TOWN OF ROUND MOUNTAIN, NEVADA

REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTAL MATERIAL

YEAR ENDED JUNE 30, 1992

TOWN OF ROUND MOOUNTAIN, NEVADA

REPORT ON FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1992

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TOWN OF ROUND MOUNTAIN, NEVADA

ELECTED TOWN OFFICIALS
June 30, 1992

CHAIRPERSON

Joni Eastley

TOWN COUNCIL

Sharon Mitchell

L.C. "Bud" Hansen

Kathy Quick

Bruce Anderson

DANIEL C. McARTHUR
Certified Public Accountant

Quail Park III
501 South Rancho Drive, Suite E-30
Las Vegas, Nevada 89106-4836
(702) 385-1899

Independent Auditors' Report

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

I have audited the accompanying general purpose financial statements of the Town of Round Mountain, Nevada, as of June 30, 1992, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Round Mountain, Nevada's, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

The historical cost of fixed assets was unable to be substantiated. Because I was unable to satisfy myself by appropriate audit tests or by other means, I was unable to express an opinion on the general fixed assets group of accounts.

In my opinion, except for the general fixed asset group of accounts, the general purpose financial statements referred to in the first paragraph present fairly in all material respects the financial position of the Town of Round Mountain as of June 30, 1992 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combined and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Round Mountain, Nevada. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Daniel C McArthur

Las Vegas, Nevada
July 29, 1992

TOWN OF ROUND MOUNTAIN, NEVADA

COMBINED BALANCE SHEET - ALL FUNDS TYPES AND ACCOUNT GROUPS
June 30, 1992

	Governmental Fund Types		
	General	Debt Service	Capital Projects
Assets			
Cash (Note 8)	$ 650 188	$ 2 971	$ 184 375
Interest receivable	548	441	2 395
Taxes receivable (Note 3)	324	-	-
Due from other governments	23 503	-	-
Fixed assets	-	-	-
Other Debits			
Amount available for retirement of notes payable	-	-	-
Amount to be provided for retirement of notes payable/ compensated absences	-	-	-
Total assets and other debits	$ 674 563	$ 3 412	$ 186 770
Liabilities			
Accounts payable	$ 24 830	$ -	$ 8 654
Deferred taxes (Note 3)	194 377	-	-
Deferred revenue	9 300	-	-
Accrued payroll	10 906	-	-
Accrued compensated absences (Note 5)	-	-	-
Total liabilities	239 413	-	8 654
Equity and Other Credits			
Investment in general fixed assets	-	-	-
Fund Balance:			
Reserved for debt service	-	3 412	-
Unreserved - undesignated	435 150	-	178 116
Total fund equity and other credits	435 150	3 412	178 116
Total liabilities, fund equity, and other credits	$ 674 563	$ 3 412	$ 186 770

Fiduciary Fund Types Expendable Trust Fund	Account Groups General Long-Term Debt	Fixed Assets	Totals (Memorandum Only) 1992
$ 13 961	$ -	$ -	$ 851 495
-	-	-	3 384
-	-	-	324
-	-	-	23 503
-	-	594 444	594 444
-	3 412	-	3 412
-	18 751	-	18 751
$ 13 961	$ 22 163	$ 594 444	$ 1 495 313
$ 1 641	$ -	$ -	$ 35 125
-	-	-	194 377
-	-	-	9 300
-	-	-	10 906
-	22 163	-	22 163
1 641	22 163	-	271 871
-	-	594 444	594 444
-	-	-	3 412
12 320	-	-	625 586
12 320	-	594 444	1 223 442
$ 13 961	$ 22 163	$ 594 444	$ 1 495 313

See accompanying summary of accounting policies and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1992

