

TOWN OF ROUND MOUNTAIN, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL MATERIAL
YEAR ENDED JUNE 30, 2013

**TOWN OF ROUND MOUNTAIN, NEVADA
 REPORT ON FINANCIAL STATEMENTS
 AND SUPPLEMENTAL MATERIAL
 FOR THE YEAR ENDED JUNE 30, 2013
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**TOWN OF ROUND MOUNTAIN, NEVADA
ELECTED TOWN OFFICIALS
JUNE 30, 2013**

CHAIRPERSON

Greg Schoen

TOWN COUNCIL

Jay Dixon

Vice-chairperson

Sheila Beery-Burggraf

Clerk

Vacant

Member

Vacant

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 the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Round Mountain (the Town), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Capital Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

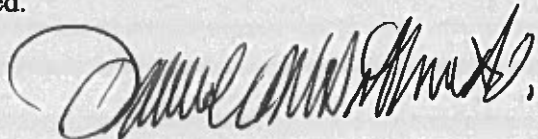
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 - 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and non-major individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 my opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

I 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, 2012, which are not presented with the accompanying financial statements and I expressed unmodified opinions on the respective financial statements of the governmental 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 comprise the Town's basic financial statements as a whole. The combining and individual fund financial statements, related to the 2012 financial statements 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 2012 basic financial statements. The information has been subjected to the auditing 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 my opinion, the 2012 combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.



Las Vegas, Nevada
November 29, 2013

Town of Round Mountain, Nevada
Management's Discussion and Analysis
June 30, 2013

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

Financial Highlights

The Town's primary revenue sources for governmental activities were ad valorem taxes of \$1,303,679 and consolidated taxes of \$261,957. These revenue sources comprised 77.21%, and 15.51% respectively, or 92.72% of total governmental activities revenues.

The Town's total expenses were \$1,436,589. The greatest expenses were \$532,930 of the General Government function, \$271,018 of the Public Safety function and \$263,363 of the Culture and Recreation function. Business-type activities contributed \$316,155 to total expenses.

At the end of the fiscal year, the fund balance for the General Fund was \$3,753,601. This was an increase of \$594,020 from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Town of Round Mountain, Nevada
Management's Discussion and Analysis
June 30, 2013

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

**Town of Round Mountain, Nevada
Management's Discussion and Analysis
June 30, 2013**

Proprietary Funds

The Town maintains one type of proprietary fund.

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

Notes to Financial Statements

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

Other Information

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

It also includes a schedule of budgetary comparisons for both the original and final budgets of the General Fund.

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

**Town of Round Mountain, Nevada
Management's Discussion and Analysis
June 30, 2013**

Government-Wide Financial Analysis

Net position of the Town as of June 30, 2013, are summarized and analyzed below:

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets:						
Current and other assets	\$ 4,231,832	\$ 4,251,495	\$ 331,027	\$ 307,711	\$ 4,562,859	\$ 4,559,206
Net capital assets	<u>3,149,637</u>	<u>2,563,454</u>	<u>352,195</u>	<u>399,827</u>	<u>3,501,832</u>	<u>2,963,281</u>
Total Assets	<u>7,381,469</u>	<u>6,814,949</u>	<u>683,222</u>	<u>707,538</u>	<u>8,064,691</u>	<u>7,522,487</u>
Liabilities:						
Current liabilities	55,139	52,359	39,857	26,243	94,996	78,602
Long-term liabilities	<u>62,794</u>	<u>67,111</u>	<u>11,842</u>	<u>28,644</u>	<u>74,636</u>	<u>95,755</u>
Total Liabilities	<u>117,933</u>	<u>119,470</u>	<u>51,699</u>	<u>54,887</u>	<u>169,632</u>	<u>174,357</u>
Net Position:						
Invested in capital assets, net of related debt	3,149,637	2,563,454	352,195	399,827	3,501,832	2,963,281
Restricted	422,663	1,038,841	0	0	422,663	1,038,841
Unrestricted	<u>3,691,236</u>	<u>3,093,184</u>	<u>279,328</u>	<u>252,824</u>	<u>3,970,564</u>	<u>3,346,008</u>
Total Net Position	<u>\$ 7,263,536</u>	<u>\$ 6,695,479</u>	<u>\$ 631,523</u>	<u>\$ 652,651</u>	<u>\$ 7,895,059</u>	<u>\$ 7,348,130</u>

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. Assets exceeded liabilities by \$7,895,059, as of June 30, 2013. Total net position increased by \$546,929 or 7.44%.

The largest portion of the Town's net position, \$3,501,832 or 44.35%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), net of any related debt outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the Town had no debt related to capital assets for the year ended June 30, 2013 and 2012.

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

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

Town of Round Mountain, Nevada
Management's Discussion and Analysis
June 30, 2013

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 41,636	\$ 35,790	\$ 294,293	\$ 292,883	\$ 335,929	\$ 328,673
General revenues:						
Ad valorem taxes	1,303,679	1,027,574	-	-	1,303,679	1,027,574
Consolidated tax	261,957	241,306	-	-	261,957	241,306
Fuel taxes	67,158	63,683	-	-	67,158	63,683
Investment income	13,693	17,337	629	810	14,322	18,147
Other	368	343	105	-	473	343
Total revenues	<u>1,688,491</u>	<u>1,386,033</u>	<u>295,027</u>	<u>293,693</u>	<u>1,983,518</u>	<u>1,679,726</u>
Expenses:						
General government	532,930	395,136	-	-	532,930	395,136
Public safety	271,018	216,209	-	-	271,018	216,209
Public works	53,123	65,561	-	-	53,123	65,561
Culture and recreation	263,363	238,410	-	-	263,363	238,410
Utility operations	-	-	316,155	318,607	316,155	318,607
Total expenses	<u>1,120,434</u>	<u>915,316</u>	<u>316,155</u>	<u>318,607</u>	<u>1,436,589</u>	<u>1,233,923</u>
Change in net position	568,057	470,717	(21,128)	(24,914)	546,929	445,803
Net position - beginning	<u>6,695,479</u>	<u>6,224,762</u>	<u>652,651</u>	<u>677,565</u>	<u>7,348,130</u>	<u>6,902,327</u>
Net position - ending	<u>\$ 7,263,536</u>	<u>\$ 6,695,479</u>	<u>\$ 631,523</u>	<u>\$ 652,651</u>	<u>\$ 7,895,059</u>	<u>\$ 7,348,130</u>

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

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

**Town of Round Mountain, Nevada
Management's Discussion and Analysis
June 30, 2013**

Financial Analysis of the Town's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$4,176,264. This was a decrease of \$22,158 or 0.53% from the previous year.

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 \$3,753,601 with \$3,083,272 assigned to subsequent year and the balance \$670,379 unassigned.

