada Revised Statutes authorize the Town to invest in:

- 1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not exceed more than 10 years from the date of purchase.
- 2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$250,000 must be fully collateralized).

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**a. Pooled Cash and Investments (Continued)**

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

3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 25 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.
9. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development or obligations publicly issued in the United States by a foreign financial entity registered with the Securities and Exchange Commission, denominated in dollars with a maturity of 5 years or less with a rating of "AA" or better.

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

**b. Property Taxes**

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

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

**c. Net Proceeds**

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**d. Inventories and Prepaid Items**

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

Payments to vendors that will benefit periods beyond June 30, 2022, are recorded as prepaid items in the government-wide and fund financial statements when consumed rather than when purchased.

**e. Capital Assets**

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

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

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

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

**f. Intangible Lease Assets**

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the Town's estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Capitalization thresholds are the same threshold for capital assets noted above.

**g. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure)

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**g. Deferred Outflows/Inflows of Resources (Continued)**

until then. Deferred outflows include the Town's pension related contributions subsequent to the measurement date but before the end of the fiscal year and changes in proportion of the Town's contributions to the Town's proportionate share of the net pension liability.

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

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

**h. Pensions**

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

**i. Compensated Absences**

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

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

**j. Accrued Salaries and Benefits**

Town salaries earned but not paid by June 30, 2022, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2022.

**k. Interfund Activity**

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



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**k. Interfund Activity (Continued)**

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

**l. Long-term Obligations**

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

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

**m. Governmental Fund Balances**

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

1. **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact, such as inventories and prepaids.
2. **Restricted** – Amounts that can be spent only for a specific purpose because of state or federal laws, or externally imposed conditions by grantors or creditors.
3. **Committed** – These amounts can only be used for specific purposes as set forth by the Town Board. The Board must take formal action (vote approval by majority) in order to establish an ending fund balance commitment for any specific purpose. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest-level action to remove or change the constraint.
4. **Assigned** – Assignments are neither restrictions nor commitments and represent the Town's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the Town's ending fund balance. Intent can be expressed by the Town Board or Town Manager.
5. **Unassigned** – All amounts not included in other spendable classifications for the General Fund.

**n. Fund Balance Flow Assumptions**

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**o. Net Position Policies**

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

**1. Net Investment in Capital Assets**

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

**2. Restricted Assets**

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

a) NRS 354.59815 Special Ad Valorem Capital Projects	\$231,699
b) NRS 354.6113 Capital Projects Fund	\$0
c) NRS 365.190 Road Improvements	\$647,911
d) NRS 545 Nye County Public Safety Sales Tax Sheriff	\$100,770
e) NRS 545 Nye County Public Safety Sales Tax Fire	\$171,770

**3. Unrestricted**

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

**p. Net Position Flow Assumption**

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

**q. Comparative Data/Reclassifications**

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

**r. Use of Estimates**

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

**s. New Accounting Pronouncement**

The Governmental Accounting Standards Board issued Statement number 87, *Leases*, effective for fiscal year ended June 30, 2022. This statement establishes a single model for lease accounting based on the idea that leases are financings of the right-to-use an underlying asset. As such, under this Statement, a lessee is required to recognize a lease liability and an intangible lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources. The Town implemented GASB Statement Number 87 in 2022 (See Note E5).

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**8. Revenues and Expenditures/Expenses**

**a. Program /General Revenues**

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

**b. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

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

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

The governmental fund Balance Sheet includes a reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide Statement of Net Position. One element of the reconciliation explains that, "certain liabilities (such as bonds payable and lease obligations) are not reported in the Governmental funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position." The details of this difference are as follows:

Compensated absences	\$ (18,946)
Lease obligations	<u>(7,592)</u>
Net adjustment to reduce fund balance - governmental funds to arrive at net position - governmental activities	<u>\$ (26,538)</u>

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

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

Capital outlay	\$ 277,983
Depreciation expense	<u>( 195,986)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 81,997</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

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

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

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

Amortization expense \$ ( 2,923)

**NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**1. Compliance and Accountability**

The Town conformed to significant statutory requirements regarding financial administration during the year. Nevada Revised Statutes 354.626 requires that the Town report expenditures that exceed budgeted appropriations at the function level for the General Fund, special revenue funds, and capital projects funds. For the year ended June 30, 2022, no expenditures were over appropriations.

**NOTE D – DETAILED NOTES ON ALL FUNDS**

**1. Pooled Cash and Investments**

Through the Nye County Treasurer, the Town maintains a cash and investment pool that is available for use by all funds. The majority of all cash and investments of the Town are included in the cash and investment pool of the Nye County Treasurer. At June 30, 2022, this pool is displayed by the Statement of Net Position and on the governmental funds Balance Sheet as "Pooled Cash and Investments."

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

	Governmental Activities	Business-Type Activities	Totals
Cash in the hands of officers	\$ 4,284	\$ 735	\$ 5,019
Pooled cash and investments – Nye County Treasurer	6,702,010	533,836	7,235,846
Total	\$ 6,706,294	\$ 534,571	\$ 7,240,865

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

Investment gain or loss is apportioned to the Town funds monthly based on the average balance invested for the month. The fair value of the Town's investment in the Nye County Treasurer's Investment Pool was determined by multiplying the pool's fair value per share factor times the Town's portion of pool balance as of June 30, 2022.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**1. Pooled Cash and Investments (Continued)**

**Interest Rate Risk:** Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. To limit exposure to interest rate risk, the Nevada Revised Statutes limits bankers' acceptances to 180 days of maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. The approximate weighted average maturity of investments in the Nye County Treasurer's investment pool was 4.14 years. As of June 30, 2022, Town investments held in the Nye County Treasurer's investment pool are categorized as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	> 10
Negotiable Certificates of Deposit	12.82%	29.10%	54.28%	16.62%	0.00%
NV Local Government Investment Pool	0.64%	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	79.30%	1.99%	52.97%	45.04%	0.00%
Money Market Mutual Funds	7.24%	100.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>				

