

TOWN OF ROUND MOUNTAIN, NEVADA

**REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL MATERIAL**

YEAR ENDED JUNE 30, 1995

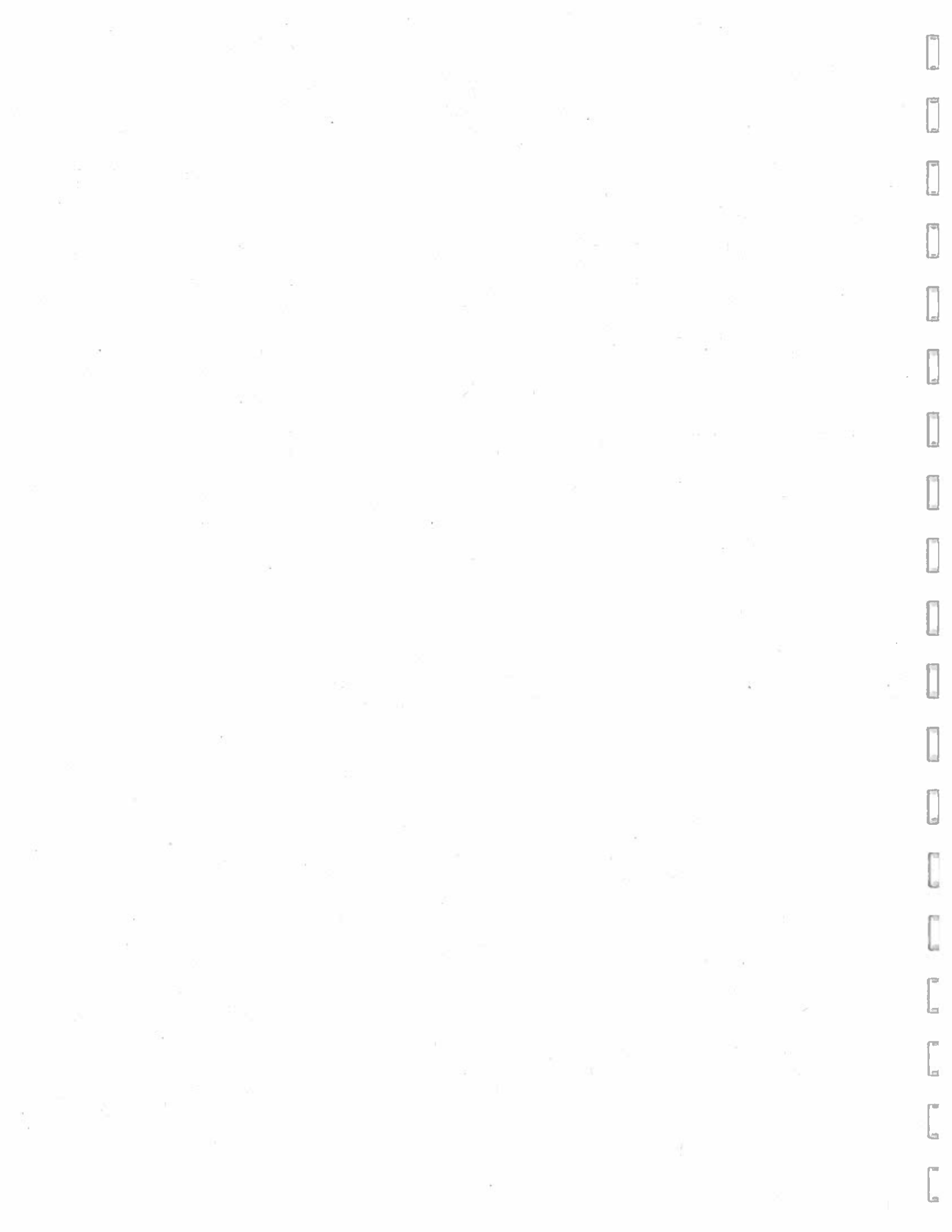


TOWN OF ROUND MOUNTAIN, NEVADA

REPORT ON FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1995

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TOWN OF ROUND MOUNTAIN, NEVADA

ELECTED TOWN OFFICIALS

June 30, 1995

CHAIRPERSON

Joni Eastley

TOWN COUNCIL

Dan Earp

L.D. "Bud" Hansen

Kathy Quick

Joanne Arnston



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 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, 1995, 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 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. 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.