	Governmental Fund Types		
	General	Debt Service	Capital Projects
Revenues:			
Taxes	$ 732 212	$ -	$ -
Licenses & permits	4 805	-	-
Intergovernmental	194 286	-	10 683
Charges for services	10 906	-	-
Other	13 529	1 590	2 874
Total revenues	955 738	1 590	13 557
Expenditures:			
Current:			
General	270 562	-	-
Public safety	42 571	-	-
Public works	6 064	-	-
Culture & recreation	337 148	-	-
Community support	1 871	-	-
Capital projects	-	-	271 767
Debt service:			
Principal retirement	-	379 649	-
Interest charges	-	27 849	-
Total expenditures	658 216	407 498	271 767
Excess (deficiency) of revenues over expenditures	297 522	(405 908)	(258 210)
Other financing sources (uses):			
Operating transfer in (Note 7)	-	347 010	100 000
Operating transfers out (Note 7)	(447 010)	-	-
Total other financing sources (uses)	(447 010)	347 010	100 000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(149 488)	(58 898)	(158 210)
Fund balance:			
Beginning of year	584 638	62 310	336 326
End of year	$ 435 150	$ 3 412	$ 178 116

Fiduciary Fund Expendable Trust	Total (Memorandum Only) 1992
$ -	$ 732 212
-	4 805
-	204 969
-	10 906
-	17 993
-	970 885
-	270 562
-	42 571
-	6 064
17 680	354 828
-	1 871
-	271 767
-	379 649
-	27 849
17 680	1 355 161
(17 680)	(384 276)
-	447 010
-	(447 010)
-	-
(17 680)	(384 276)
30 000	1 013 274
$ 12 320	$ 628 998

See accompanying summary of accounting policies and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 1992

	General Fund		
	Budget	Actual	Variance-Favorable (unfavorable)
Revenues:			
Taxes	$ 842 726	$ 732 212	$ (110 514)
Licenses & permits	3 000	4 805	1 805
Intergovernmental	191 677	194 286	2 609
Charges for services	17 000	10 906	(6 094)
Miscellaneous revenue	1 500	13 529	12 029
Total revenues	1 055 903	955 738	(100 165)
Expenditures:			
Current:			
General	314 720	270 562	44 158
Public safety	50 820	42 571	8 249
Public works	83 682	6 064	77 618
Culture & recreation	414 194	337 148	77 046
Community support	32 380	1 871	30 509
Debt service:			
Principal retirement	-	-	-
Interest charges	-	-	-
Total expenditures	895 796	658 216	237 580
Excess (deficiency) of revenues over expenditures	160 107	297 522	137 415
Other financing sources (uses):			
Operating transfer in (Note 7)	-	-	-
Operating transfer out (Note 7)	(447 010)	(447 010)	-
Total other financing sources (uses)	(447 010)	(447 010)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(286 903)	(149 488)	137 415
Fund balance:			
Beginning of year	320 482	584 638	264 156
End of year	$ 33 579	$ 435 150	$ 401 571

Debt Service		
Budget	Actual	Variance-Favorable (Unfavorable)
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	1 590	1 590
-	1 590	1 590
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
379 649	379 649	-
29 233	27 849	1 384
408 882	407 498	1 384
(408 882)	(405 908)	2 974
347 010	347 010	-
-	-	-
347 010	347 010	-
(61 872)	(58 898)	2 974
61 872	62 310	438
$ -	$ 3 412	$ 3 412

See accompanying summary of accounting policies
and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 1992

	Capital Projects		
	Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:			
Taxes	$ -	$ -	$ -
Licenses & permits	-	-	-
Intergovernmental	-	10 683	10 683
Charges for services	-	-	-
Miscellaneous revenue	-	2 874	2 874
Total revenues	-	13 557	13 557
Expenditures:			
Current:			
General	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture & recreation	-	-	-
Community support	-	-	-
Capital projects	378 132	271 767	106 365
Debt service:			
Principal retirement	-	-	-
Interest charges	-	-	-
Total expenditures	378 132	271 767	106 365
Excess (deficiency) of revenues over expenditures	(378 132)	(258 210)	119 922
Other financing sources (uses):			
Operating transfer in (Note 7)	100 000	100 000	-
Operating transfer out (Note 7)	-	-	-
Total other sources (uses)	100 000	100 000	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(278 132)	(158 210)	119 922
Fund balance:			
Beginning of year	456 554	336 326	(120 228)
End of year	$ 178 422	$ 178 116	$ (306)