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The Nye County Treasurer investment pool includes instruments which have been authorized by Nevada Revised Statutes (See Note A7a). At June 30, 2022, the Nye County Treasurer's investment pool ratings were as follows:

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

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

**Credit Concentration Risk:** Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments with a single issuer within the Nye County Treasurer Investment pool that represent five percent or more of total investments as of June 30, 2022, are as follows:

Federal Farm Credit Bank	27.97%
Federal Home Loan Bank (FHLB)	27.38%
Freddie Mac	18.06%

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE D - DETAILED NOTES ON ALL FUNDS (Continued)**

**1. Pooled Cash and Investments (Continued)**

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

The Town has the following fair value measurements as of June 30, 2022:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>
Negotiable Certificates of Deposit	12.82%	0.00%	100.00%	0.00%	0.00%
NV Local Government Investment Pool	0.64%	29.56%	70.44%	0.00%	0.00%
U.S. Agencies	79.30%	0.00%	100.00%	0.00%	0.00%
Money Market Mutual Funds	7.24%	100.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>				

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Government Wide</u>
Interest income	\$ 73,636	\$ 5,867	\$ 70,640
Unrealized market loss	(493,324)	(39,059)	(464,042)
Investment income (loss)	<u>\$ (419,688)</u>	<u>\$ (33,192)</u>	<u>\$ (452,880)</u>

**2. Receivables**

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

	<u>General</u>	<u>Other Governmental</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:				
Interest receivable	\$ 14,157	\$ 2,786	\$ 1,386	\$ 18,329
Property taxes	1,207	0	0	1,207
Due from other governments:				
Consolidated taxes	91,388	0	0	91,388
Other revenues	8,108	0	0	8,108
Fuel taxes	0	17,219	0	17,219
Public safety sales taxes	0	10,326	0	10,326
Net accounts receivable utility	<u>0</u>	<u>0</u>	<u>45,729</u>	<u>45,729</u>
Net total receivables	<u>\$ 114,860</u>	<u>\$ 30,331</u>	<u>\$ 47,115</u>	<u>\$ 192,306</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**3. Capital Assets**

Capital assets activity for the year ended June 30, 2022, was as follows:

<b>Governmental Activities:</b>	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2022</b>
<b>Capital assets not being depreciated:</b>				
Land	\$ 481,416	\$ -	\$ -	\$ 481,416
<b>Capital assets being depreciated:</b>				
Building	3,627,310	-	-	3,627,310
Improvements	-	182,910	-	182,910
Equipment	2,380,417	95,073	-	2,475,490
<b>Total capital assets being depreciated</b>	<u>6,007,727</u>	<u>277,983</u>	<u>-</u>	<u>6,285,710</u>
<b>Less accumulated depreciation for:</b>				
Building	1,456,474	109,378	-	1,565,852
Improvements	-	7,113	-	7,113
Equipment	1,879,817	79,495	-	1,959,312
<b>Total accumulated depreciation</b>	<u>3,336,291</u>	<u>195,986</u>	<u>-</u>	<u>3,532,277</u>
<b>Total capital assets depreciated, net</b>	<u>2,671,436</u>	<u>81,997</u>	<u>-</u>	<u>2,753,433</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 3,152,852</u>	<u>\$ 81,997</u>	<u>\$ -</u>	<u>\$ 3,234,849</u>
	GASBS 87			
	Restatement			
<b>Governmental Activities:</b>	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2022</b>
<b>Intangible assets being amortized:</b>				
Lease equipment	\$ 14,614	\$ -	\$ -	\$ 14,614
<b>Less accumulated amortization for:</b>				
Lease equipment	4,444	2,923	-	7,367
<b>Governmental activities intangible assets, net</b>	<u>\$ 10,170</u>	<u>\$ (2,923)</u>	<u>\$ -</u>	<u>\$ 7,247</u>
	Balance			Balance
<b>Business-Type Activities:</b>	<b>July 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2022</b>
<b>Capital assets being depreciated:</b>				
Distribution system	\$ 3,370,136	\$ -	\$ -	\$ 3,370,136
<b>Less accumulated depreciation for:</b>				
Distribution system	1,311,792	111,927	-	1,423,719
<b>Business-type activities assets, net</b>	<u>\$ 2,058,344</u>	<u>\$ (111,927)</u>	<u>\$ -</u>	<u>\$ 1,946,417</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**3. Capital Assets (Continued)**

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

**Governmental activities:**

General government	\$ 43,174
Public safety	46,682
Public works	682
Culture and recreation	<u>105,448</u>
	<u>\$ 195,986</u>

**Business activities:**

Water and sewer	<u>\$ 111,927</u>
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**Construction commitments:** The Town has no active construction projects as of June 30, 2022.

**4. Unavailable Revenue**

Delinquent taxes receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. Unavailable tax revenue in the General Fund was \$1,154 as of June 30, 2022.

**5. Long-Term Debt**

**Lease Obligation.** The Town leases a copier with a lease term of 60 months with varying monthly payments with an imputed interest rate of 4.0%. At the end of the lease, the Town has an option to purchase to the copier but will likely enter into a new lease for equipment. The copier has a five-year estimated useful life. This year, \$2,714 is included in accumulated amortization.

The future minimum lease obligations as of June 30, 2022, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,158	\$ 215
2024	2,246	127
2025	<u>1,942</u>	<u>36</u>
	<u>\$ 6,346</u>	<u>\$ 378</u>

**Lease Obligation.** The Town leases postage equipment with a lease term of 60 months with varying monthly payments with an imputed interest rate of 4.0%. At the end of the lease, the Town has an option to purchase to the equipment but will likely enter into a new lease for equipment. The postage equipment has a five-year estimated useful life. This year, \$4,653 is included in accumulated amortization.