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

Revenues increased by \$297,464, or 22.95%. Tax revenues increased by \$275,391 or 27.44% mainly due to an increase in net proceeds revenue. Intergovernmental revenues increased \$20,651 or 8.56% due to an increase in consolidated tax revenue.

Expenditures increased by \$56,819, or 6.03%. General government expenditures increased \$56,176 or 11.87% due to an increase in employee benefits expenditures related to PERS buyout. Culture and recreation expenditures decreased \$34,345 or 14.01% mainly due to a decrease in capital outlay expenditures for parks and recreation. Public safety expenditures increased \$35,813 or 17.34% mainly due to an increase in capital expenditures and the purchase of fire equipment supplies.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation at June 30, 2013, was \$3,149,637 for governmental activities and \$352,195 for business-type activities. Detail by type of activity and asset is summarized in the following table.

**Town of Round Mountain, Nevada
Management's Discussion and Analysis
June 30, 2013**

A summary of changes in capital assets for the year ended June 30, 2013, follows:

Governmental Activities:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
Capital assets being depreciated:				
Building	2,181,998	709,563	0	2,891,561
Equipment	<u>1,647,001</u>	<u>44,462</u>	<u>0</u>	<u>1,691,463</u>
Total capital assets being depreciated	<u>3,828,999</u>	<u>754,025</u>	<u>0</u>	<u>4,583,024</u>
Less accumulated depreciation for:				
Building	579,818	73,368	0	653,186
Equipment	<u>1,167,143</u>	<u>94,474</u>	<u>0</u>	<u>1,261,617</u>
Total accumulated depreciation	<u>1,746,961</u>	<u>167,842</u>	<u>0</u>	<u>1,914,803</u>
Total capital assets being depreciated, net	<u>2,082,038</u>	<u>586,183</u>	<u>0</u>	<u>2,668,221</u>
Governmental activities assets, net	<u>\$ 2,563,454</u>	<u>\$ 586,183</u>	<u>\$ 0</u>	<u>\$ 3,149,637</u>

Business Type Activities:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Equipment	\$ 1,110,444	\$ 10,426	\$ 0	\$ 1,120,870
Less accumulated depreciation for:				
Equipment	<u>710,617</u>	<u>58,058</u>	<u>0</u>	<u>768,675</u>
Business Type Activities assets, net	<u>\$ 399,827</u>	<u>\$ (47,632)</u>	<u>\$ 0</u>	<u>\$ 352,195</u>

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For the year ended June 30, 2013

**Town of Round Mountain, Nevada
Management's Discussion and Analysis
June 30, 2013**

Long -Term Debt

During the year ended June 30, 2013, the following changes occurred in long-term debt:

	<u>Balance July 1, 2012</u>	<u>Net Additions (Reductions)</u>	<u>Balance June 30, 2013</u>
Governmental Activities:			
Accrued compensated absences	\$ 67,111	\$ (4,317)	\$ 62,794

	<u>Balance July 1, 2012</u>	<u>Net Additions (Reductions)</u>	<u>Balance June 30, 2013</u>
Business Type Activities:			
Accrued compensated absences	\$ 28,644	\$ (16,802)	\$ 11,842

REQUESTS FOR INFORMATION

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

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

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Pooled cash and investments	\$ 4,167,071	\$ 239,750	\$ 4,406,821
Interest receivable	5,973	353	6,326
Taxes receivable	572	-	572
Due from other governments	58,216	-	58,216
Accounts receivable (net)	-	34,880	34,880
Inventory	-	56,044	56,044
Capital assets, net of accumulated depreciation	<u>3,149,637</u>	<u>352,195</u>	<u>3,501,832</u>
 Total assets	 <u>7,381,469</u>	 <u>683,222</u>	 <u>8,064,691</u>
Liabilities:			
Accounts payable	19,090	11,406	30,496
Accrued payroll and benefits	36,049	14,851	50,900
Customer deposits	-	13,600	13,600
Current portion of long term liabilities:			
Accrued compensated absences	41,309	11,842	53,151
Long term liabilities:			
Accrued compensated absences	<u>21,485</u>	<u>-</u>	<u>21,485</u>
 Total liabilities	 <u>117,933</u>	 <u>51,699</u>	 <u>169,632</u>
Net position:			
Invested in capital assets, net of related debt	3,149,637	352,195	3,501,832
Restricted for:			
Capital projects	217,469	-	217,469
Public works	205,194	-	205,194
Unrestricted	<u>3,691,236</u>	<u>279,328</u>	<u>3,970,564</u>
Total net position	<u>\$ 7,263,536</u>	<u>\$ 631,523</u>	<u>\$ 7,895,059</u>

*All funds of town
gov't all except util fund*

*Net book
value
4.4 cash
Investments (land, bldgs
etc).*

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

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF ACTIVITIES
JUNE 30, 2013

Functions/Programs	Program Revenues		Changes in Net Position		
	Expenses	Charges for Service	Governmental Activities	Business-type Activities	Total
Primary governments:					
General government	\$ (532,930)	\$ 3,683	\$ (529,247)	\$ -	\$ (529,247)
Public safety	(271,018)	-	(271,018)	-	(271,018)
Public works	(53,123)	6,755	(46,368)	-	(46,368)
Culture and recreation	(263,363)	31,198	(232,165)	-	(232,165)
Total governmental activities	(1,120,434)	41,636	(1,078,798)	-	(1,078,798)
Business-type activities:					
Water	(316,155)	294,293	-	(21,862)	(21,862)
Total primary governments	\$ (1,436,589)	\$ 335,929	(1,078,798)	(21,862)	(1,100,660)
General Revenues:					
Property taxes			1,303,679	-	1,303,679
Fuel tax			67,158	-	67,158
Consolidated taxes			261,957	-	261,957
Investment income			13,693	629	14,322
Miscellaneous			368	105	473
Total general revenues			1,646,855	734	1,647,589
Change in net position			568,057	(21,128)	546,929
Net position - beginning of year			6,695,479	652,651	7,348,130
Net position - end of year			\$ 7,263,536	\$ 631,523	\$ 7,895,059

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

TOWN OF ROUND MOUNTAIN, NEVADA
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2013

	Major Fund			Total Governmental Funds
	General	Capital Projects	Other Governmental Funds	
<u>Assets</u>				
Pooled cash and investments	\$ 3,755,596	\$ 182,379	\$ 229,096	\$ 4,167,071
Interest receivable	5,427	271	275	5,973
Taxes receivable	572	-	-	572
Due from other governments	46,915	-	11,301	58,216
Total assets	\$ 3,808,510	\$ 182,650	\$ 240,672	\$ 4,231,832
<u>Liabilities</u>				
Accounts payable	\$ 18,431	\$ -	\$ 659	\$ 19,090
Accrued payroll	36,049	-	-	36,049
Total liabilities	54,480	-	659	55,139
<u>Deferred Inflows of Resources</u>				
Unavailable revenue-property taxes	429	-	-	429
<u>Fund Balance</u>				
Restricted for:				
Capital projects	-	182,650	34,819	217,469
Public works	-	-	205,194	205,194
Assigned for subsequent year	3,083,272	-	-	3,083,272
Unassigned	670,329	-	-	670,329
Total fund balance	3,753,601	182,650	240,013	4,176,264
Total liabilities, deferred inflows of resources and fund balance	\$ 3,808,510	\$ 182,650	\$ 240,672	\$ 4,231,832