See accompanying summary of accounting policies
and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA

SUMMARY OF ACCOUNTING POLICIES

The financial statements of the Town of Round Mountain, Nevada have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestations of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the financial statements herein include the funds of the Town of Round Mountain only.

B. Fund Accounting

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types."

SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), and the servicing of general long-term debt (debt service fund). The acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and expendable trust funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The government considers property taxes as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, licenses, interest revenues and charges for services. Revenues collected and held by the state at year end on behalf of the government also are recognized as revenue.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In a subsequent period, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. Budgets

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

Encumbrance accounting is not utilized in the governmental funds.

I. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies having maturity dates that do not extend more than ten years from the date of purchase, negotiable notes or short-term negotiable bonds issued by other local governments of the State of Nevada and bankers acceptances not exceeding 180 days maturity and eligible by law for rediscount with the Federal reserve Banks, (purchases of banker's acceptance notes are subject to 10% of the money available for local government investment). Investments are stated at cost.

F. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records are available. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized.

Assets in the general fixed assets account group are not depreciated.

G. 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 sick leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

H. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. The remaining portion of such obligations is reported in the general long-term debt account group.

TOWN OF ROUND MOUNTAIN, NEVADA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - LEGAL COMPLIANCE BUDGETS

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

1. 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.

2. The Nevada State Department of Taxation notifies the Town of its acceptance of the budget.

3. Public hearings are conducted on the third Thursday in May.

4. After all changes have been noted and hearings closed, the Town Council adopts the budget on or before June 1.

5. The Financial officer of the Town is authorized to transfer budgeted amounts within functions or funds, but any other transfer must be approved by the Town Board.

6. Increases to a fund's budget (augmentations) other than by transfers must be approved by the Town Board.

7. Statutory regulations require budget control to be exercised at the function level within a fund or at the fund level.

8. The following fund budgets were augmented (increased):

General Fund

NOTE 2 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, 1991	Additions	Deletions	Balance June 30, 1992
Buildings	244 450	-	-	244 450
Equipment	323 854	26 140	-	349 994
	$ 568 304	$ 26 140	$ -	$ 594 444

NOTE 3 - PROPERTY TAXES

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

Article X, Section 2, of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the county, the county school district, the State, and any other city, town, or special district) to an amount not to exceed $5 per $100 of assessed valuation of the property being taxed.

The 1979 Nevada Legislature enacted provisions whereby, commencing July 1, 1979, the combined overlapping tax rate was limited to $3.64 per $100 of assessed valuation (as thereafter annually adjusted).

The 1981 Legislature enacted "tax shift" legislation designed to further reduce the level of property taxes collected throughout the State. The overall sales tax was increased. The additional revenue is being distributed to local governmental units in order to reduce the revenues they would otherwise be required to generate from property taxes for operating purposes.

Delinquent taxes receivable not collected within sixty days after year end are recorded as deferred revenue as they are not available to pay liabilities of the current period. Delinquent taxes receivable in the general fund of $324 were recorded as deferred revenue.

Advanced payments of net proceeds property tax in the amount of $194 053 has been recorded as deferred tax revenue.

NOTE 4 - LONG-TERM DEBT

The following is a summary of debt transactions for the Town for the year ended June 30, 1992:

	Principal July 1, 1991	Additions	Retirements	Principal June 30, 1992
Notes payable	$ 379 649	-	379 649	-

NOTE 5 - ACCRUED COMPENSATED ABSENCES

Town policy allows employees to accumulate annual leave to a maximum of 240 hours. Employees can accumulate up to 720 hours of sick leave. If an employee has five years of service, upon termination he/she will be paid 25% of his sick leave. At ten years of service upon termination, he/she will be paid 50% of accumulated sick leave. After ten years of service upon termination he/she will be paid 25% for every year up to 75% maximum.