The future minimum lease obligations as of June 30, 2022, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 822	\$ 38
2024	<u>424</u>	<u>6</u>
	<u>\$ 1,246</u>	<u>\$ 44</u>



**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**5. Long-Term Debt (Continued)**

**Changes in General Long-Term Liabilities**

During the year ended June 30, 2022, the following changes occurred:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within one year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 16,212	\$ 2,734	\$ -	\$ 18,946	\$ 9,190
Lease Obligation as Restated	10,455	-	2,863	7,592	2,980
Net Pension Liability	939,036	-	170,195	768,841	-
Total Governmental Activities	<u>\$ 965,703</u>	<u>\$ 2,734</u>	<u>\$ 173,058</u>	<u>\$ 795,379</u>	<u>\$ 12,170</u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 403	\$ 313	\$ -	\$ 716	\$ 716
Net Pension Liability	117,848	-	18,412	99,436	-
Total Business-Type Activities	<u>\$ 118,251</u>	<u>\$ 313</u>	<u>\$ 18,412</u>	<u>\$ 100,152</u>	<u>\$ 716</u>

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

Per Nevada Revised Statute Chapter 269.425, the debt limitation for the Town cannot exceed 25% of assessed valuation of property within the Town. The debt limitation currently applicable at June 30, 2022, was \$123,382,378.

**6. Interfund Transfers**

Interfund transfers are made from one fund to another fund to support expenditures in accordance with authority established for the individual funds. In the fund financial statements, interfund transfers are shown as other financing sources or uses. During the year ended June 30, 2022, there were no transfers.

**NOTE E – OTHER INFORMATION**

**1. Risk Management**

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE E – OTHER INFORMATION (Continued)**

**1. Risk Management (Continued)**

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

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

The Town is self-insured for unemployment claims.

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

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

**2. Contingent Liabilities**

**Claims**

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

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

**3. Defined Benefit Pension Plan**

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

**Benefits Provided.** Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Vested members are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member's years of service to a maximum of 33 and 1/3 years. The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows:

**Eligibility for Regular Members:**

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE E – OTHER INFORMATION (Continued)**

**3. Defined Benefit Pension Plan (Continued)**

Eligibility for Police and Fire Members:

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

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

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. The System offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

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

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

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

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

At June 30, 2022, the Town reported a liability of \$868,277 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2021. The Town's proportionate share of the net pension liability increased from 0.00759% at June 30, 2020, to 0.00952% at June 30, 2021.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE E – OTHER INFORMATION (Continued)**

**3. Defined Benefit Pension Plan (Continued)**

For the year ended June 30, 2022, the Town recognized pension income of \$11,833. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 42,340	\$ 2,691
Net difference between projected and actual earnings on pension plan investments	0	311,888
Changes in proportion	39,645	10,363
Changes of assumptions	126,906	0
Town contributions subsequent to measurement date	44,953	0
Total	\$ 253,844	\$ 324,942

The Town reported \$44,953 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ ( 42,579)
2024	( 30,631)
2025	( 33,593)
2026	( 43,653)
2027	30,223
2028	4,182
	\$ (116,051)

**Actuarial Assumptions:** The System's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Payroll Growth	Regular: 3.50%
	Police/Fire: 3.50%
Investment Rate of Return	7.25%, including inflation
Productivity pay increase	0.50%
Projected Salary increases	Regular: 4.20% to 9.10%, depending on service
	Police/Fire: 4.60% to 14.50%, depending on service
	Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

**TOWN OF ROUND MOUNTAIN, NEVADA  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE E – OTHER INFORMATION (Continued)**

**3. Defined Benefit Pension Plan (Continued)**

Mortality rates were based on the following:

Healthy:

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

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

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

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

Disabled:

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

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

Beneficiaries:

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE E – OTHER INFORMATION (Continued)**

**3. Defined Benefit Pension Plan (Continued)**

Mortality rates were based on the following (Continued):

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

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

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

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

**Pre-Retirement**

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

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

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

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

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of the experience study for the period of July 1, 2016 through June 30, 2020.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE E – OTHER INFORMATION (Continued)**

**3. Defined Benefit Pension Plan (Continued)**

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

The following was the Board adopted policy target asset allocation as of June 30, 2021:

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

\*As of June 30, 2021, PERS' long-term inflation assumption was 2.50%

**Discount Rate:** The discount rate used to measure the total pension liability decreased from 7.50% at June 30, 2020 to 7.25% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employer and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

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

	1.0% Decrease (6.25%)	Discount Rate (7.25%)	1.0% Increase (8.25%)
Town's proportionate share of the net pension liability	\$ 1,728,700	\$ 868,277	\$ 158,488

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

**Pension contributions payable.** At June 30, 2022, the Town reported payables to the defined benefit pension plan of \$6,289 for legally required employer contributions which had not yet been remitted to PERS.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE E – OTHER INFORMATION (Continued)**

**4. Post-Employment Health Care Plan**

The Town administers a single-employer defined benefit healthcare plan. The plan provides medical, dental, prescription, and life insurance benefits to eligible retired Town employees. The plan provides healthcare insurance for eligible retirees through the Town’s group health insurance plan, which covers both active and retired members. Retirees may choose to stay on the Town’s health insurance plan upon retirement. The retiree is required to pay the full amount of their coverage. The Town does not contribute to the cost of coverage. As of June 30, 2022, there were no retirees using the plan.

With no participating retired employees, at June 30, 2022, the Town’s annual other postemployment benefit costs (expense) and net obligation is deemed to be zero.

**5. Changes in Accounting Principle**

Effective July 1, 2021, the Town adopted Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. GASB No. 87, addresses improving accounting and financial reporting for leases by governments. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The effect of the implementation of this standard on beginning net position is disclosed in **Note E-6**.

**6. Change in Net Position**

Effective July 1, 2021, the County adopted Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. The effect of the implementation of this standard on beginning net position is as follows:

	Governmental Activities	Business-Type Activities	Government-Wide Activities
Net position previously reported, July 1, 2021	\$ 9,065,982	\$ 2,536,882	\$ 11,602,864
Change in total lease financing liability	(10,455)	-	(10,455)
Change in intangible assets (net)	10,170	-	10,170
Net position as restated	<u>\$ 9,065,697</u>	<u>\$ 2,536,882</u>	<u>\$ 11,602,579</u>



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*For the year ended June 30, 2022*

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF ROUND MOUNTAIN, NEVADA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO THE  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA  
LAST 10 YEARS  
JUNE 30, 2022**

Year Ended June 30	Contractually Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2013	\$ 127,055	\$ 127,055	\$ -	\$ 457,098	27.80%
2014	127,797	127,797	-	441,946	28.92%
2015	117,615	117,615	-	381,663	30.82%
2016	96,474	96,474	-	323,296	29.84%
2017	94,368	94,368	-	347,610	27.15%
2018	47,637	47,637	-	353,724	13.47%
2019	47,685	47,685	-	352,799	13.52%
2020	44,256	44,256	-	301,488	14.68%
2021	44,318	44,318	-	301,760	14.69%
2022	44,953	44,953	-	301,412	14.91%

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

See accompanying notes to the required supplementary information.