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 FISCAL YEAR ENDED JUNE 30, 2013**

Total fund balance - governmental funds **\$ 4,176,264**

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 statements because they are not current financial resources, but they are reported in the Statement of Net Position. 3,149,637

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 429

Certain liabilities, such as compensated absences, are not reported in the governmental funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position. (62,794)

Total net position - governmental activities **\$ 7,263,536**

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

TOWN OF ROUND MOUNTAIN, NEVADA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Major Fund		Other Governmental Funds	Total Governmental Funds
	General	Capital Projects		
Revenues:				
Taxes	\$ 1,278,936	\$ -	\$ -	\$ 1,278,936
Licenses and permits	3,208	-	-	3,208
Intergovernmental	261,957	-	92,186	354,143
Charges for services	31,213	-	-	31,213
Fines and forfeitures	475	-	-	475
Miscellaneous	17,992	1,840	969	20,801
Total revenues	<u>1,593,781</u>	<u>1,840</u>	<u>93,155</u>	<u>1,688,776</u>
Expenditures:				
General government	529,616	-	-	529,616
Public safety	242,344	-	-	242,344
Public works	17,083	-	17,447	34,530
Culture and recreation	210,718	-	-	210,718
Capital projects	-	543,726	150,000	693,726
Total expenditures	<u>999,761</u>	<u>543,726</u>	<u>167,447</u>	<u>1,710,934</u>
Excess (deficiency) of revenues over expenditures	594,020	(541,886)	(74,292)	(22,158)
Fund balance:				
Beginning of year	<u>3,159,581</u>	<u>724,536</u>	<u>314,305</u>	<u>4,198,422</u>
End of year	<u>\$ 3,753,601</u>	<u>\$ 182,650</u>	<u>\$ 240,013</u>	<u>\$ 4,176,264</u>

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

TOWN OF ROUND MOUNTAIN, NEVADA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Net change in fund balance - governmental funds **\$ (22,158)**

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. 586,183

Property taxes that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenues in the Statement of Activities. (285)

Generally, expenditures recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred. 4,317

Change in net position of governmental activities **\$ 568,057**

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

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 308,289	\$ 308,289	\$ 316,421	\$ 8,132
Net proceeds	-	-	962,515	962,515
Total taxes	<u>308,289</u>	<u>308,289</u>	<u>1,278,936</u>	<u>970,647</u>
Licenses and permits:				
Gaming licenses	2,000	2,000	2,048	48
Liquor licenses	<u>1,000</u>	<u>1,000</u>	<u>1,160</u>	<u>160</u>
Total licenses and permits	<u>3,000</u>	<u>3,000</u>	<u>3,208</u>	<u>208</u>
Intergovernmental:				
Consolidated tax	<u>251,399</u>	<u>251,399</u>	<u>261,957</u>	<u>10,558</u>
Charges for services:				
Swimming pool	4,000	4,000	2,328	(1,672)
Arcade/Vending	-	-	40	40
Weight room fees	15,000	15,000	22,090	7,090
Water charges	<u>5,000</u>	<u>5,000</u>	<u>6,755</u>	<u>1,755</u>
Total charges for services	<u>24,000</u>	<u>24,000</u>	<u>31,213</u>	<u>7,213</u>
Fines and forfeitures	<u>1,000</u>	<u>1,000</u>	<u>475</u>	<u>(525)</u>
Miscellaneous:				
Rent	4,000	4,000	6,740	2,740
Investment income	25,000	25,000	10,884	(14,116)
Other	<u>-</u>	<u>-</u>	<u>368</u>	<u>368</u>
Total miscellaneous	<u>29,000</u>	<u>29,000</u>	<u>17,992</u>	<u>(11,008)</u>
Total revenues	<u>616,688</u>	<u>616,688</u>	<u>1,593,781</u>	<u>977,093</u>

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

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Administration:				
Salaries and wages	\$ 183,487	\$ 183,487	\$ 81,974	\$ 101,513
Employee benefits	35,303	35,303	154,581	(119,278)
Services and supplies	117,600	117,600	68,392	49,208
Capital outlay	18,000	18,000	1,555	16,445
Total administration	<u>354,390</u>	<u>354,390</u>	<u>306,502</u>	<u>47,888</u>
Building and Grounds:				
Salaries and wages	95,113	95,113	93,346	1,767
Employee benefits	41,592	41,592	38,050	3,542
Services and supplies	116,000	116,000	66,517	49,483
Capital outlay	153,500	153,500	25,201	128,299
Total building and grounds	<u>406,205</u>	<u>406,205</u>	<u>223,114</u>	<u>183,091</u>
Total general government	<u>760,595</u>	<u>760,595</u>	<u>529,616</u>	<u>230,979</u>
Public Safety:				
Hadley Station:				
Salaries and wages	168,175	168,175	115,227	52,948
Employee benefits	117,286	117,286	65,158	52,128
Services and supplies	144,700	144,700	40,963	103,737
Capital outlay	35,000	35,000	20,996	14,004
Total public safety	<u>465,161</u>	<u>465,161</u>	<u>242,344</u>	<u>222,817</u>
Public Works:				
Highways and Streets:				
Services and supplies	20,000	20,000	13,257	6,743
Capital outlay	25,000	25,000	-	25,000
Round Mountain Water:				
Services and supplies	25,000	25,000	3,826	21,174
Total public works	<u>70,000</u>	<u>70,000</u>	<u>17,083</u>	<u>52,917</u>

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

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For the year ended June 30, 2013

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued):				
Culture and Recreation:				
Swimming Pool:				
Salaries and wages	\$ 56,880	\$ 56,880	\$ 6,659	\$ 50,221
Employee benefits	7,293	7,293	988	6,305
Services and supplies	44,200	44,200	15,993	28,207
Capital outlay	5,000	5,000	5,121	(121)
Total swimming pool	<u>113,373</u>	<u>113,373</u>	<u>28,761</u>	<u>84,612</u>
Parks and recreation:				
Salaries and wages	82,337	82,337	68,212	14,125
Employee benefits	38,462	38,462	30,240	8,222
Services and supplies	131,700	131,700	76,078	55,622
Capital outlay	16,000	16,000	7,427	8,573
Total parks and recreation	<u>268,499</u>	<u>268,499</u>	<u>181,957</u>	<u>86,542</u>
Total culture and recreation	<u>381,872</u>	<u>381,872</u>	<u>210,718</u>	<u>171,154</u>
Contingency	<u>50,329</u>	<u>50,329</u>	-	<u>50,329</u>
Total expenditures	<u>1,727,957</u>	<u>1,727,957</u>	<u>999,761</u>	<u>728,196</u>
Excess (deficiency) of revenues over expenditures	(1,111,269)	(1,111,269)	594,020	1,705,289
Fund balance:				
Beginning of year	<u>2,844,418</u>	<u>2,844,418</u>	<u>3,159,581</u>	<u>315,163</u>
End of year	<u>\$ 1,733,149</u>	<u>\$ 1,733,149</u>	<u>\$ 3,753,601</u>	<u>\$ 2,020,452</u>

