UNINCORPORATED TOWN OF ROUND MOUNTAIN, NEVADA

COMPONENT UNIT FINANCIAL REPORT

JUNE 30, 1987

Prepared By:
Naoma Lydon,
Nye County Auditor

UNINCORPORATED TOWN OF ROUND MOUNTAIN
JUNE 30, 1987

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UNINCORPORATED TOWN OF ROUND MOUNTAIN

TOWN BOARD MEMBERS
PRESIDING DURING THE YEAR ENDED JUNE 30, 1987

KEITH LYONS - CHAIRMAN

WAYNE MONTGOMERY

ED MIERS, JR.

ROBERT W. BERG

Willis H. Guy
Certified Public Accountant

Member
American Institute of
Certified Public Accountants

Nevada Society of
Certified Public Accountants

15 Sierra Street
Yerington, Nevada 89447
Telephone 702/463-3188

To the Honorable Board of the
Unincorporated Town of Round Mountain, Nevada

I have examined the component unit financial statements of Round Mountain Town and its individual fund, and account group financial statements as of and for the year ended June 30, 1987, as listed in the table of contents. My examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

Fixed assets acquired by Round Mountain Town since June 30, 1975, have not been recorded in the general fixed asset account group and there is no cost information on land and buildings. Therefore, the general fixed asset account group has not been included in the accompanying financial statements.

In my opinion, except for the general fixed asset account group, the component unit financial statements referred to above present fairly the financial position of Round Mountain Town at June 30, 1987, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in my opinion, except for the general fixed asset account group, the individual fund and account group financial statements referred to above present fairly the financial position of each of the individual funds and account groups of Round Mountain Town at June 30, 1987, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

My examination was made for the purpose of forming an opinion on the component unit financial statements taken as a whole and on the individual fund and account group financial statements. The accompanying financial information listed as supplementary data in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Round Mountain Town. The information has been subjected to the auditing procedures applied in the examination of the component unit, individual fund, and account group financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

Willis H. Guy
Yerington, Nevada
November 6, 1986

UNINCORPORATED TOWN OF ROUND MOUNTAIN
NYE COUNTY, NEVADA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1987

	GOVERNMENTAL FUND TYPES		
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS
ASSETS			
Cash	$ 42,822	$ 1,559	$ 9,509
Cash with fiscal agent	11	-	-
Taxes receivable	81	2	-
Due from other governments	3,210	-	-
Other receivables	100	-	-
Amount to be provided for retirement of long-term debt	-	-	-
	$ 46,224	$ 1,561	$ 9,509
LIABILITIES			
Accounts payable	$ 9,799	$ -	$ -
Accrued payroll	2,999	-	-
Deferred tax revenue	81	2	-
Excess ad valorem tax collections	-	-	-
Total Liabilities	12,879	2	-
FUND BALANCE			
Unreserved:			
Designated for subsequent year's expenditures	9,399	-	9,507
Undesignated	23,946	1,559	2
Total Fund Balance	33,345	1,559	9,509
	$ 46,224	$ 1,561	$ 9,509

ACCOUNT GROUP GENERAL LONG-TERM DEBT	TOTALS (MEMORANDUM ONLY) 1987	1986
$ -	$ 53,890	$ 52,403
-	11	34,191
-	83	56
-	3,210	-
-	100	630
2,013	2,013	1,315
$ 2,013	$ 59,307	$ 88,595
$ -	$ 9,799	$ 6,214
2,013	5,012	3,756
-	83	56
-	-	5,456
2,013	14,894	15,482
-	18,906	41,746
-	25,507	31,367
-	44,413	73,113
$ 2,013	$ 59,307	$ 88,595

The accompanying notes are an integral part of these financial statements.

UNINCORPORATED TOWN OF ROUND MOUNTAIN
NYE COUNTY, NEVADA
GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1987

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS
REVENUES			
Property taxes	$ 47,956	$ 1	$ 5,927
Supplemental city/county relief tax	29,557	-	-
Licenses	3,050	-	-
Motor vehicle privilege tax	4,910	-	-
Gasoline taxes	8,980	-	-
State library grant	1,425	-	-
Reimbursement from Nye County schools	12,500	-	-
Other revenues	7,964	-	-
Total Revenues	116,342	1	5,927
EXPENDITURES			
General government	12,167	-	612
Public safety	14,591	-	-
Culture and recreation	84,795	-	19,412
Highways and streets	1,100	-	-
Community support	15,420	-	2,873
Debt service	-	-	-
Total Expenditures	128,073	-	22,897
Excess of Revenues over (under) Expenditures	(11,731)	1	(16,970)
FUND BALANCES			
Beginning of year	45,076	1,558	26,479
End of year	$ 33,345	$ 1,559	$ 9,509

TOTALS (MEMORANDUM ONLY)	
1987	1986
$ 53,884	$ 65,718
29,557	26,014
3,050	2,470
4,910	-
8,980	-
1,425	-
12,500	9,450
7,964	5,080
122,270	108,732
12,779	14,020
14,591	14,104
104,207	63,270
1,100	-
18,293	40,791
-	15
150,970	132,200
(28,700)	(23,468)
73,113	96,581
$ 44,413	$ 73,113

The accompanying notes are an integral part of these financial statements.