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA**  
**LAST 10 YEARS\***  
**JUNE 30, 2022**

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

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

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

See accompanying notes to the required supplementary information.

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*For the year ended June 30, 2022*

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

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**Note 1 – Net Pension Liability**

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

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

## **SUPPLEMENTARY INFORMATION**

## **MAJOR FUNDS**

### **GENERAL FUND**

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



**TOWN OF ROUND MOUNTAIN, NEVADA  
MAJOR FUND - GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2022 AND 2021**

	2022	2021
<b>Assets:</b>		
Pooled cash and investments	\$ 5,584,372	\$ 5,552,724
Interest receivable	14,157	11,573
Taxes receivable	1,207	46,041
Due from other governments	99,496	91,154
Prepaid items	60,495	-
	<u>60,495</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 5,759,727</u></b>	<b><u>\$ 5,701,492</u></b>
<b>Liabilities:</b>		
Accounts payable	\$ 19,505	\$ 69,850
Accrued payroll	20,196	36,213
	<u>20,196</u>	<u>36,213</u>
<b>Total liabilities</b>	<b><u>39,701</u></b>	<b><u>106,063</u></b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue-property taxes	1,154	45,959
	<u>1,154</u>	<u>45,959</u>
<b>Fund Balance:</b>		
Nonspendable	60,495	-
Assigned for subsequent year	5,594,341	4,478,783
Unassigned	64,036	1,070,687
	<u>64,036</u>	<u>1,070,687</u>
<b>Total fund balance</b>	<b><u>5,718,872</u></b>	<b><u>5,549,470</u></b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b><u>\$ 5,759,727</u></b>	<b><u>\$ 5,701,492</u></b>

**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, 2022**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance -	2021
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
Taxes	\$ 879,690	\$ 980,718	\$ 101,028	\$ 1,472,199
Licenses and permits	2,000	6,183	4,183	6,342
Intergovernmental	250,000	490,393	240,393	422,643
Charges for services	20,000	28,415	8,415	18,227
Fines and forfeitures	500	1,845	1,345	1,530
Miscellaneous	3,500	(342,739)	(346,239)	(9,406)
<b>Total revenues</b>	<u>1,155,690</u>	<u>1,164,815</u>	<u>9,125</u>	<u>1,911,535</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,521,749	597,428	924,321	543,339
Public safety	426,906	55,330	371,576	110,688
Public works	77,000	22,640	54,360	21,325
Culture and recreation	761,905	316,783	445,122	287,717
Contingency	83,627	-	83,627	-
<b>Debt Service:</b>				
Principal	-	2,863	(2,863)	-
Interest	-	369	(369)	-
<b>Total expenditures</b>	<u>2,871,187</u>	<u>995,413</u>	<u>1,875,774</u>	<u>963,069</u>
Excess (deficiency) of revenues over expenditures	(1,715,497)	169,402	1,884,899	948,466
<b>Fund Balance:</b>				
Beginning of year	<u>4,478,783</u>	<u>5,549,470</u>	<u>1,070,687</u>	<u>4,601,004</u>
End of year	<u>\$ 2,763,286</u>	<u>\$ 5,718,872</u>	<u>\$ 2,955,586</u>	<u>\$ 5,549,470</u>

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*For the year ended June 30, 2022*

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance - Positive (Negative)	2021 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 879,690	\$ 704,050	\$ (175,640)	\$ 866,084
Net proceeds	-	276,668	276,668	606,115
Total taxes	<u>879,690</u>	<u>980,718</u>	<u>101,028</u>	<u>1,472,199</u>
<b>Licenses and permits:</b>				
Gaming licenses	1,500	5,423	3,923	5,062
Liquor licenses	500	760	260	1,280
Total licenses and permits	<u>2,000</u>	<u>6,183</u>	<u>4,183</u>	<u>6,342</u>
<b>Intergovernmental:</b>				
Consolidated tax	250,000	478,130	228,130	422,643
Grant	-	12,263	12,263	-
Total intergovernmental	<u>250,000</u>	<u>490,393</u>	<u>240,393</u>	<u>422,643</u>
<b>Charges for services:</b>				
Swimming pool	1,000	3,810	2,810	1,789
Arcade/vending	-	596	596	-
Weight room fees	15,000	15,033	33	10,850
Water charges	4,000	8,876	4,876	4,988
Other	-	100	100	600
Total charges for services	<u>20,000</u>	<u>28,415</u>	<u>8,415</u>	<u>18,227</u>
<b>Fines and forfeitures</b>	<u>500</u>	<u>1,845</u>	<u>1,345</u>	<u>1,530</u>
<b>Miscellaneous:</b>				
Rent	3,500	5,580	2,080	2,904
Investment income (loss)	-	(349,382)	(349,382)	(13,957)
Other	-	1,063	1,063	1,647
Total miscellaneous	<u>3,500</u>	<u>(342,739)</u>	<u>(346,239)</u>	<u>(9,406)</u>
<b>Total revenues</b>	<u>\$ 1,155,690</u>	<u>\$ 1,164,815</u>	<u>\$ 9,125</u>	<u>\$ 1,911,535</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
MAJOR FUND - GENERAL FUND  
SCHEDULE OF EXPENDITURES -  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022**