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

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For the year ended June 30, 2013

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous:				
Investment income	\$ -	\$ -	\$ 1,840	\$ 1,840
Expenditures:				
Capital projects	<u>700,000</u>	<u>700,000</u>	<u>543,726</u>	<u>156,274</u>
Excess (deficiency) of revenues over expenditures	(700,000)	(700,000)	(541,886)	158,114
Fund balance:				
Beginning of year	<u>723,757</u>	<u>723,757</u>	<u>724,536</u>	<u>779</u>
End of year	<u>\$ 23,757</u>	<u>\$ 23,757</u>	<u>\$ 182,650</u>	<u>\$ 158,893</u>

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

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For the year ended June 30, 2013

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2013

2013

ASSETS

Current assets:	
Pooled cash and investments	\$ 239,750
Interest receivable	353
Accounts receivable (net)	34,880
Inventory	<u>56,044</u>
Total current assets	<u>331,027</u>
Capital assets:	
Equipment	1,120,870
Less accumulated depreciation	<u>(768,675)</u>
Capital assets (net of accumulated depreciation)	<u>352,195</u>
Total assets	<u>683,222</u>

LIABILITIES

Current liabilities:	
Accounts payable	11,406
Accrued payroll	14,851
Customer deposits	13,600
Accrued compensated absences	<u>11,842</u>
Total current liabilities	51,699
Long term liabilities:	
Accrued compensated absences	<u>-</u>
Total liabilities	<u>51,699</u>

NET POSITION

Invested in capital assets, net of related debt	352,195
Unrestricted	<u>279,328</u>
Total net position	<u>\$ 631,523</u>

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

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUND - ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	2013
Operating Revenues:	
Charges for services	\$ <u>294,293</u>
Operating Expenses:	
Utility operations:	
Salaries and wages	107,484
Employee benefits	41,978
Services and supplies	108,635
Depreciation	<u>58,058</u>
 Total operating expenses	 <u>316,155</u>
 Operating income (loss)	 <u>(21,862)</u>
 Non-operating revenues (expenses):	
Investment income	629
Miscellaneous income	<u>105</u>
Total non-operating revenues (expenses):	<u>734</u>
 Net income (loss)	 (21,128)
 Net Position:	
Beginning of year	<u>652,651</u>
 End of year	 <u>\$ 631,523</u>

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

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	2013
Cash flows from operating activities:	
Cash received from customers	\$ 292,772
Cash paid for salaries and employee benefits	(154,681)
Cash paid for services and supplies	<u>(108,747)</u>
Cash provided by operating activities	<u>29,344</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(10,426)
Miscellaneous	<u>105</u>
Cash provided by capital and related financing activities	<u>(10,321)</u>
Cash flows from investing activities:	
Investment income	<u>880</u>
Net increase in cash	19,903
Cash:	
Beginning of year	<u>219,847</u>
End of year	<u>\$ 239,750</u>
Reconciliation of operating income (loss) to cash provided by operating activities:	
Operating income (loss)	<u>\$ (21,862)</u>
Adjustments to reconcile operating income (loss) to cash provided by operating activities:	
Depreciation	58,058
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(2,971)
(Increase) decrease in inventory	(693)
Increase (decrease) in accounts payable	581
Increase (decrease) in accrued payroll	11,583
Increase (decrease) in compensated absences	(16,802)
Increase (decrease) in customer deposits	<u>1,450</u>
Total adjustments	<u>51,206</u>
Cash provided by operating activities	<u>\$ 29,344</u>

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

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The Town is governed by an elected five member board. As required by generally accepted accounting principles, these financial statements present the Town's funds and account groups for which the Town is considered to be financially accountable. There were no component units of the Town at June 30, 2013. The Town is not included in any other governmental reporting entity as a component unit as defined by Governmental Accounting Standards Board pronouncements.

2. Basic Financial Statements

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

3. Government-wide Financial Statements

The government-wide financial statements are made up of the Statement of Net 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. For the most part, the effect of interfund activity has been removed from these statements.

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 operating grants and contributions and investment earnings legally restricted to support a specific program. Taxes and other revenues properly not included among program revenues are reported instead as general revenues. This statement provides a net cost or net revenue of specific programs and functions within the Town. Those functions with a net cost are generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Fund Financial Statements

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

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

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

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

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

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

The Town reports the following major governmental fund:

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

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

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally the Town reports the following major fund types:

Proprietary Fund:

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

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

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

a. Deposits and Investments

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

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

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. Deposits and Investments (Continued)

Nevada Revised Statutes authorize the Town to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not extend more than ten years from the date purchased.
2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$250,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 20 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.

b. Receivables and Payables

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

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

Taxes on real property are levied in July of each year and are due in July. They can be paid in quarterly installments in August, October, January, and March. In the event of nonpayment, the County Treasurer is

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Receivables and Payables (continued)

authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties, and costs, together with interest at the rate of 10 percent per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien.

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

Taxes for the net proceeds of mines are paid on an annual and quarterly basis. Payments for net proceeds received on estimated business from January 1, 2013 through December 31, 2013 are reflected in the financial statements. In addition, the financial statements reflect quarterly payments related to actual production in excess of the original projections for the period of January 1, 2012 through December 31, 2012. Additional amounts due, based on actual business for the period ending December 31, 2013 are determined subsequent to December 31, 2013. Credits for overpayments of estimated tax received for the production year ending December 31, 2013 are applied to future tax payments in accordance with NRS 362.130. The impact to the Town of future additional amounts due or future credits is not determinable at June 30, 2013, and is not reflected in the financial statement.

c. Inventories and Prepaid Items

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

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

Payments to vendors that will benefit periods beyond June 30, 2013, are recorded as prepaid expenses in the fund financial statements. They are recorded as prepaid expenses in the government-wide financial statements.

d. Capital Assets

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

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

d. Capital Assets (Continued)

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

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

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

e. Accrued Salaries and Benefits

Town salaries earned but not paid by June 30, 2013, have been accrued as liabilities and shown as expenditures for the current year.

f. Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements. No expenditure is reported for these amounts in the fund financial statements (See Note D5). Vacation leave and sick leave included in accrued liabilities and recorded as expenditures in governmental fund types is the amount normally liquidated from "available spendable resources."