Balance - June 30, 1991	$ 15 199
Net additions	6 964
Balance - June 30, 1992	$ 22 163

NOTE 6 - RETIREMENT PLAN

The Town of Round Mountain is a public employer participating in the Public Employees Retirement System of the State of Nevada (PERS), a multiple-employer program. All full-time employees are covered under the system. In addition, those part-time employees working at least twenty hours per week and more than 120 days are covered except for those employees who participate in PERS with an employer other than the Town. The Town has no liability for unfunded obligations of the system as provided by NRS 286.110. The payroll for employees covered by the system for the year ended June 30, 1992 was $287,877; the Town's total payroll was $352,981.

Benefits as required by Nevada Revised Statute are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payment's to which participants may be entitled under the Plan include pension benefits, disability benefits and death benefits.

Monthly benefit allowances for members are computed at 2.5% of average compensation (36 consecutive months of highest compensation) for each accredited year of service prior to retirement with a ceiling of 75% of the average compensation. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his/her life and various optional monthly payments to a named beneficiary after his/her death. Regular members are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service or at any age with 30 years of service. Police and firemen are eligible for retirement at age 65 with 5 years of service, at age 55 with 10 years of accredited police and fire service or at age 50 with 20 years of accredited police and fire service. A member who retired on or after July 1, 1977 or is an active member whose effective date of membership is before July 1, 1985 and who has 36 years of service is entitled to a benefit of up to 90% of his/her average compensation. When members are eligible for the earlier retirement due to the increased service years, the ceiling limitation on monthly benefit allowances increases from the normal 75% to a maximum of 90% of average compensation. Regular members and members of the Police and Firemen Fund become fully vested as to benefits upon completion of 5 years of service.

NOTE 6 - RETIREMENT PLAN (CONTINUED)

Member contribution rates are established by NRS 286.465. That statute, which is tied to the increase in taxable sales within the State each year, provides for yearly increases of up to 1%. Rates of contribution cannot increase beyond the level which is actuarially computed to be sufficient to bring the unfunded liability of the plan to zero.

The Town is required to contribute all amounts due under the plan. The contribution rate for regular employees was 18.47% for the 1991-92 year. The contribution rate for police and firemen was 25%. The contribution requirement for the year ended June 30, 1992 was $53,171. These contributions reflected 18.47% of covered payroll.

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 the pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1992 for the System as a whole, determined through an actuarial valuation performed as of that date, was $5,725.5 million. The System's net assets available for benefits on that date (valued at market) were $4,572.2 million, leaving an unfunded pension benefit obligation of $1,153.3 million. The Town's 1992 contribution represented 0.015 percent of total contributions required of all participating entities.

Historical trend information is presented in the System's June 30, 1992 annual financial report.

NOTE 7 - INTERFUND TRANSACTIONS

Interfund operating transfers are made from one fund to another fund to support expenditures in accordance with the authority established for the individual funds. Transfers between fund types during the year ended June 30, 1992 were:

	Total Transfers In	Transfers Out General Fund
Debt Service Fund	$ 347 010	$ 347 010
Capital Projects	100 000	100 000
	$ 447 010	$ 447 010

NOTE 8 - CASH AND INVESTMENTS

The Towns cash and investment are held under the custody of the County Treasurer of Nye County. This is required by Nevada Revised Statutes. Detailed information concerning collected pledged to cover deposits is contained in the annual financial report of Nye County.

NOTE 9 - NON-COMPLIANCE WITH LAW AND REGULATION

Chapter 332.045(2) of the Nevada Revised Statutes provides that the governing body shall advertise for bid in a newspaper having general circulation within the County or State, all contracts where the estimated aggregate amount is between $5,000 and $10,000.