(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance -	2021
	Budget	Actual	Positive (Negative)	Actual
<b>Expenditures</b>				
<b>Current:</b>				
<b>General government:</b>				
<b>Administration:</b>				
Salaries and wages	\$ 310,246	\$ 135,146	\$ 175,100	\$ 141,615
Employee benefits	91,615	65,053	26,562	65,962
Services and supplies	161,750	92,260	69,490	91,720
Capital outlay	33,000	4,200	28,800	44,915
Total administration	<u>596,611</u>	<u>296,659</u>	<u>299,952</u>	<u>344,212</u>
<b>Building and Grounds:</b>				
Salaries and wages	127,829	91,807	36,022	88,263
Employee benefits	78,309	50,428	27,881	41,393
Services and supplies	135,000	86,533	48,467	69,471
Capital outlay	584,000	72,001	511,999	-
Total building and grounds	<u>925,138</u>	<u>300,769</u>	<u>624,369</u>	<u>199,127</u>
Total general government	<u>1,521,749</u>	<u>597,428</u>	<u>924,321</u>	<u>543,339</u>
<b>Public Safety:</b>				
<b>Hadley Station:</b>				
Employee benefits	16,806	-	16,806	280
Services and supplies	134,100	55,330	78,770	74,348
Capital outlay	276,000	-	276,000	36,060
Total public safety	<u>426,906</u>	<u>55,330</u>	<u>371,576</u>	<u>110,688</u>
<b>Public Works:</b>				
<b>Highways and Streets:</b>				
Services and supplies	18,750	14,313	4,437	13,491
Capital outlay	30,000	-	30,000	-
Total highways and streets	<u>48,750</u>	<u>14,313</u>	<u>34,437</u>	<u>13,491</u>
<b>Round Mountain Water:</b>				
Services and supplies	23,250	8,327	14,923	7,834
Capital outlay	5,000	-	5,000	-
Total Round Mountain water	<u>28,250</u>	<u>8,327</u>	<u>19,923</u>	<u>7,834</u>
Total public works	<u>\$ 77,000</u>	<u>\$ 22,640</u>	<u>\$ 54,360</u>	<u>\$ 21,325</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance - Positive (Negative)	2021 Actual
	Budget	Actual		
<b>Expenditures (Continued)</b>				
<b>Current (Continued):</b>				
<b>Culture and Recreation:</b>				
<b>Swimming Pool:</b>				
Salaries and wages	\$ 39,360	\$ 11,987	\$ 27,373	\$ 4,236
Employee benefits	5,208	2,032	3,176	556
Services and supplies	45,300	25,878	19,422	16,542
Capital outlay	154,000	-	154,000	-
Total swimming pool	<u>243,868</u>	<u>39,897</u>	<u>203,971</u>	<u>21,334</u>
<b>Parks and recreation:</b>				
Salaries and wages	88,646	58,924	29,722	50,322
Employee benefits	54,040	29,464	24,576	30,278
Services and supplies	154,200	72,709	81,491	67,076
Capital outlay	221,151	115,789	105,362	118,707
Total parks and recreation	<u>518,037</u>	<u>276,886</u>	<u>241,151</u>	<u>266,383</u>
Total culture and recreation	<u>761,905</u>	<u>316,783</u>	<u>445,122</u>	<u>287,717</u>
<b>Contingency</b>	<u>83,627</u>	<u>-</u>	<u>83,627</u>	<u>-</u>
<b>Debt Service:</b>				
Principal	-	2,863	(2,863)	-
Interest	-	369	(369)	-
Total debt service	<u>-</u>	<u>3,232</u>	<u>(3,232)</u>	<u>-</u>
Total expenditures	<u>\$ 2,871,187</u>	<u>\$ 995,413</u>	<u>\$ 1,875,774</u>	<u>\$ 963,069</u>

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*For the year ended June 30, 2022*

## **MAJOR ENTERPRISE FUND**

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

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



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**JUNE 30, 2022 AND 2021**

	2022	2021
<b>Assets:</b>		
Current assets:		
Pooled cash and investments	\$ 534,571	\$ 525,735
Interest receivable	1,386	1,070
Accounts receivable (net)	45,729	28,085
Prepaid items	11,470	1,914
Inventory	55,233	55,345
Total current assets	<u>648,389</u>	<u>612,149</u>
Capital assets:		
Equipment	3,370,136	3,370,136
Less accumulated depreciation	<u>(1,423,719)</u>	<u>(1,311,792)</u>
Capital assets (net of accumulated depreciation)	<u>1,946,417</u>	<u>2,058,344</u>
Total assets	<u>2,594,806</u>	<u>2,670,493</u>
<b>Deferred Outflows of Resources:</b>		
Deferred pension charge	<u>27,073</u>	<u>6,233</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	830	3,273
Accrued payroll	2,473	5,339
Customer deposits	9,350	11,750
Accrued compensated absences	716	403
Total current liabilities	<u>13,369</u>	<u>20,765</u>
Long term liabilities:		
Net pension liability	<u>99,436</u>	<u>117,848</u>
Total liabilities	<u>112,805</u>	<u>138,613</u>
<b>Deferred Inflows of Resources:</b>		
Deferred pension charge	<u>34,072</u>	<u>1,231</u>
<b>Net Position:</b>		
Invested in capital assets	1,946,417	2,058,344
Unrestricted	<u>528,585</u>	<u>478,538</u>
Total net position	<u>\$ 2,475,002</u>	<u>\$ 2,536,882</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance -	2021 Actual
	Budget	Actual	Positive (Negative)	
<b>Operating Revenues:</b>				
Charges for services	\$ 300,000	\$ 293,161	\$ (6,839)	\$ 327,084
<b>Operation Expenses:</b>				
Utility operations:				
Salaries and wages	57,186	35,402	21,784	32,890
Employee benefits	38,893	15,374	23,519	15,699
Services and supplies	180,400	159,251	21,149	118,092
Capital outlay	207,000	-	207,000	-
Depreciation	110,000	111,927	(1,927)	105,060
Total operating expenses	593,479	321,954	271,525	271,741
<b>Operating Income (Loss)</b>	(293,479)	(28,793)	264,686	55,343
<b>Non-Operating Revenues (Expenses):</b>				
Investment income (loss)	-	(33,192)	(33,192)	(1,602)
Miscellaneous	-	105	105	70
Total non-operating revenues (expenses)	-	(33,087)	(33,087)	(1,532)
Change in net position	\$ (293,479)	(61,880)	\$ 231,599	53,811
<b>Net Position:</b>				
Beginning of year		2,536,882		2,483,071
End of year		\$ 2,475,002		\$ 2,536,882