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

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

g. 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 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 in the year incurred. Deferred losses related to the refunding of debt are reported as a deferred charge component of bonds payable and are amortized over the term of the related debt.

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

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The town has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial 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 type of item, 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 or resources in the period that the amounts become available.

i. Use of Estimates

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

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

j. Governmental Fund Balances

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

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

k. Net Position

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

1. **Invested in Capital Assets, net of Related Debt**
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. Designations of fund balance represent tentative management plans that are subject to change.
3. **Unrestricted**
This is the component of net position that is the difference between the assets and liabilities not reported in Invested in Capital Assets, Net of Related Debt and Restricted Assets.

l. Use of Restricted Resources

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. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net 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 details of this difference are as follows:

Capital outlay	\$	754,025
Depreciation expense		<u>(167,842)</u>
		<u>\$ 586,183</u>

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

Compensated absences	\$	<u>4,317</u>
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C. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

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

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

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

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

C. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

1. Budgetary Information (Continued)

- c. Public hearings are conducted on the third Thursday in May.
- d. After all changes have been noted and hearings closed, the Town adopts the budget on or before June 1.
- e. Whenever such an action does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions, the Town may transfer appropriations within any function or program or between functions or programs within a fund, if:
 - 1. The governing body is advised of the action at the next regular meeting; and
 - 2. The action is recorded in the official minutes of the meeting.
- f. Increases to a fund budget (augmentation) other than by transfers must be approved by the Town Board.
- g. Statutory regulations require budget control to be exercised at the function level.
- h. There were no budget augmentations (increases) for the year ended June 30, 2013.
- i. All appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year.

D. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

1. Deposits and Investments

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

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

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

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

1. Deposits and Investments (Continued)

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

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

The fair value of the Town's investment in the Nye County Treasurer's Investment Pool was determined by multiplying the pool's fair value per share factor times the Town's pool balance as of June 30, 2013.

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

	Governmental <u>Funds</u>	Enterprise <u>Fund</u>	<u>Total</u>
Cash in the hands of officers	\$ 8,006	\$ 52,631	\$ 60,637
Carrying amount of cash and investments	<u>4,159,065</u>	<u>187,119</u>	<u>4,346,184</u>
Total	<u>\$ 4,167,071</u>	<u>\$ 239,750</u>	<u>\$ 4,406,821</u>
 Cash and cash equivalents	 <u>\$ 4,167,071</u>	 <u>\$ 239,750</u>	 <u>\$ 4,406,821</u>

2. Receivables

Receivables as of June 30, 2013, are as follows:

	General <u>Fund</u>	Capital Projects <u>Fund</u>	Other Governmental <u>Funds</u>	Enterprise <u>Fund</u>	<u>Total</u>
Receivables:					
Delinquent taxes	\$ 572	\$ 0	0	\$ 0	\$ 572
Interest	5,427	271	275	353	6,326
Due from other governments:					
Consolidated taxes	46,915	0	0	0	46,915
Fuel taxes	0	0	11,301	0	11,301
Accounts receivable - utility	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,880</u>	<u>34,880</u>
Total receivables	<u>\$ 52,914</u>	<u>\$ 271</u>	<u>\$ 11,576</u>	<u>\$ 35,233</u>	<u>\$ 99,994</u>

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

3. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2013, follows:

Governmental Activities:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 481,416	\$ 0	\$ 0	\$ 481,416
Capital assets being depreciated:				
Building	2,181,998	709,563	0	2,891,561
Equipment	<u>1,647,001</u>	<u>44,462</u>	<u>0</u>	<u>1,691,463</u>
Total capital assets being depreciated	<u>3,828,999</u>	<u>754,025</u>	<u>0</u>	<u>4,583,024</u>
Less accumulated depreciation for:				
Building	579,818	73,368	0	653,186
Equipment	<u>1,167,143</u>	<u>94,474</u>	<u>0</u>	<u>1,261,617</u>
Total accumulated depreciation	<u>1,746,961</u>	<u>167,842</u>	<u>0</u>	<u>1,914,803</u>
Total capital assets being depreciated, net	<u>2,082,038</u>	<u>586,183</u>	<u>0</u>	<u>2,668,221</u>
Governmental activities assets, net	<u>\$ 2,563,454</u>	<u>\$ 586,183</u>	<u>\$ 0</u>	<u>\$ 3,149,637</u>

Business Type Activities:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Equipment	\$ 1,110,444	\$ 10,426	\$ 0	\$ 1,120,870
Less accumulated depreciation for:				
Equipment	710,617	58,058	0	768,675
Business Type Activities assets, net	<u>\$ 399,827</u>	<u>\$ (47,632)</u>	<u>\$ 0</u>	<u>\$ 352,195</u>

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

Governmental activities:

General government	\$ 39,610
Public safety	46,004
Public works	18,593
Culture and recreation	<u>63,635</u>

\$ 167,842

Business activities:

Water and sewer	<u>\$ 58,058</u>
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Construction commitments:

The Town has no active projects as of June 30, 2013.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

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

4. Deferred Inflows of Resources

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 revenue – property taxes in the General Fund were \$429.

5. Long -Term Debt

During the year ended June 30, 2013, the following changes occurred in long-term debt:

	Balance <u>July 1, 2012</u>	Net Additions (Reductions)	Balance <u>June 30, 2013</u>
Governmental Activities:			
Accrued compensated absences	\$ 67,111	\$ (4,317)	\$ 62,794

	Balance <u>July 1, 2012</u>	Net Additions (Reductions)	Balance <u>June 30, 2013</u>
Business Type Activities:			
Accrued compensated absences	\$ 28,644	\$ (16,802)	\$ 11,842

E. OTHER INFORMATION

1. Risk Management

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

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

The Town is self-insured for unemployment claims.

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

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

E. OTHER INFORMATION (Continued)

2. Contingent Liabilities

Grants

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

Litigation

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

3. Pension Plan

Plan Description. The Town contributes to 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 report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

Funding Policy. Contribution rates are established by NRS 286.410. The Town's contributions are based on the actuarially determined statutory rate. Contributions to the plan are made by the Town. The Town's contribution rates and amounts contributed, which equaled required contributions, for the last three years are as follows:

<u>Fiscal Year</u>	<u>Regular Members</u>	<u>Total Contribution</u>
2012-2013	23.75%	\$127,055
2011-2012	23.75%	114,414
2010-2011	21.50%	107,747

based on normal activity.

does not inc. OK's buyout.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2013

E. OTHER INFORMATION (Continued)

4. Post-employment Health Care Plan

Plan Description The Town administers a single-employer defined benefit healthcare plan. The plan provides medical, dental, prescription, and life insurance benefits to eligible retired Town employees.