The Town did not have proof of request for proposal of three or more qualified bidders on two items.

NOTE 10 - CONTINGENT LIABILTIES

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

G E N E R A L F U N D

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

TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND

COMPARATIVE BALANCE SHEET
June 30, 1992 and 1991

	1992	1991
ASSETS		
Cash	$ 650 188	$ 401 698
Interest receivable	548	-
Delinquent property taxes receivable	324	524
Due from other governments	23 503	216 207
Total assets	$ 674 563	$ 618 429
LIABILITIES		
Accounts payable	$ 24 830	$ 27 125
Deferred taxes	194 377	524
Deferred revenue	9 300	-
Accrued payroll	10 906	6 142
Total liabilities	239 413	33 791
FUND BALANCE		
Reserved	-	56 220
Unreserved - undesignated	435 150	528 418
Total liabilities and fund balance	$ 674 563	$ 618 429

See accompanying summary of accounting policies and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 1992
With Comparative Actual Amounts for Year Ended June 30, 1991

	1992			
	Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Revenues:				
Taxes	$ 842 726	$ 732 212	$ (110 514)	$ 1 003 253
Licenses & permits	3 000	4 805	1 805	4 110
Intergovernmental	191 677	194 286	2 609	269 571
Charges for services	17 000	10 906	(6 094)	16 684
Other	1 500	13 529	12 029	35 773
Total revenues	1 055 903	955 738	(100 165)	1 329 391
Expenditures:				
General	314 720	270 562	44 158	180 120
Public safety	50 820	42 571	8 249	34 059
Public works	83 682	6 064	77 618	8 799
Culture & recreation	414 194	337 148	77 046	402 293
Community support	32 380	1 871	30 509	16 655
Intergovernmental	-	-	-	2 400
Total expenditures	895 796	658 216	237 580	644 326
Excess (deficiency) of revenues over expenditures	160 107	297 522	137 415	685 065
Other financing sources (uses:)				
Operating transfers out	(447 010)	(447 010)	-	(492 531)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(286 903)	(149 488)	137 415	192 534
Fund balance:				
Beginning of year	320 482	584 638	264 156	392 104
End of year	$ 33 579	$ 435 150	$ 401 571	$ 584 638

See accompanying summary of accounting policies
and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND
STATEMENT OF REVENUES COMPARED TO BUDGET
Year Ended June 30, 1992
With Comparative Actual Amounts for Year Ended June 30, 1991

	1992			
	Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Revenues:				
Taxes:				
Property taxes	$ 438 183	$ 225 144	$(213 039)	$ 419 675
Net proceeds	404 543	507 068	102 525	583 578
Total taxes	842 726	732 212	(110 514)	1 003 253
Licenses and permits:				
Gaming licenses	3 000	3 645	645	4 110
Liquor licenses	-	1 160	1 160	-
Total licenses	3 000	4 805	1 805	4 110
Intergovernmental:				
Motor vehicle priv.	27 766	29 093	1 327	15 226
Supplemental County	89 877	90 716	839	127 399
State library grant	1 094	10 500	9 406	2 500
Gas tax $1.75	32 000	37 197	5 197	36 806
LSCA Title I	10 000	-	(10 000)	15 900
LSCA Title II	-	-	-	40 000
FIB Grant	-	-	-	2 400
Nye County reimbursement	30 940	26 780	(4 160)	28 340
Total intergovernmental	191 677	194 286	2 609	269 571
Charges for services:				
Swimming pool	17 000	10 906	(6 094)	16 684
Other:				
Interest	-	5 643	5 643	4 325
Rent	1 000	790	(210)	1 968
Photo copy	500	1 146	646	980
Donations	-	405	405	2 487
Miscellaneous	-	5 545	5 545	26 013
Total other sources	1 500	13 529	12 029	35 773
Total revenues	$ 1 055 903	$ 955 738	$(100 165)	$ 1 329 391