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*For the year ended June 30, 2022*

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>Cash Flows From Operating Activities:</b>		
Cash received from customers	\$ 273,117	\$ 333,435
Cash paid for salaries, wages, and employee benefits	(59,740)	(47,702)
Cash paid for services and supplies	<u>(171,138)</u>	<u>(109,751)</u>
Cash provided by operating activities	42,239	175,982
<b>Cash Flows From Non-Capital Financing Activities:</b>		
Miscellaneous	105	70
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Purchase of capital assets	-	(57,683)
<b>Cash Flows From Investing Activities:</b>		
Investment income (loss)	<u>(33,508)</u>	<u>(1,817)</u>
Net increase (decrease) in cash	8,836	116,552
<b>Cash:</b>		
Beginning of year	<u>525,735</u>	<u>409,183</u>
End of year	<u>\$ 534,571</u>	<u>\$ 525,735</u>
<b>Reconciliation of Operating Income (Loss) to Cash Provided by Operating Activities:</b>		
Operating income (loss)	<u>\$ (28,793)</u>	<u>\$ 55,343</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:</b>		
Depreciation	111,927	105,060
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(17,644)	10,196
(Increase) decrease in deferred outflows	(20,840)	5,319
(Increase) decrease in prepaid items	(9,556)	8,479
(Increase) decrease in inventory	112	(1,660)
Increase (decrease) in accounts payable	(2,443)	1,522
Increase (decrease) in accrued payroll	(2,866)	4,579
Increase (decrease) in compensated absences	313	48
Increase (decrease) in customer deposits	(2,400)	(3,845)
Increase (decrease) in net pension liability	(18,412)	3,100
Increase (decrease) in deferred inflows	<u>32,841</u>	<u>(12,159)</u>
Total adjustments	<u>71,032</u>	<u>120,639</u>
<b>Cash Provided by Operating Activities</b>	<u>\$ 42,239</u>	<u>\$ 175,982</u>

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*For the year ended June 30, 2022*

**NONMAJOR  
GOVERNMENTAL FUNDS**

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

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2022  
(With Comparative Totals for June 30, 2021)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2022 Totals	2021 Totals
<b>Assets:</b>				
Pooled cash and investments	\$ 890,765	\$ 231,157	\$ 1,121,922	\$ 1,186,716
Interest receivable	2,244	542	2,786	2,444
Due from other governments	<u>27,545</u>	<u>-</u>	<u>27,545</u>	<u>29,348</u>
 Total assets	 <u>\$ 920,554</u>	 <u>\$ 231,699</u>	 <u>\$ 1,152,253</u>	 <u>\$ 1,218,508</u>
 <b>Liabilities:</b>				
Accounts payable	<u>\$ 103</u>	<u>\$ -</u>	<u>\$ 103</u>	<u>\$ 1,280</u>
 <b>Fund Balance:</b>				
Restricted for capital projects	-	231,699	231,699	316,928
Restricted for public safety	272,540	-	272,540	273,373
Restricted for public works	<u>647,911</u>	<u>-</u>	<u>647,911</u>	<u>626,927</u>
 Total fund balance	 <u>920,451</u>	 <u>231,699</u>	 <u>1,152,150</u>	 <u>1,217,228</u>
 Total liabilities and fund balance	 <u>\$ 920,554</u>	 <u>\$ 231,699</u>	 <u>\$ 1,152,253</u>	 <u>\$ 1,218,508</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022  
(With Comparative Totals for June 30, 2021)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2022 Totals	2021 Totals
<b>Revenues:</b>				
Intergovernmental	\$ 171,472	\$ 14,853	\$ 186,325	\$ 169,813
Miscellaneous	<u>(52,532)</u>	<u>(14,089)</u>	<u>(66,621)</u>	<u>(3,583)</u>
Total revenues	<u>118,940</u>	<u>764</u>	<u>119,704</u>	<u>166,230</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	57,549	-	57,549	57,585
Public works	41,240	-	41,240	17,106
<b>Capital Projects</b>	<u>-</u>	<u>85,993</u>	<u>85,993</u>	<u>-</u>
Total expenditures	<u>98,789</u>	<u>85,993</u>	<u>184,782</u>	<u>74,691</u>
Excess (deficiency) of revenues over expenditures	20,151	(85,229)	(65,078)	91,539
<b>Fund Balance:</b>				
Beginning of year	<u>900,300</u>	<u>316,928</u>	<u>1,217,228</u>	<u>1,125,689</u>
End of year	<u>\$ 920,451</u>	<u>\$ 231,699</u>	<u>\$ 1,152,150</u>	<u>\$ 1,217,228</u>



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*For the year ended June 30, 2022*

## **NONMAJOR SPECIAL REVENUE FUND**

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

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2022**  
**(With Comparative Totals for June 30, 2021)**

	Road	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire	2022 Totals	2021 Totals
<b>Assets:</b>					
Pooled cash and investments	\$ 629,123	\$ 95,448	\$ 166,194	\$ 890,765	\$ 870,416
Interest receivable	1,569	262	413	2,244	1,816
Due from other governments	17,219	5,163	5,163	27,545	29,348
<b>Total assets</b>	<b><u>\$ 647,911</u></b>	<b><u>\$ 100,873</u></b>	<b><u>\$ 171,770</u></b>	<b><u>\$ 920,554</u></b>	<b><u>\$ 901,580</u></b>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 103	\$ -	\$ 103	\$ 1,280
<b>Fund Balance:</b>					
Restricted for public safety	-	100,770	171,770	272,540	273,373
Restricted for public works	647,911	-	-	647,911	626,927
<b>Total fund balance</b>	<b><u>647,911</u></b>	<b><u>100,770</u></b>	<b><u>171,770</u></b>	<b><u>920,451</u></b>	<b><u>900,300</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 647,911</u></b>	<b><u>\$ 100,873</u></b>	<b><u>\$ 171,770</u></b>	<b><u>\$ 920,554</u></b>	<b><u>\$ 901,580</u></b>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022  
(With Comparative Totals for June 30, 2021)**