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

Funding Policy The retiree is required to pay the full amount of their coverage, the Town does not contribute to the cost of coverage. As of June 30, 2013, there were no retirees using the plan. In addition, there were no retirees who were part of the PEBP plan.

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

Funding Status and Funding Progress Because the Town does not contribute to the cost of coverage for retired employees, as of June 30, 2013, Town liabilities for post employment health care benefits are estimated to be zero.

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.

Special Ad Valorem Capital Projects Fund

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

**TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2013 AND 2012**

	2013	2012
<u>ASSETS</u>		
Pooled cash and investments	\$ 3,755,596	\$ 3,074,962
Interest receivable	5,427	10,790
Taxes receivable	572	776
Due from other governments	<u>46,915</u>	<u>126,126</u>
 Total assets	 <u>\$ 3,808,510</u>	 <u>\$ 3,212,654</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 18,431	\$ 27,030
Accrued payroll	<u>36,049</u>	<u>25,329</u>
 Total liabilities	 <u>54,480</u>	 <u>52,359</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue-property taxes	<u>429</u>	<u>714</u>
<u>FUND BALANCE</u>		
Assigned for subsequent year	3,083,272	
Unassigned	<u>670,329</u>	<u>3,159,581</u>
 Total fund balance	 <u>3,753,601</u>	 <u>3,159,581</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 3,808,510</u>	 <u>\$ 3,212,654</u>

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Variance -	
	Budget	Actual	Positive (Negative)	2012 Actual
Revenues:				
Taxes	\$ 308,289	\$ 1,278,936	\$ 970,647	\$ 1,003,545
Licenses and permits	3,000	3,208	208	3,980
Intergovernmental	251,399	261,957	10,558	241,306
Charges for services	24,000	31,213	7,213	26,568
Fines and forfeitures	1,000	475	(525)	1,427
Miscellaneous	29,000	17,992	(11,008)	19,491
Total revenues	<u>616,688</u>	<u>1,593,781</u>	<u>977,093</u>	<u>1,296,317</u>
Expenditures:				
General government	760,595	529,616	230,979	473,440
Public safety	465,161	242,344	222,817	206,531
Public works	70,000	17,083	52,917	17,908
Culture and recreation	381,872	210,718	171,154	245,063
Contingency	50,329	-	50,329	-
Total expenditures	<u>1,727,957</u>	<u>999,761</u>	<u>728,196</u>	<u>942,942</u>
Excess (deficiency) of revenues over expenditures	(1,111,269)	594,020	1,705,289	353,375
Other financing sources (uses):				
Operating transfers out	-	-	-	(500,000)
Net change in fund balance	(1,111,269)	594,020	1,705,289	(146,625)
Fund balance:				
Beginning of year	<u>2,844,418</u>	<u>3,159,581</u>	<u>315,163</u>	<u>3,306,206</u>
End of year	<u>\$ 1,733,149</u>	<u>\$ 3,753,601</u>	<u>\$ 2,020,452</u>	<u>\$ 3,159,581</u>

*no violation
will be issued*

*moved into
cap. prog
fund*

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, 2013

(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Variance -	2012
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Taxes:				
Property taxes	\$ 308,289 ^{x 15%}	\$ 316,421	\$ 8,132	\$ 248,405
Net proceeds	-	962,515	962,515	755,140
Total taxes	<u>308,289</u>	<u>1,278,936</u>	<u>970,647</u>	<u>1,003,545</u>
Licenses and permits:				
Gaming licenses	2,000	2,048	48	2,700
Liquor licenses	1,000	1,160	160	1,280
Total licenses and permits	<u>3,000</u>	<u>3,208</u>	<u>208</u>	<u>3,980</u>
Intergovernmental:				
Consolidated tax <i>sales + other taxes</i>	<u>251,399</u>	<u>261,957</u>	<u>10,558</u>	<u>241,306</u>
Charges for services:				
Swimming pool	4,000	2,328	(1,672)	4,593
Arcade/vending	-	40	40	8
Weight room fees	15,000	22,090	7,090	15,390
Water charges	5,000	6,755	1,755	6,577
Total charges for services	<u>24,000</u>	<u>31,213</u>	<u>7,213</u>	<u>26,568</u>
Fines and forfeitures	<u>1,000</u>	<u>475</u>	<u>(525)</u>	<u>1,427</u>
Miscellaneous:				
Rent	4,000	6,740	2,740	3,815
Investment income	25,000	10,884	(14,116)	15,333
Other	-	368	368	343
Total miscellaneous	<u>29,000</u>	<u>17,992</u>	<u>(11,008)</u>	<u>19,491</u>
Total revenues	<u>\$ 616,688</u>	<u>\$ 1,593,781</u>	<u>\$ 977,093</u>	<u>\$ 1,296,317</u>

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Variance -	
	Budget	Actual	Positive (Negative)	2012 Actual
Expenditures:				
General government:				
Administration:				
Salaries and wages	\$ 183,487	\$ 81,974	\$ 101,513	\$ 78,218
Employee benefits	35,303	154,581	(119,278)	29,758
Services and supplies	117,600	68,392	49,208	68,101
Capital outlay	18,000	1,555	16,445	24,276
Total administration	<u>354,390</u>	<u>306,502</u>	<u>47,888</u>	<u>200,353</u>
Building and Grounds:				
Salaries and wages	95,113	93,346	1,767	87,928
Employee benefits	41,592	38,050	3,542	35,931
Services and supplies	116,000	66,517	49,483	56,591
Capital outlay	153,500	25,201	128,299	92,637
Total building and grounds	<u>406,205</u>	<u>223,114</u>	<u>183,091</u>	<u>273,087</u>
Total general government	<u>760,595</u>	<u>529,616</u>	<u>230,979</u>	<u>473,440</u>
Public Safety:				
Hadley Station:				
Salaries and wages	168,175	115,227	52,948	111,247
Employee benefits	117,286	65,158	52,128	56,502
Services and supplies	144,700	40,963	103,737	22,048
Capital outlay	35,000	20,996	14,004	16,734
Total public safety	<u>465,161</u>	<u>242,344</u>	<u>222,817</u>	<u>206,531</u>
Public Works:				
Highways and Streets:				
Services and supplies	20,000	13,257	6,743	13,269
Capital outlay	25,000	-	25,000	-
Round Mountain Water:				
Services and supplies	25,000	3,826	21,174	4,639
Total public works	<u>70,000</u>	<u>17,083</u>	<u>52,917</u>	<u>17,908</u>