See accompanying summary of accounting policies and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
Year Ended June 30, 1992
With Comparative Actual Amounts for Year Ended June 30, 1991

	1992			
	Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Expenditures:				
General government:				
Administration:				
Salaries and wages	$ 100 000	$ 95 729	$ 4 271	$ 71 211
Employee benefits	33 450	29 008	4 442	23 569
Service and supplies	40 935	29 669	11 266	39 255
Total administration	174 385	154 406	19 979	134 035
Building and Grounds:				
Salaries and wages	71 250	70 642	608	31 038
Employee benefits	24 585	21 707	2 878	7 690
Service and supplies	44 500	23 807	20 693	7 357
Total building and grounds	140 335	116 156	24 179	46 085
Total general	314 720	270 562	44 158	180 120
Public safety:				
Fire department:				
Services and supplies	7 885	6 990	895	7 459
Fire department - Hadley Station:				
Salaries and wages	10 200	10 162	38	5 997
Employee benefits	2 450	4 766	(2 316)	2 049
Services and supplies	30 285	19 126	11 159	18 554
Capital outlay	-	1 527	(1 527)	-
	42 935	35 581	7 354	26 600
Total public safety	50 820	42 571	8 249	34 059

See accompanying summary of accounting policies and notes to financial statements

TOWN OF ROUND MOUNTAIN , NEVADA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
Year Ended June 30, 1992
With Comparative Actual Amounts for Year Ended June 30, 1991

	1992			
	Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Public works:				
Highways and streets:				
Services and supplies	$ 83 682	$ 6 064	$ 77 618	$ 8 799
Culture and recreation:				
Library				
Services and supplies	650	610	40	8 346
Hadley Library				
Salaries and wages	81 000	82 775	(1 775)	54 628
Employee benefits	24 260	24 085	175	17 694
Services and supplies	57 019	38 246	18 773	91 557
	162 279	145 106	17 173	163 879
Gym				
Services and supplies	12 410	-	12 410	14 790
Swimming Pool				
Salaries and wages	63 215	46 672	16 543	48 381
Employee benefits	20 380	14 303	6 077	15 352
Services and supplies	70 690	47 999	22 691	73 207
	154 285	108 974	45 311	136 940
Parks and recreation				
Salaries and wages	50 600	45 497	5 103	48 054
Employee benefits	16 185	14 142	2 043	15 808
Services and supplies	14 600	20 328	(5 728)	11 009
	81 385	79 967	1 418	74 871
Activity center				
Services and supplies	3 185	2 491	694	3 467
Total culture and recreation	414 194	337 148	77 046	402 293
Community support:				
Activity Bus #1:				
Salaries and wages	23 200	1 505	21 695	10 236
Employee benefits	1 130	168	962	476
Service and supplies	5 650	198	5 452	3 565
	29 980	1 871	28 109	14 277
Activity Bus #2:				
Service and supplies	2 400	-	2 400	2 378
Total community support	32 380	1 871	30 509	16 655
Intergovernmental				
Arts council	-	-	-	2 400
Total expenditures	$895 796	$ 656 216	$ 237 580	$644 326

See accompanying summary of accounting policies and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND

STATEMENT OF CHANGES TO ORIGINAL BUDGET
Year Ended June 30, 1992

	Original	Budget Transfer & Augmentation To (From)	Final
Revenues:			
Taxes	$ 842 726	$ -	$ 842 726
Licenses and permits	3 000	-	3 000
Intergovernmental	180 583	11 094	191 677
Charges for services	17 000	-	17 000
Other	1 000	500	1 500
Total revenues	1 044 309	11 594	1 055 903
Expenditures:			
General governments	314 720	-	314 720
Public safety	50 820	-	50 820
Public works	83 682	-	83 682
Culture and recreation	402 600	11 594	414 194
Community support	32 380	-	32 380
Total expenditures	884 202	11 594	895 796
Excess (deficiency) of revenues over expenditures	160 107	-	160 107
Other financing sources (uses):			
Operating transfers out	(447 010)	-	(447 010)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(286 903)	-	(286 903)
Fund balance:			
Beginning of year	320 482	-	320 482
Residual equity transfer in	-	-	-
End of year	$ 33 579	$ -	$ 33 579

See accompanying summary of accounting policies and notes to financial statements

D E B T S E R V I C E F U N D

The Debt Service fund is used to account for the accumulation of resources and payment of principal and interest from governmental resources.