	Road	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire	2022 Totals	2021 Totals
<b>Revenues:</b>					
Intergovernmental	\$ 100,796	\$ 35,338	\$ 35,338	\$ 171,472	\$ 153,652
Miscellaneous	<u>(38,572)</u>	<u>(3,690)</u>	<u>(10,270)</u>	<u>(52,532)</u>	<u>(2,658)</u>
Total revenues	<u>62,224</u>	<u>31,648</u>	<u>25,068</u>	<u>118,940</u>	<u>150,994</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Public safety	-	48,759	8,790	57,549	57,585
Public works	<u>41,240</u>	<u>-</u>	<u>-</u>	<u>41,240</u>	<u>17,106</u>
Total expenditures	<u>41,240</u>	<u>48,759</u>	<u>8,790</u>	<u>98,789</u>	<u>74,691</u>
Excess (deficiency) of revenues over expenditures	20,984	(17,111)	16,278	20,151	76,303
<b>Fund Balance:</b>					
Beginning of year	<u>626,927</u>	<u>117,881</u>	<u>155,492</u>	<u>900,300</u>	<u>823,997</u>
End of year	<u>\$ 647,911</u>	<u>\$ 100,770</u>	<u>\$ 171,770</u>	<u>\$ 920,451</u>	<u>\$ 900,300</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR FUND - ROAD SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2022 AND 2021**

	2022	2021
<b>Assets:</b>		
Pooled cash and investments	\$ 629,123	\$ 609,678
Interest receivable	1,569	1,267
Due from other governments	<u>17,219</u>	<u>15,982</u>
 Total assets	 <u>\$ 647,911</u>	 <u>\$ 626,927</u>
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ -
<b>Fund Balance:</b>		
Restricted for public works	<u>647,911</u>	<u>626,927</u>
 Total liabilities and fund balance	 <u>\$ 647,911</u>	 <u>\$ 626,927</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, 2022**

(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance - Positive (Negative)	2021 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Gas tax \$1.75	\$ 50,000	\$ 100,796	\$ 50,796	\$ 88,416
<b>Miscellaneous:</b>				
Investment income (loss)	-	(38,572)	(38,572)	(1,871)
<b>Total revenues</b>	<u>50,000</u>	<u>62,224</u>	<u>12,224</u>	<u>86,545</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public works:</b>				
Services and supplies	75,000	41,240	33,760	17,106
Capital outlay	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
<b>Total expenditures</b>	<u>125,000</u>	<u>41,240</u>	<u>83,760</u>	<u>17,106</u>
Excess (deficiency) of revenues over expenditures	(75,000)	20,984	95,984	69,439
<b>Fund Balance:</b>				
Beginning of year	<u>601,025</u>	<u>626,927</u>	<u>25,902</u>	<u>557,488</u>
End of year	<u>\$ 526,025</u>	<u>\$ 647,911</u>	<u>\$ 121,886</u>	<u>\$ 626,927</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2022 AND 2021**

	2022	2021
<b>Assets:</b>		
Pooled cash and investments	\$ 95,448	\$ 112,244
Interest receivable	262	234
Due from other governments	<u>5,163</u>	<u>6,683</u>
Total assets	<u>\$ 100,873</u>	<u>\$ 119,161</u>
<b>Liabilities:</b>		
Accounts payable	\$ 103	\$ 1,280
<b>Fund Balance:</b>		
Restricted for public safety	<u>100,770</u>	<u>117,881</u>
Total liabilities and fund balance	<u>\$ 100,873</u>	<u>\$ 119,161</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance - Positive (Negative)	2021 Actual
	Budget	Actual		
<b>Revenues</b>				
<b>Intergovernmental:</b>				
Public safety tax - Nye County	\$ 33,040	\$ 35,338	\$ 2,298	\$ 32,618
<b>Miscellaneous:</b>				
Investment income (loss)	250	(7,375)	(7,625)	(362)
Other	-	3,685	3,685	-
Total miscellaneous	250	(3,690)	(3,940)	(362)
Total revenues	33,290	31,648	(1,642)	32,256
<b>Expenditures</b>				
<b>Current:</b>				
<b>Public safety:</b>				
Services and supplies	46,231	8,207	38,024	12,304
Capital outlay	100,000	40,552	59,448	38,262
Total public safety	146,231	48,759	97,472	50,566
Excess (deficiency) of revenues over expenditures	(112,941)	(17,111)	95,830	(18,310)
<b>Fund balance</b>				
Beginning of year	112,941	117,881	4,940	136,191
End of year	\$ -	\$ 100,770	\$ 100,770	\$ 117,881



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2022 AND 2021**

	2022	2021
<b>Assets:</b>		
Pooled cash and investments	\$ 166,194	\$ 148,494
Interest receivable	413	315
Due from other governments	<u>5,163</u>	<u>6,683</u>
Total assets	<u>\$ 171,770</u>	<u>\$ 155,492</u>
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ -
<b>Fund Balance:</b>		
Restricted for public safety	<u>171,770</u>	<u>155,492</u>
Total liabilities and fund balance	<u>\$ 171,770</u>	<u>\$ 155,492</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance - Positive (Negative)	2021 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Public safety tax - Nye County	\$ 33,040	\$ 35,338	\$ 2,298	\$ 32,618
<b>Miscellaneous:</b>				
Investment income (loss)	250	(10,270)	(10,520)	(425)
Total revenues	<u>33,290</u>	<u>25,068</u>	<u>(8,222)</u>	<u>32,193</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public safety:</b>				
Services and supplies	76,858	8,790	68,068	-
Capital outlay	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>7,019</u>
Total expenditures	<u>176,858</u>	<u>8,790</u>	<u>168,068</u>	<u>7,019</u>
Excess (deficiency) of revenues over expenditures	(143,568)	16,278	159,846	25,174
<b>Fund Balance:</b>				
Beginning of year	<u>143,568</u>	<u>155,492</u>	<u>11,924</u>	<u>130,318</u>
End of year	<u>\$ -</u>	<u>\$ 171,770</u>	<u>\$ 171,770</u>	<u>\$ 155,492</u>