UNINCORPORATED TOWN OF ROUND MOUNTAIN
NYE COUNTY, NEVADA
GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1987

	GENERAL FUND		
	BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES			
Property taxes	$ 66,717	$ 47,956	$(18,761)
Supplemental city/county relief tax	28,124	29,557	1,433
Licenses	1,500	3,050	1,550
Motor vehicle privilege tax	4,858	4,910	52
Gasoline taxes	-	8,980	8,980
State library grant	1,425	1,425	-
Reimbursement from Nye County schools	10,800	12,500	1,700
Other revenues	4,000	7,964	3,964
Total Revenues	117,424	116,342	(1,082)
EXPENDITURES			
General government	12,131	12,167	36
Public safety	16,915	14,591	(2,324)
Culture and recreation	77,585	84,795	7,210
Highways and streets	-	1,100	1,100
Community support	22,500	15,420	(7,080)
Total Expenditures	129,131	128,073	(1,058)
Excess of Revenues over (under) Expenditures	(11,707)	(11,731)	(24)
OTHER FINANCING USES			
Contingency	-	-	-
Excess of Revenues over (under) Expenditures and Other Uses	(11,707)	(11,731)	(24)
FUND BALANCES			
Beginning of year	15,046	45,076	30,030
End of year	$ 3,339	$ 33,345	$ 30,006

DEBT SERVICE FUND			CAPITAL PROJECTS FUND		
BUDGET	ACTUAL	OVER (UNDER) BUDGET	BUDGET	ACTUAL	OVER (UNDER) BUDGET
$ -	$ 1	$ 1	$ 10,738	$ 5,927	$ (4,811)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1	1	10,738	5,927	(4,811)
-	-	-	2,597	612	(1,985)
-	-	-	-	-	-
-	-	-	18,000	19,412	1,412
-	-	-	-	-	-
-	-	-	16,000	2,873	(13,127)
-	-	-	36,597	22,897	(13,700)
-	1	1	(25,859)	(16,970)	8,889
-	-	-	(741)	-	741
-	1	1	(26,600)	(16,970)	9,630
1,373	1,558	185	26,700	26,479	(221)
$1,373	$ 1,559	$ 186	$ 100	$ 9,509	$ 9,409

UNINCORPORATED TOWN OF ROUND MOUNTAIN
NYE COUNTY, NEVADA
GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1987

	TOTALS (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES			
Property taxes	$ 77,455	$ 53,884	$(23,571)
Supplemental city/county relief tax	28,124	29,557	1,433
Licenses	1,500	3,050	1,550
Motor vehicle privilege tax	4,858	4,910	52
Gasoline taxes	-	8,980	8,980
State library grant	1,425	1,425	-
Reimbursement from Nye County schools	10,800	12,500	1,700
Other revenues	4,000	7,964	3,964
Total Revenues	128,162	122,270	(5,892)
EXPENDITURES			
General government	14,728	12,779	(1,949)
Public safety	16,915	14,591	(2,324)
Culture and recreation	95,585	104,207	8,622
Highways and streets	-	1,100	1,100
Community support	38,500	18,293	(20,207)
Total Expenditures	165,728	150,970	(14,758)
Excess of Revenues over (under) Expenditures	(37,566)	(28,700)	8,866
OTHER FINANCING USES			
Contingency	(741)	-	741
Excess of Revenues over (under) Expenditures and Other Uses	(38,307)	(28,700)	9,607
FUND BALANCES			
Beginning of year	43,119	73,113	29,994
End of year	$ 4,812	$ 44,413	$ 39,601

The accompanying notes are an integral part of these financial statements.

UNINCORPORATED TOWN OF ROUND MOUNTAIN
NYE COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987

NOTE 1 - Summary of Significant Accounting Policies:

The accounting policies of the Town of Round Mountain conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

LOCAL GOVERNMENT ENTITY - The financial statements included herein present the financial position and results of operations and changes in fund balance of the funds for which the Round Mountain Town Board has direct oversight responsibility. Oversight responsibility includes, but is not limited to, final decision-making authority and accountability for those decisions, the authority to review and approve budgetary requests and budgetary adjustments and amendments, sign contracts, approve the hiring or retention of key managerial personnel, and the exercise of control over facilities and properties.