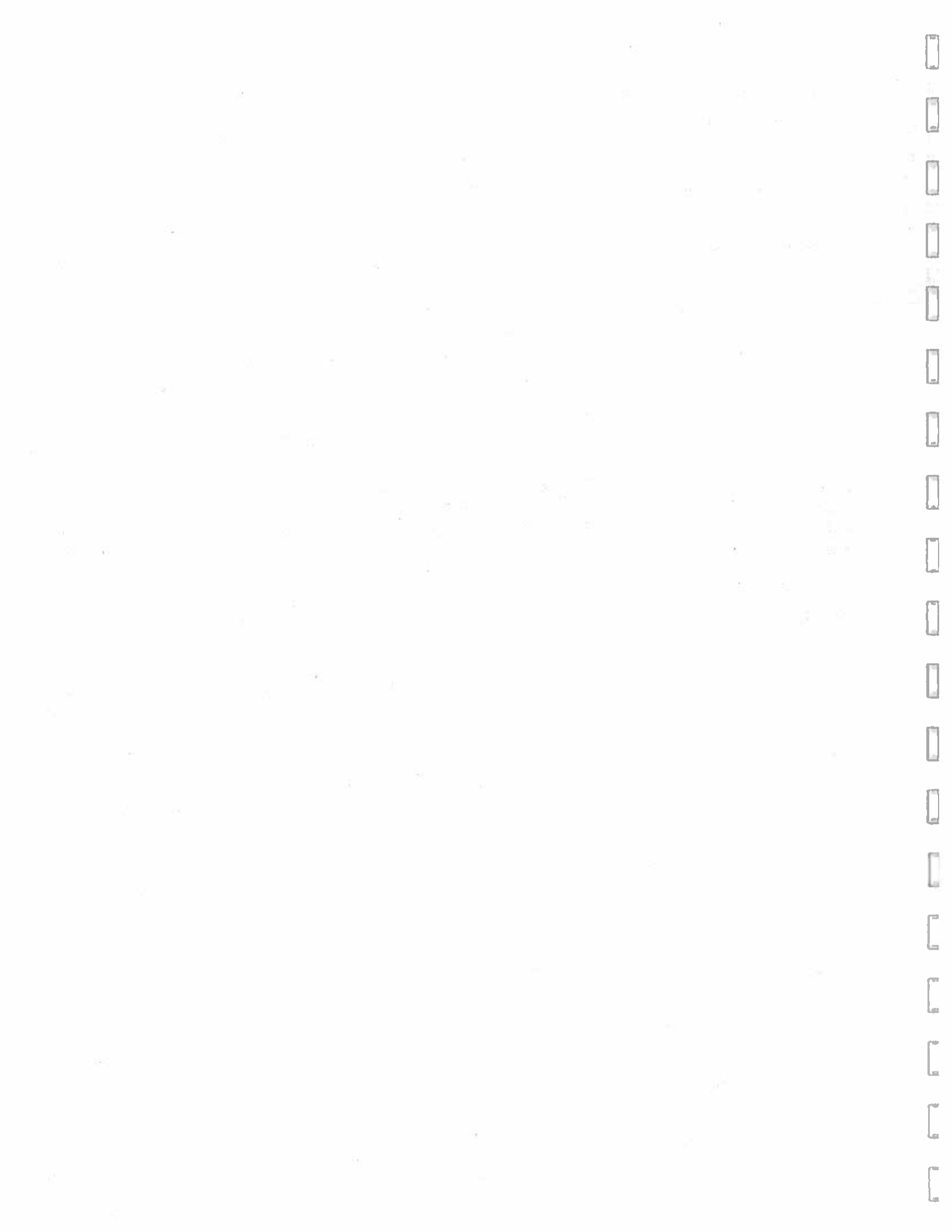
The historical cost of fixed assets was unable to be substantiated. Because I was unable to satisfy myself by appropriate audit tests or by other means, I was unable to express an opinion on the general fixed assets group of accounts.

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, 1995 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 statements 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, Ltd.