TOWN OF ROUND MOUNTAIN, NEVADA
DEBT SERVICE FUND

BALANCE SHEET

June 30, 1992 and 1991

	Totals	
	1992	1991
Assets		
Cash	$ 2 971	$ 61 869
Interest receivable	441	441
Total assets	$ 3 412	$ 62 310
Fund Equity		
Fund balance - reserved	$ 3 412	$ 62 310

See accompanying summary of accounting policies and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
DEBT SERVICE FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 1992
With Comparative Actual Amounts for Year Ended June 30, 1991

	1992			
	Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Revenues:				
Interest	$ -	$ 1 590	$ 1 590	$ 1 588
Expenditures:				
Debt Service:				
Principal	379 649	379 649	-	30 351
Interest	29 233	27 849	1 384	29 927
Total expenditures	408 882	407 498	1 384	60 278
Excess (deficiency) of revenues over expenditures	(408 882)	(405 908)	2 974	(58 690)
Other financing sources:				
Operating transfer in	347 010	347 010	-	121 000
Excess (deficiency) of revenue and other sources over expenditures	(61 872)	(58 898)	2 974	62 310
Fund balance:				
Beginning of year	61 872	62 310	438	-
End of year	$ -	$ 3 412	$ 3 412	$ 62 310

See accompanying summary of accounting policies and notes to financial statements

C A P I T A L P R O J E C T S F U N D S

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.

TOWN OF ROUND MOUNTAIN, NEVADA
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET

June 30, 1992
With Comparative Totals for June 30, 1991

	Capital Projects	Special Ad Valorem Capital Projects	Totals 1992	Totals 1991
Assets				
Cash	$ 166 181	$ 18 194	$ 184 375	$ 394 994
Interest receivable	2 395	-	2 395	2 395
Total assets	$ 168 576	$ 18 194	$ 186 770	$ 397 389
Liabilities and Fund Balances				
Accounts payable	$ 8 654	$ -	$ 8 654	$ 61 063
Fund balance - unreserved-undesignated	159 922	18 194	178 116	336 326
Total liabilities and fund balances	$ 168 576	$ 18 194	$ 186 770	$ 397 389

See accompanying summary of accounting policies and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

June 30, 1992
With Comparative Totals for June 30, 1991

	Capital Projects	Special Ad Valorem Capital Projects	Totals 1992	Totals 1991
Revenue:				
Taxes	$ -	$ -	$ -	$ 6 766
Intergovernmental	-	10 683	10 683	-
Interest	2 874	-	2 874	8 758
Total revenue	2 874	10 683	13 557	15 524
Expenditures:				
Capital projects	271 767	-	271 767	572 963
Excess (deficiency) of revenues over expenditures	(268 893)	10 683	(258 210)	(557 439)
Other financing sources:				
Operating transfers in	100 000	-	100 000	371 531
Excess (deficiency) of revenues and other sources over expenditures	(168 893)	10 683	(158 210)	(185 908)
Fund balance:				
Beginning of year	328 815	7 511	336 326	522 234
End of year	$ 159 922	$ 18 194	$ 178 116	$ 336 326

See accompanying summary of accounting policies
and notes to financial statement

TOWN OF ROUND MOUNTAIN, NEVADA
CAPITAL PROJECTS FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 1992
With Comparative Actual Amounts for Year Ended June 30, 1991