FUND ACCOUNTING - The accounts of the Town are organized on the basis of funds and account groups, 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 that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into the following fund types:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Funds - Debt Services Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. The fixed assets and long-term liabilities associated with "governmental funds" are accounted for in account groups.

General Fixed Assets - Fixed assets used in operations accounted for in governmental funds are accounted for and reported in the general fixed assets account group.

Long-Term Liabilities - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

The account group is not a "fund". It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of

accounting. Their revenues are recognized when they become measurable and available to finance current year operations. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for claims, judgements, compensated absences and accrued interest on long-term debt. Claims, judgments, and compensated absences are recorded in the long-term debt account group if not to be liquidated with expendable, available financial resources. Principal and interest on general long-term debt are recognized when due.

BUDGETS AND BUDGETARY ACCOUNTING

Round Mountain Town adheres to the Local Government Budget Act incorporated within state statutes, which includes the following major procedures to establish the budgetary data which is reflected in these financial statements.

1. On or before April 15, the Town Board files a tentative budget with the Nevada Department of Taxation, for all funds.

2. Public budget hearings on the tentative budget are held on the third Thursday in May.

3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Tax Commission for final hearings and approval.

4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.

5. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

6. Budget amounts within funds, and between funds, may be transferred if amounts do not exceed the original budget. Such transfers are to be approved by the budget officer and/or the Town Board, depending on established criteria. Budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Town Board, following a scheduled and noticed public hearing.

In accordance with state statute, actual expenditures may not exceed budgetary appropriations of the various governmental functions of the General Fund and total appropriations in the Capital Projects Fund. The governmental functions of the General Fund are General Government, Public Safety, Culture and Recreation, Highways and Streets and Community Support.

TAXES RECEIVABLE - Delinquent taxes still outstanding on the 1985-86 and 1986-87 secured rolls have been recorded as receivables in the General Fund. The collectability of the unsecured roll is uncertain and, any future collections are recognized as revenue in the year collected. Deferred taxes represents the revenue from taxes receivable not available to finance the current year's operations.

CASH AND INVESTMENTS - At June 30, 1987, cash balances from all funds were held in various accounts under control of the Nye County Treasurer.

INVENTORY OF CONSUMABLE SUPPLIES - All Funds account for materials and supplies inventories as expenditures using the "purchase method", whereby inventories are recorded as expenditures when they are acquired, regardless of when used.

UNEMPLOYMENT INSURANCE - The Town of Round Mountain has not established a self insurance trust fund to reimburse the State Unemployment Compensation Fund for any payments to Town employees. Any claims that may arise are paid from the Town general fund.

FUND BALANCES - That portion of the General fund balance which has been budgeted to meet expenditures in the succeeding year is reflected as "Designated for subsequent year's expenditures" to the extent it does not exceed the actual fund balance. The excess, if any, is shown as undesignated.

COMPARATIVE DATA - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the entity's financial position and operations.

TOTAL COLUMNS ON COMBINED STATEMENTS - Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - Non Compliance with Law and Regulation:

The following functions of the general fund had actual expenditures in excess of appropriations which is an apparent violation of NRS 354.626:

FUNCTIONS	ACTUAL EXPENDITURES	BUDGETED APPROPRIATIONS
General government	$ 12,167	$ 12,131
Culture and recreation	84,795	77,585

NOTE 3 - Pension Program:

All Round Mountain Town full time employees participate in the statewide Nevada Public Employees Retirement System, a multiple-employer public employee retirement system ("System").

All permanent employees working half-time or more are eligible to participate in the System. Regular employees who retire at age 60 with 10 or more years of credited service or at age 55 with 30 or more years of credited service and were hired before July 1, 1985, are entitled to a monthly retirement benefit determined by multiplying the average of the highest 36 consecutive months compensation by 2.5% for each year of service, or fraction thereof, up to 36 years. Regular employees hired after June 30, 1985 are entitled to the same benefits except they are limited to 30 years of service or a maximum of 75% of average compensation. Benefits fully vest on reaching

10 years of service. The system also provides death and disability benefits. Benefits are established by State statutes.