Las Vegas, Nevada
November 16, 1995



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TOWN OF ROUND MOUNTAIN, NEVADA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1995

	<u>Governmental Fund Types</u>		
	General	Special Revenue	Capital Projects
<u>Assets</u>			
Cash	\$ 568 264	\$ 64 473	\$ 106 212
Delinquent property tax	367	-	-
Due from other governments	146 313	2 793	-
Equipment	-	-	-
Buildings	-	-	-
<u>Other Debits</u>			
Amount to be provided for retirement of notes payable/ compensated absences	-	-	-
Total assets and other debits	<u>\$ 714 944</u>	<u>\$ 67 266</u>	<u>\$ 106 212</u>
<u>Liabilities</u>			
Accounts payable	\$ 17 663	\$ 1 785	\$ 10 945
Accrued payroll	16 208	-	-
Deferred taxes	367	-	-
Accrued compensated absences	-	-	-
Total liabilities, equity and other credits	<u>34 238</u>	<u>1 785</u>	<u>10 945</u>
<u>Fund equity and other credits</u>			
Investment in fixed assets	-	-	-
Fund balance	<u>680 706</u>	<u>65 481</u>	<u>95 267</u>
Total Liabilities and Fund Equity & other credits	<u>\$ 714 944</u>	<u>\$ 67 266</u>	<u>\$ 106 212</u>

<u>Account Groups</u>		
<u>Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>Totals 1995</u>
\$ -	\$ -	\$ 738 949
-	-	367
-	-	149 106
642 628	-	642 628
1 417 302	-	1 417 302
<u>-</u>	<u>30 008</u>	<u>30 008</u>
<u>\$2 059 930</u>	<u>\$ 30 008</u>	<u>\$2 978 360</u>
\$ -	\$ -	\$ 30 393
-	-	16 208
-	-	367
<u>-</u>	<u>30 008</u>	<u>30 008</u>
<u>-</u>	<u>30 008</u>	<u>76 976</u>
2 059 930	-	2 059 930
-	-	841 454
<u>\$2 059 930</u>	<u>\$ 30 008</u>	<u>\$2 978 360</u>

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES, ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1995

Governmental Fund Types			
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$ 653 960	\$ -	\$ -
Licenses & permits	2 581	-	-
Intergovernmental	242 336	31 173	-
Charges for services	11 366	-	-
Other	1 035	-	-
Total revenues	<u>911 278</u>	<u>31 173</u>	<u>-</u>
Expenditures:			
Current:			
General Government	307 979	-	-
Public safety	114 593	-	-
Public works	21 772	48 571	-
Culture & recreation	101 443	-	-
Capital projects	-	-	-
Total expenditures	<u>545 787</u>	<u>48 571</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>365 491</u>	<u>(17 398)</u>	<u>-</u>
Other financing sources (uses):			
Operating transfer in	-	82 879	-
Operating transfers out	(456 917)	-	-
Total other financing sources (uses)	<u>(456 917)</u>	<u>82 879</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(91 426)</u>	<u>65 481</u>	<u>-</u>
Fund balance:			
Beginning of year	768 720	-	3 412
Residual equity transfer in	3 412	-	-
Residual equity transfer out	-	-	(3 412)
End of year	<u>\$ 680 706</u>	<u>\$ 65 481</u>	<u>\$ -</u>

Capital Projects	Total (Memorandum Only) 1995
\$ -	\$ 653 960
-	2 581
11 064	284 573
-	11 366
-	<u>1 035</u>
<u>11 064</u>	<u>953 515</u>
-	307 979
-	114 593
-	70 343
-	101 443
<u>547 752</u>	<u>547 752</u>
<u>547 752</u>	<u>1 142 110</u>
<u>(536 688)</u>	<u>(188 595)</u>
374 038	456 917
-	<u>(456 917)</u>
<u>374 038</u>	<u>-</u>
(162 650)	(188 595)
257 917	1 030 049
-	3 412
-	<u>(3 412)</u>
<u>\$ 95 267</u>	<u>\$ 841 454</u>