	1992			
	Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Revenues:				
Interest	$ -	$ 2 874	$ 2 874	$ 8 758
Expenditures:				
Capital projects:				
General government	30 200	13 609	16 591	98 437
Public safety:				
Public works	-	-	-	70 935
Public safety building	-	-	-	78 277
Fire department equipment	219 000	179 378	39 622	4 242
Culture and recreation:				
Parks and recreation	52 550	43 262	9 288	13 825
Pool	-	-	-	399
Library	1 382	1 389	(7)	306 848
Convention center	30 000	34 129	(4 129)	-
Community support	45 000	-	45 000	-
Total expenditures	378 132	271 767	106 365	572 963
Excess (deficiency) of revenues over expenditures	(378 132)	(268 893)	109 239	(564 205)
Other financing sources:				
Operating transfer in	100 000	100 000	-	371 531
Excess (deficiency) of revenue and other sources over expenditures	(278 132)	(168 893)	109 239	(192 674)
Fund balance:				
Beginning of year	448 931	328 815	(120 116)	521 489
End of year	$ 170 799	$ 159 922	$ (10 877)	$ 328 815

See accompanying summary of accounting policies and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
SPECIAL AD VALOREM CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 1992
With Comparative Actual Amounts for Year Ended June 30, 1991

	1992			
	Budget	Actual	Variance Favorable (Unfavorable)	1991 Actual
Revenues:				
Taxes	$ -	$ -	$ -	$ 6 766
Intergovernmental	-	10 683	10 683	-
Total revenue	-	10 683	10 683	6 766
Expenditures:				
Capital projects	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	10 683	10 683	6 766
Fund balance:				
Beginning of year	7 623	7 511	(112)	745
End of year	$ 7 623	$ 18 194	$ 10 571	$ 7 511

See accompanying summary of accounting policies
and notes to financial statements

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

TOWN OF ROUND MOUNTAIN, NEVADA
FIDUCIARY FUNDS
COMBINING BALANCE SHEET

June 30, 1992
With Comparative Totals for June 30, 1991

	Totals	
	1992	1991
Assets		
Cash and investments	$ 13 961	$ 30 000
Liabilities and Fund Balances		
Accounts payables	1 641	-
Fund balance	12 320	30 000
	$ 13 961	$ 30 000

See accompanying summary of accounting policies and notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
EXPENDABLE TRUST FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

June 30, 1992
With Comparative Totals for June 30, 1991

	Totals	
	1992	1991
Revenues		
Donations	$ -	$ 30 000
Expenditures		
Library	17 680	-
Excess of revenue over expenditure	(17 680)	30 000
Fund balance:		
Beginning of year	30 000	-
End of year	$ 12 320	$ 30 000

See accompanying summary of accounting policies and notes to financial statements

FIXED ASSETS

The Town currently maintains a fixed asset listing. To further improve on the controls over fixed assets, I recommend expenditures for capital assets recorded in the funds of the Town be recorded to the asset listing on a timely basis to insure all assets are timely recorded on the listing.

DANIEL C. McARTHUR
Certified Public Accountant

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Las Vegas, Nevada 89106-4836
(702) 385-1899

**INDEPENDENT AUDITOR'S REPORT
ON THE INTERNAL CONTROL STRUCTURE RELATED MATTERS NOTED
IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

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

I have audited the general purpose financial statements of the Town of Round Mountain, Nevada for the year ended June 30, 1992 and have issued my report thereon dated July 29, 1992.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit of the general purpose financial statements of the Town of Round Mountain, Nevada, for the year ended June 30, 1992, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the Town of Round Mountain, Nevada, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure 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 the financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors, or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories: financing, receipts, and disbursements.

For all of the control categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be a material weakness as defined above. However, I noted certain matters involving the internal control structure and its operations that I have listed on page 32 of this financial report.

This report is intended for the information of management, and the Town of Round Mountain Town Council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Las Vegas, Nevada
July 29, 1992