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*For the year ended June 30, 2022*

## **NONMAJOR CAPITAL PROJECTS**

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

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

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

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2022  
(With Comparative Totals for June 30, 2021)**

	Special Ad Valorem Capital Projects Fund	2022 Totals	2021 Totals
<b>Assets:</b>			
Pooled cash and investments	\$ 231,157	\$ 231,157	\$ 316,300
Interest receivable	<u>542</u>	<u>542</u>	<u>628</u>
Total assets	<u>\$ 231,699</u>	<u>\$ 231,699</u>	<u>\$ 316,928</u>
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
<b>Fund Balance:</b>			
Restricted for capital projects	<u>231,699</u>	<u>231,699</u>	<u>316,928</u>
Total liabilities and fund balance	<u>\$ 231,699</u>	<u>\$ 231,699</u>	<u>\$ 316,928</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022  
(With Comparative Totals for June 30, 2021)**

	Capital Projects Fund	Special Ad Valorem Capital Projects Fund	2022 Totals	2021 Totals
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 14,853	\$ 14,853	\$ 16,161
Miscellaneous	<u>(650)</u>	<u>(13,439)</u>	<u>(14,089)</u>	<u>(925)</u>
Total revenues	(650)	1,414	764	15,236
<b>Expenditures</b>				
Capital Projects	<u>85,993</u>	<u>-</u>	<u>85,993</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(86,643)	1,414	(85,229)	15,236
<b>Fund balance</b>				
Beginning of year	<u>86,643</u>	<u>230,285</u>	<u>316,928</u>	<u>301,692</u>
End of year	<u>\$ -</u>	<u>\$ 231,699</u>	<u>\$ 231,699</u>	<u>\$ 316,928</u>

**TOWN OF ROUND MOUNTAIN, NEVADA  
NONMAJOR FUND - CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2022 AND 2021**

	2022	2021
<b>Assets:</b>		
Pooled cash and investments	\$ -	\$ 86,462
Interest receivable	<u>-</u>	<u>181</u>
 Total assets	 <u>\$ -</u>	 <u>\$ 86,643</u>
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ -
<b>Fund Balance:</b>		
Restricted for capital projects	<u>-</u>	<u>86,643</u>
 Total liabilities and fund balance	 <u>\$ -</u>	 <u>\$ 86,643</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, 2022**

(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	2022		Variance - Positive (Negative)	2021 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income (loss)	\$ -	\$ (650)	\$ (650)	\$ (306)
<b>Expenditures:</b>				
Capital Projects	<u>86,949</u>	<u>85,993</u>	<u>956</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(86,949)	(86,643)	306	(306)
<b>Fund Balance:</b>				
Beginning of year	<u>86,949</u>	<u>86,643</u>	<u>(306)</u>	<u>86,949</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,643</u>



**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2022 AND 2021**

	2022	2021
<b>Assets:</b>		
Pooled cash and investments	\$ 231,157	\$ 229,838
Interest receivable	<u>542</u>	<u>447</u>
 Total assets	 <u>\$ 231,699</u>	 <u>\$ 230,285</u>
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ -
<b>Fund Balance:</b>		
Restricted for capital projects	<u>231,699</u>	<u>230,285</u>
 Total liabilities and fund balance	 <u>\$ 231,699</u>	 <u>\$ 230,285</u>

**TOWN OF ROUND MOUNTAIN, NEVADA**  
**NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2021)**

	2022		Variance - Positive (Negative)	2021 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
County	\$ 20,000	\$ 14,853	\$ (5,147)	\$ 16,161
<b>Miscellaneous:</b>				
Investment income (loss)	-	(13,439)	(13,439)	(619)
Total revenues	20,000	1,414	(18,586)	15,542
<b>Expenditures:</b>				
Capital Projects	-	-	-	-
Excess (deficiency) of revenues over expenditures	20,000	1,414	(18,586)	15,542
<b>Fund Balance:</b>				
Beginning of year	214,743	230,285	15,542	214,743
End of year	\$ 234,743	\$ 231,699	\$ (3,044)	\$ 230,285

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*For the year ended June 30, 2022*

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Round Mountain, Nevada (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 3, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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



Las Vegas, Nevada  
January 3, 2023

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

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**INDEPENDENT AUDITOR'S COMMENTS**

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

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Round Mountain, Nevada (the Town) as of and for the year ended June 30, 2022, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Town failed to comply with the specific requirements of Nevada Revised Statutes referenced below in so far as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town's noncompliance with the requirements of Nevada Revised Statutes noted below, in so far as they relate to accounting matters.

**CURRENT YEAR STATUTE COMPLIANCE**

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

**PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE**

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

**CURRENT YEAR RECOMMENDATIONS**

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

**PRIOR YEAR RECOMMENDATIONS**

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

**NEVADA REVISED STATUTE 354.59815 – SPECIAL AD VALOREM CAPITAL PROJECTS FUND**

*Special Ad Valorem Capital Projects Fund*

The Town established the Special Ad Valorem Capital Projects Fund in accordance with Nevada Revised Statutes 354.59815. There were no projects funded during the year. The Town plans to accumulate money in the fund for future projects.

**NEVADA REVISED STATUTE 354.6113-CAPITAL PROJECTS**

*Capital Projects Fund*

The Town established the Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. Compliance with Nevada Revised Statutes is contained in Note C1 to the financial statements.

The Town had the following expenditures in the Capital Projects Fund for the year ending June 30, 2022:

Improvements to the tennis courts	\$ 85,993
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The Town has no sources of revenue to be deposited into the fund the following year.

The Town has no expenditures planned in the fund for the following year.



Las Vegas, Nevada  
January 3, 2023