See accompanying 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, 1995

Page 1 of 2

	General Fund		
	Budget	Actual	Variance- Favorable (unfavorable)
Revenues:			
Taxes	\$ 364 252	\$ 653 960	\$ 289 708
Licenses & permits	4 247	2 581	(1 666)
Intergovernmental	228 124	242 336	14 212
Charges for services	4 500	11 366	6 866
Other	1 519	1 035	(484)
Total revenues	<u>602 642</u>	<u>911 278</u>	<u>308 636</u>
Expenditures:			
Current:			
General government	393 982	307 979	86 003
Public safety	134 665	114 593	20 072
Public works	33 500	21 772	11 728
Culture & recreation	180 258	101 443	78 815
Total expenditures	<u>742 405</u>	<u>545 787</u>	<u>196 618</u>
Excess (deficiency) of revenues over expenditures	<u>(139 763)</u>	<u>365 491</u>	<u>505 254</u>
Other financing sources (uses):			
Operating transfer in	-	-	-
Operating transfer out	(425 365)	(456 917)	(31 552)
Total other financing sources (uses)	<u>(425 365)</u>	<u>(456 917)</u>	<u>(31 552)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(565 128)</u>	<u>(91 426)</u>	<u>473 702</u>
Fund balance:			
Beginning of year	696 510	768 720	72 210
Residual equity transfer	3 412	3 412	-
End of year	<u>\$ 134 794</u>	<u>\$ 680 706</u>	<u>\$ 545 912</u>

Special Revenue Fund

Budget	Actual	Variance- Favorable (Unfavorable)
\$ -	\$ -	\$ -
42 650	31 173	(11 477)
<u>-</u>	<u>-</u>	<u>-</u>
<u>42 650</u>	<u>31 173</u>	<u>(11 477)</u>
-	-	-
81 000	48 571	32 429
<u>-</u>	<u>-</u>	<u>-</u>
<u>81 000</u>	<u>48 571</u>	<u>32 429</u>
<u>(38 350)</u>	<u>(17 398)</u>	<u>20 952</u>
82 279	82 879	600
<u>-</u>	<u>-</u>	<u>-</u>
<u>82 279</u>	<u>82 879</u>	<u>600</u>
43 929	65 481	21 552
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 43 929</u>	<u>\$ 65 481</u>	<u>\$ 21 552</u>

See accompanying 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, 1995
 Page 2 of 2

	<u>Debt Service Funds</u>		Variance- Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Expenditures:			
Capital projects	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
Other financing sources (uses):			
Operating transfer in	-	-	-
Total other sources (uses)	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	-
Fund balance:			
Beginning of year	3 412	3 412	-
Residual equity transfer	(3 412)	(3 412)	-
End of year	\$ -	\$ -	\$ -

<u>Capital Projects</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 6 441	\$ 11 064	\$ 4 623
<u>551 158</u>	<u>547 752</u>	<u>3 406</u>
<u>(544 717)</u>	<u>(536 688)</u>	<u>8 029</u>
<u>374 038</u>	<u>374 038</u>	<u>-</u>
<u>374 038</u>	<u>374 038</u>	<u>-</u>
(170 679)	(162 650)	8 029
248 483	257 917	9 434
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 77 804</u>	<u>\$ 95 267</u>	<u>\$ 17 463</u>

See accompanying notes to financial statements

TOWN OF ROUND MOUNTAIN, NEVADA
Notes to the Financial Statements
June 30, 1995

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The town is governed by an elected five member council. As required by generally accepted accounting principles, these financial statements present the town and its component units, entities for which the town is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations and so data from these units are combined with data of the Town. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the town. There were no blended or discretely presented component units of the town at June 30, 1995.

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

The accounts of the town are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The Town has the following fund types and account groups:

Governmental funds are used to account for the town's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Taxes, licenses, and interest are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the town are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

The *general fund* is the town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

TOWN OF ROUND MOUNTAIN
Notes to Financial Statements (Continued)
June 30, 1995

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Account Groups. The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds. The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

3. Assets, Liabilities and Equity

a. Deposits and Investments

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

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 which approximate market.

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 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 Nevada Legislature enacted provisions whereby, the combined overlapping tax rate was limited to 3.64 per \$100 of assessed valuation.

TOWN OF ROUND MOUNTAIN
Notes to Financial Statements (Continued)
June 30, 1995

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Assets, Liabilities and Equity (Continued)

b. Receivables and Payables (Continued)

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 \$367 were recorded as deferred revenue.

c. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Fixed Assets

Fixed assets used in governmental fund types of the town are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the town) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

e. Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated 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.