Vested employees and employees hired after July 1, 1985, are required to have their entire contribution paid by the employer. The Town Board may elect to pay the entire contribution of other covered employees. During the 1986-87 fiscal year, the rate was 20% for police/fire members and 17% for other employees.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1986, (the last date for which information is available) for the System as a whole, determined through an actuarial valuation performed as of that date, was $3.1 billion. The System's net assets available for benefits on that date was $1.86 billion, leaving an unfunded pension benefit obligation of $1.24 billion. The System's net assets available for benefits at June 30, 1987, was $2.24 billion.

Additional financial information pertaining to the System is presented in the System's annual financial report.

INDIVIDUAL FUND FINANCIAL STATEMENTS

UNINCORPORATED TOWN OF ROUND MOUNTAIN
NYE COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1987

	BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL PRIOR YEAR
REVENUES				
Property taxes	$ 66,717	$ 47,956	$(18,761)	$ 65,718
Gaming and liquor licenses	1,500	3,050	1,550	2,470
Motor vehicle privilege tax	4,858	4,910	52	-
Supplemental city/county relief tax	28,124	29,557	1,433	26,014
Gasoline taxes	-	8,980	8,980	-
State library	1,425	1,425	-	-
Reimbursement from Nye County schools	10,800	12,500	1,700	9,450
Insurance claim settlement	-	4,031	4,031	-
Other revenue	4,000	3,933	(67)	5,080
Total Revenues	117,424	116,342	(1,082)	108,732
EXPENDITURES				
General Government:				
Salaries and wages	5,156	1,435	(3,721)	6,492
Employee benefits	40	67	27	1,084
Services and supplies	6,935	10,665	3,730	5,737
Total General Government Function	12,131	12,167	36	13,313
Public Safety:				
Employee benefits	200	432	232	321
Services and supplies	16,715	14,159	(2,556)	13,702
Total Public Safety Function	16,915	14,591	(2,324)	14,023
Highways and Streets:				
Street signs	-	1,100	1,100	-
Culture and Recreation:				
Library and Gym:				
Salaries and wages	44,180	44,124	(56)	33,192
Employee benefits	7,950	11,051	3,101	8,217
Services and supplies	25,455	29,620	4,165	20,402
Capital outlay	-	-	-	1,324
Total Culture and Recreation Function	77,585	84,795	7,210	63,135

UNINCORPORATED TOWN OF ROUND MOUNTAIN
NYE COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1987

	BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL PRIOR YEAR
Community Support:				
Salaries and wages	$ 12,000	$ 6,750	$ (5,250)	$ 10,225
Employee benefits	100	112	12	98
Services and supplies	10,400	8,558	(1,842)	15,372
	22,500	15,420	(7,080)	25,695
Total Expenditures	129,131	128,073	(1,058)	116,166
Excess of Revenues over (under) Expenditures	(11,707)	(11,731)	(24)	(7,434)
FUND BALANCE				
Beginning of year	15,046	45,076	30,030	52,510
End of year	$ 3,339	$ 33,345	$ 30,006	$ 45,076

The accompanying notes are an integral part of these financial statements.

UNINCORPORATED TOWN OF ROUND MOUNTAIN
NYE COUNTY, NEVADA
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1987

	BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL PRIOR YEAR
REVENUES				
Property taxes	$ -	$ 1	$ 1	$ -
EXPENDITURES				
Miscellaneous expense	-	-	-	15
Excess of Revenues over (under) Expenditures	-	1	1	(15)
FUND BALANCES				
Beginning of year	1,373	1,558	185	1,573
End of year	$1,373	$ 1,559	$ 186	$ 1,558

The accompanying notes are an integral part of these financial statements.

UNINCORPORATED TOWN OF ROUND MOUNTAIN
NYE COUNTY, NEVADA
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1987

	BUDGET	ACTUAL	OVER (UNDER) BUDGET	ACTUAL PRIOR YEAR
REVENUES				
Property taxes	$ 10,738	$ 5,927	$ (4,811)	$ -
EXPENDITURES				
General Government:				
Town Hall	1,500	483	(1,017)	63
Public Safety:				
Public safety	-	-	-	81
Culture and Recreation:				
Park	18,000	19,412	1,412	135
Community Support:				
Activity bus	16,000	2,873	(13,127)	15,096
Miscellaneous	1,097	129	(968)	644
Total Expenditures	36,597	22,897	(13,700)	16,019
Excess of Revenues over (under) Expenditures	(25,859)	(16,970)	8,889	(16,019)
OTHER FINANCING USES				
Contingency	(741)	-	741	-
Excess of Revenues over (under) Expenditures and Other Uses	(26,600)	(16,970)	9,630	(16,019)
FUND BALANCES				
Beginning of year	26,700	26,479	(221)	42,498
End of year	$ 100	$ 9,509	$ 9,409	$ 26,479

The accompanying notes are an integral part of these financial statements.