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Variance -	2012
	Budget	Actual	Positive (Negative)	Actual
Expenditures (Continued):				
Culture and Recreation:				
Swimming Pool:				
Salaries and wages	\$ 56,880	\$ 6,659	\$ 50,221	\$ 10,122
Employee benefits	7,293	988	6,305	1,211
Services and supplies	44,200	15,993	28,207	19,608
Capital outlay	<u>5,000</u>	<u>5,121</u>	<u>(121)</u>	<u>-</u>
Total swimming pool	<u>113,373</u>	<u>28,761</u>	<u>84,612</u>	<u>30,941</u>
Parks and recreation:				
Salaries and wages	82,337	68,212	14,125	72,368
Employee benefits	38,462	30,240	8,222	32,048
Services and supplies	131,700	76,078	55,622	60,876
Capital outlay	<u>16,000</u>	<u>7,427</u>	<u>8,573</u>	<u>48,830</u>
Total parks and recreation	<u>268,499</u>	<u>181,957</u>	<u>86,542</u>	<u>214,122</u>
Total culture and recreation	<u>381,872</u>	<u>210,718</u>	<u>171,154</u>	<u>245,063</u>
Contingency	<u>50,329</u>	<u>-</u>	<u>50,329</u>	<u>-</u>
Total expenditures	<u>1,727,957</u>	<u>999,761</u>	<u>728,196</u>	<u>942,942</u>
Excess (deficiency) of revenues over expenditures	(1,111,269)	594,020	1,705,289	353,375
Other financing sources (uses):				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Net change in fund balance	(1,111,269)	594,020	1,705,289	(146,625)
Fund balance:				
Beginning of year	<u>2,844,418</u>	<u>3,159,581</u>	<u>315,163</u>	<u>3,306,206</u>
End of year	<u>\$ 1,733,149</u>	<u>\$ 3,753,601</u>	<u>\$ 2,020,452</u>	<u>\$ 3,159,581</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2013 AND 2012**

	2013	2012
<u>ASSETS</u>		
Pooled cash and investments	\$ 182,379	\$ 724,354
Interest receivable	<u>271</u>	<u>182</u>
Total assets	<u>\$ 182,650</u>	<u>\$ 724,536</u>
<u>FUND BALANCE</u>		
Restricted for capital projects	<u>\$ 182,650</u>	<u>\$ 724,536</u>

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Variance - Positive (Negative)	2012 Actual
	Budget	Actual		
Revenues:				
Miscellaneous:				
Investment income	\$ -	\$ 1,840	\$ 1,840	\$ 779
Expenditures:				
Capital projects	<u>700,000</u>	<u>543,726</u>	<u>156,274</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(700,000)	(541,886)	158,114	779
Other financing sources (uses):				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Net change in fund balance	(700,000)	(541,886)	158,114	500,779
Fund balance:				
Beginning of year	<u>723,757</u>	<u>724,536</u>	<u>779</u>	<u>223,757</u>
End of year	<u>\$ 23,757</u>	<u>\$ 182,650</u>	<u>\$ 158,893</u>	<u>\$ 724,536</u>

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For the year ended June 30, 2013

MAJOR ENTERPRISE FUND

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

Round Mountain Public Utility Fund is used to account for revenue and expense 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 STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

	2013	2012
<u>ASSETS</u>		
Current assets:		
Pooled cash and investments	\$ 239,750	\$ 219,847
Interest receivable	353	604
Accounts receivable (net)	34,880	31,909
Inventory	56,044	55,351
Total current assets	<u>331,027</u>	<u>307,711</u>
Capital assets:		
Equipment	1,120,870	1,110,444
Less accumulated depreciation	<u>(768,675)</u>	<u>(710,617)</u>
Capital assets (net of accumulated depreciation)	<u>352,195</u>	<u>399,827</u>
Total assets	<u>683,222</u>	<u>707,538</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	11,406	10,825
Accrued payroll	14,851	3,268
Customer deposits	13,600	12,150
Accrued compensated absences	11,842	6,479
Total current liabilities	<u>51,699</u>	<u>32,722</u>
Long term liabilities:		
Accrued compensated absences	-	<u>22,165</u>
Total liabilities	<u>51,699</u>	<u>54,887</u>
<u>NET POSITION</u>		
Invested in capital assets, net of related debt	352,195	399,827
Unrestricted	<u>279,328</u>	<u>252,824</u>
Total net position	<u>\$ 631,523</u>	<u>\$ 652,651</u>

*net equity, only reason for
cause of depr*

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 FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Variance - Positive (Negative)	2012 Actual
	Budget	Actual		
Operating revenues:				
Charges for services	\$ 260,000	\$ 294,293	\$ 34,293	\$ 292,883
Operatn expenses:				
Utility operations:				
Salaries and wages	118,787	107,484	11,303	125,254
Employee benefits	48,603	41,978	6,625	35,292
Services and supplies	167,750	108,635	59,115	100,092
Capital outlay	11,900	-	11,900	-
Depreciation	60,000	58,058	1,942	57,969
 Total operating expenses	 407,040	 316,155	 90,885	 318,607
Operating income (loss) <i>depr loss not cash loss</i>	<u>(147,040)</u>	<u>(21,862)</u>	<u>125,178</u>	<u>(25,724)</u>
Non-operating revenues (expenses):				
Investment income	1,000	629	(371)	810
Miscellaneous	-	105	105	-
Total non-operating revenues (expenses)	<u>1,000</u>	<u>734</u>	<u>(266)</u>	<u>810</u>
 Change in net position	 <u>\$ (146,040)</u>	 (21,128)	 <u>\$ 124,912</u>	 (24,914)
Net position:				
Beginning of year		<u>652,651</u>		<u>677,565</u>
End of year		<u>\$ 631,523</u>		<u>\$ 652,651</u>

TOWN OF ROUND MOUNTAIN, NEVADA
MAJOR FUND - ROUND MOUNTAIN PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUND
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Cash flows from operating activities:		
Cash received from customers	\$ 292,772	\$ 287,997
Cash paid for salaries, wages and employee benefits	(154,681)	(143,642)
Cash paid for services and supplies	(108,747)	(99,075)
Cash provided by operating activities	<u>29,344</u>	<u>45,280</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(10,426)	(12,594)
Miscellaneous	105	-
Cash provided by capital and related financing activities	<u>(10,321)</u>	<u>(12,594)</u>
Cash flows from investing activities:		
Cash received from investments	<u>880</u>	<u>868</u>
Net increase in cash	19,903	33,554
Cash:		
Beginning of year	<u>219,847</u>	<u>186,293</u>
End of year	<u>\$ 239,750</u>	<u>\$ 219,847</u>
Reconciliation of operating income (loss) to cash provided by operating activities:		
Operating income (loss)	<u>\$ (21,862)</u>	<u>\$ (25,724)</u>
Adjustments to reconcile operating income (loss) to cash provided by operating activities:		
Depreciation	58,058	57,969
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,971)	(7,723)
(Increase) decrease in inventory	(693)	255
Increase (decrease) in accounts payable	581	762
Increase (decrease) in accrued payroll	11,583	(1,708)
Increase (decrease) in compensated absences	(16,802)	18,612
Increase (decrease) in customer deposits	1,450	2,837
Total adjustments	<u>51,206</u>	<u>71,004</u>
Cash provided by operating activities	<u>\$ 29,344</u>	<u>\$ 45,280</u>