Willis H. Guy
Certified Public Accountant

Member
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Certified Public Accountants

Nevada Society of
Certified Public Accountants

15 Sierra Street
Yerington, Nevada 89447
Telephone 702/463-3188

To The Honorable Board of the
Unincorporated Town of Round Mountain, Nevada

I have examined the component unit financial statements of Round Mountain Town for the year ended June 30, 1987, and have issued my report thereon dated November 6, 1987. As part of my examination, I made a study and evaluation of the Town's system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. For the purpose of this report, I have classified the significant internal accounting controls in the following categories: treasury, revenue and receipts, purchases and disbursements, and financial reporting. My study included all of the control categories listed above except revenue and receipts, which could be more efficiently examined by substantive tests of account balances, and the financial reporting controls which I felt could not be relied upon. The purpose of my study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Town's component unit financial statements. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or any of the categories of controls identified above.

Management of Round Mountain Town is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of Round Mountain Town taken as a whole. However, my study and evaluation disclosed no condition that I believed to be a material weakness.

This report is intended solely for the use of the Round Mountain Town Board and The Department of Taxation of the State of Nevada and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board, is a matter of public record.

Willis H. Gray

Yerington, Nevada
November 6, 1987

Willis H. Guy
Certified Public Accountant

Member
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Certified Public Accountants

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Yerington, Nevada 89447
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To The Honorable Board of the
Unincorporated Town of Round Mountain, Nevada

I have examined the component unit financial statements of Round Mountain Town for the year ended June 30, 1987, and have issued my report thereon dated November 6, 1987. My examination was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office, and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

Management of Round Mountain Town is responsible for the Town's compliance with laws and regulations. In connection with my examination referred to above, I selected and tested transactions and records to determine the Town's compliance with laws and regulations, noncompliance with which could have a material effect on the component unit financial statements of the Town.

The results of my tests indicate that for the items tested, Round Mountain Town complied with those provisions of laws and regulations, noncompliance with which could have a material effect on the component unit financial statements. Nothing came to my attention that caused me to believe that for the items not tested Round Mountain Town was not in compliance with laws or regulations, noncompliance with which could have a material effect on the Town's component unit financial statements.

Willis H. Guy
Yerington, Nevada
November 6, 1987

UNINCORPORATED TOWN OF ROUND MOUNTAIN
BUDGETARY ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 1987

	ORIGINAL BUDGET	GRANTS	TRANSFERS AND AUGMENTATIONS	BUDGET AS AMENDED
REVENUES				
State library grant	$ -	$ 1,425	$ -	$ 1,425
EXPENDITURES				
General Government:				
Salaries and supplies	-	-	5,156	5,156
Culture and Recreation:				
Library:				
Services and supplies	-	1,425	-	1,425
Community Support:				
Services and supplies	11,900	-	(1,500)	10,400
Total Expenditures		1,425	3,656	
Excess of Revenues over (under) Expenditures		-	-	
OTHER FINANCING USES				
Contingency	3,656	-	(3,656)	-
Excess of Revenues over (under) Expenditures and Other Uses		$ -	$ -	

Schedule No. 2

UNINCORPORATED TOWN OF ROUND MOUNTAIN
SCHEDULE OF PROPERTY TAX RATES AND ASSESSED VALUATION
FOR THE ROLL YEARS 1982 THROUGH 1987

ROLL YEAR	ROUND MOUNTAIN TOWN	NYE COUNTY & OTHER DISTRICTS	STATE OF NEVADA	COMBINED RATE	ASSESSED VALUATION
1982-83	$ .1699	$ 1.5363	$ -	$ 1.7062	$ 12,848,915
1983-84	.7000	1.9631	.05	2.7131	11,749,736
1984-85	.4005	1.9183	.02	2.3388	12,419,394
1985-86	.3824	1.8702	.02	2.2726	15,096,407
1986-87	.5064	1.6667	.02	2.1931	15,013,148
1987-88	.8085	1.7743	.047	2.6298	36,526,177

UNINCORPORATED TOWN OF ROUND MOUNTAIN
NYE COUNTY, NEVADA
JUNE 30, 1987

ACCOUNTANT'S COMMENTS

PRIOR YEAR AUDIT RECOMMENDATIONS

In response to last year's recommendation, the Town Board more closely monitors the Town's financial reports and notifies the County if problems arise.

CURRENT YEAR AUDIT RECOMMENDATIONS

I did not find any financial weaknesses of a magnitude to justify inclusion within this audit report.