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For the year ended June 30, 2013

NONMAJOR GOVERNMENTAL FUNDS

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

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For the year ended June 30, 2013

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2013 Totals	2012 Totals
<u>ASSETS</u>				
Pooled cash and investments	\$ 194,277	\$ 34,819	\$ 229,096	\$ 302,504
Interest receivable	275	-	275	912
Due from other governments	<u>11,301</u>	<u>-</u>	<u>11,301</u>	<u>10,889</u>
Total assets	<u>\$ 205,853</u>	<u>\$ 34,819</u>	<u>\$ 240,672</u>	<u>\$ 314,305</u>
<u>LIABILITIES</u>				
Accounts payable	<u>\$ 659</u>	<u>\$ -</u>	<u>\$ 659</u>	<u>\$ -</u>
<u>FUND BALANCE</u>				
Restricted for capital projects	-	34,819	34,819	159,320
Restricted for public works	<u>205,194</u>	<u>-</u>	<u>205,194</u>	<u>154,985</u>
Total fund balance	<u>205,194</u>	<u>34,819</u>	<u>240,013</u>	<u>314,305</u>
Total liabilities and fund balance	<u>\$ 205,853</u>	<u>\$ 34,819</u>	<u>\$ 240,672</u>	<u>\$ 314,305</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2013 Totals	2012 Totals
Revenues:				
Intergovernmental	\$ 67,158	\$ 25,028	\$ 92,186	\$ 87,570
Miscellaneous <i>gast tax</i>	498	471	969	1,225
Total revenues	<u>67,656</u>	<u>25,499</u>	<u>93,155</u>	<u>88,795</u>
Expenditures:				
Public works	17,447	-	17,447	17,857
Capital projects	-	150,000	150,000	5,957
Total expenditures	<u>17,447</u>	<u>150,000</u>	<u>167,447</u>	<u>23,814</u>
Excess (deficiency) of revenues over expenditures	50,209	(124,501)	(74,292)	64,981
Fund balance:				
Beginning of year	<u>154,985</u>	<u>159,320</u>	<u>314,305</u>	<u>249,324</u>
End of year	<u>\$ 205,194</u>	<u>\$ 34,819</u>	<u>\$ 240,013</u>	<u>\$ 314,305</u>

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For the year ended June 30, 2013

NONMAJOR SPECIAL REVENUE FUND

ROAD FUND

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

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For the year ended June 30, 2013

**TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - ROAD SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2013 and 2012**

	2013	2012
<u>ASSETS</u>		
Pooled cash and investments	\$ 194,277	\$ 143,645
Interest receivable	275	451
Due from other governments	<u>11,301</u>	<u>10,889</u>
Total assets	<u>\$ 205,853</u>	<u>\$ 154,985</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 659	\$ -
<u>FUND BALANCE</u>		
Restricted for public works	<u>205,194</u>	<u>154,985</u>
Total liabilities and fund balance	<u>\$ 205,853</u>	<u>\$ 154,985</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, 2013**

(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Variance - Positive (Negative)	2012 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Gas tax \$1.75	\$ 30,000	\$ 67,158	\$ 37,158	\$ 63,683
Miscellaneous:				
Investment income	<u>500</u>	<u>498</u>	<u>(2)</u>	<u>641</u>
Total revenues	<u>30,500</u>	<u>67,656</u>	<u>37,156</u>	<u>64,324</u>
Expenditures:				
Public works:				
Services and supplies	90,000	17,447	72,553	17,857
Capital outlay	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Total expenditures	<u>100,000</u>	<u>17,447</u>	<u>82,553</u>	<u>17,857</u>
Excess (deficiency) of revenues over expenditures	(69,500)	50,209	119,709	46,467
Fund balance:				
Beginning of year	<u>129,018</u>	<u>154,985</u>	<u>25,967</u>	<u>108,518</u>
End of year	<u>\$ 59,518</u>	<u>\$ 205,194</u>	<u>\$ 145,676</u>	<u>\$ 154,985</u>

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For the year ended June 30, 2013

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.

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

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For the year ended June 30, 2013

TOWN OF ROUND MOUNTAIN, NEVADA
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2013 AND 2012

	2013	2012
<u>ASSETS</u>		
Pooled cash and investments	\$ 34,819	\$ 158,859
Interest receivable	<u>-</u>	<u>461</u>
Total assets	<u>\$ 34,819</u>	<u>\$ 159,320</u>
<u>LIABILITIES</u>		
Accounts payable	\$ -	\$ -
<u>FUND BALANCE</u>		
Restricted for capital projects	<u>34,819</u>	<u>159,320</u>
Total liabilities and fund balance	<u>\$ 34,819</u>	<u>\$ 159,320</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, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	2013		Variance - Positive (Negative)	2012 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
County	\$ 20,000	\$ 25,028	\$ 5,028	\$ 23,887
Miscellaneous:				
Investment income	<u>500</u>	<u>471</u>	<u>(29)</u>	<u>584</u>
Total revenues	20,500	25,499	4,999	24,471
Expenditures:				
Capital projects	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>5,957</u>
Excess (deficiency) of revenues over expenditures	(129,500)	(124,501)	4,999	18,514
Fund balance:				
Beginning of year	<u>159,306</u>	<u>159,320</u>	<u>14</u>	<u>140,806</u>
End of year	<u>\$ 29,806</u>	<u>\$ 34,819</u>	<u>\$ 5,013</u>	<u>\$ 159,320</u>

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For the year ended June 30, 2013

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

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

I have audited in accordance with auditing standards generally accepted in the United States of America 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, 2013, and the notes to the financial statement which collectively comprise the Town's basic financial statements and have issued my report thereon dated November 29, 2013.

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

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

This report is intended for the information of the Honorable Town Board, management, others within the Town, and the Nevada Department of Taxation.



Las Vegas, Nevada
November 29, 2013

TOWN OF ROUND MOUNTAIN, NEVADA
APPENDIX A
SCHEDULE OF CAPITAL PROJECTS ACTIVITY
JUNE 30, 2013

The following are responses to requirements of NRS 354.6113.

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

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

Response

Capital Projects Fund - Public Safety Building \$ 543,726

Special Capital Projects Fund - Public Safety Building \$ 150,000

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

Response

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

Capital Projects Fund:

Transfer from General Fund \$ 501,000

Special Capital Projects Fund:

Taxes \$ 20,000

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

Response

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

Capital Projects Fund: \$ 613,568

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

Response

The Town plans to accumulate money in the special advalorem capital projects fund for future projects.