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 2.5% for every year up to a maximum of 75%.

f. Long-term Obligations

The town reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

TOWN OF ROUND MOUNTAIN
Notes to Financial Statements (Continued)
June 30, 1995

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Assets, Liabilities and Equity (Continued)

f. Long-term Obligations (Continued)

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

g. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

h. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

i. Comparative Data/Reclassifications

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

B. 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 generally, special revenue, debt service funds and capital projects 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 statement:

- 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.
- c. Public hearings are conducted on the third Wednesday in May.

TOWN OF ROUND MOUNTAIN
Notes to Financial Statements (Continued)
June 30, 1995

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

1. Budgetary Information (Continued)

- d. After all changes have been noted and hearings closed, the Town Board adopts the budget on or before June 1.
- e. 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.
- f. Increases to a fund's budget (augmentations) other than by transfers must be approved by the Town Board.
- g. Statutory regulations require budget control to be exercised at the function level within the general fund or at the fund level for other funds.
- h. The following fund budget was augmented (increased):

General Fund
Road Fund Special Revenue Fund
Capital Projects Fund

Encumbrance accounting is not utilized in the governmental funds.

C. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

1. Deposits and Investments

The Town's 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 collateral to cover deposits is contained in the annual financial report of Nye County.

A reconciliation of cash and investments as shown on the Combined Balance Sheet for the Town follows:

Cash on hand	\$ 3 291
Carrying amount of deposits	<u>735 658</u>
Total	<u>\$ 738 949</u>
 Cash and cash equivalents	 <u>\$ 738 949</u>

2. Receivables

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Delinquent Taxes	\$ 367	\$ -	\$ 367
Due from other governments	<u>146 313</u>	<u>2 793</u>	<u>149 106</u>
 Total receivables	 <u>\$ 146 680</u>	 <u>\$ 2 793</u>	 <u>\$ 149 473</u>

TOWN OF ROUND MOUNTAIN
Notes to Financial Statements (Continued)
June 30, 1995

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

3. Fixed Assets

Activity in the general fixed assets account group for the government for the year ended June 30, 1995 was as follows:

30,	Balance July 1,			Balance July
	<u>1994</u>	<u>Additions</u>	<u>Retirements</u>	<u>1995</u>
Buildings	\$1 890 302	\$ -	\$ 473 000	\$1 417 302
Machinery and equipment	<u>559 094</u>	<u>112 792</u>	<u>29 258</u>	<u>642 628</u>
Total general fixed assets	<u>\$2 449 396</u>	<u>\$ 112 792</u>	<u>\$ 502 258</u>	<u>\$2 059 930</u>

4. 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, 1995 were:

	<u>Transfers In</u>	<u>Transfers Out General Fund</u>
Road Special Revenue Fund	\$ 82 879	\$ 82 879
Capital Project	<u>374 038</u>	<u>374 038</u>
Total	<u>\$ 456 917</u>	<u>\$ 456 917</u>

D. OTHER INFORMATION

1. Risk Management

The Town is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

The Town participates in the State Industrial Insurance System of Nevada (SIIS). The SIIS covers workers compensation claims. Premiums are paid on a quarterly basis based on a percentage of the employee's wages.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for claims and judgements is reported in the general long-term debt account group because it is not expected to be liquidated with expendable available financial resources. At June 30, 1995 no claims liabilities were recorded.

2. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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.

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

TOWN OF ROUND MOUNTAIN
Notes to Financial Statements (Continued)
June 30, 1995

D. OTHER INFORMATION (Continued)

3. Retirement Plan

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, 1995 was \$232,100; the Town's total payroll was \$254,429.

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 payments to which participants may be entitled under the Plan include pension benefits, disability benefits and death benefits.

Monthly benefit allowances for members are computed at 2.5% 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.

The Town is required to contribute all amounts due under the plan. The contribution rate for regular employees was 18.22% for the 1994-95 year. The contribution rate for police and firemen was 27%. The contribution requirement for the year ended June 30, 1994 was \$46,627. These contributions reflected 18.3% of covered payroll.

TOWN OF ROUND MOUNTAIN
Notes to Financial Statements (Continued)
June 30, 1995

D. OTHER INFORMATION (Continued)

3. Retirement Plan

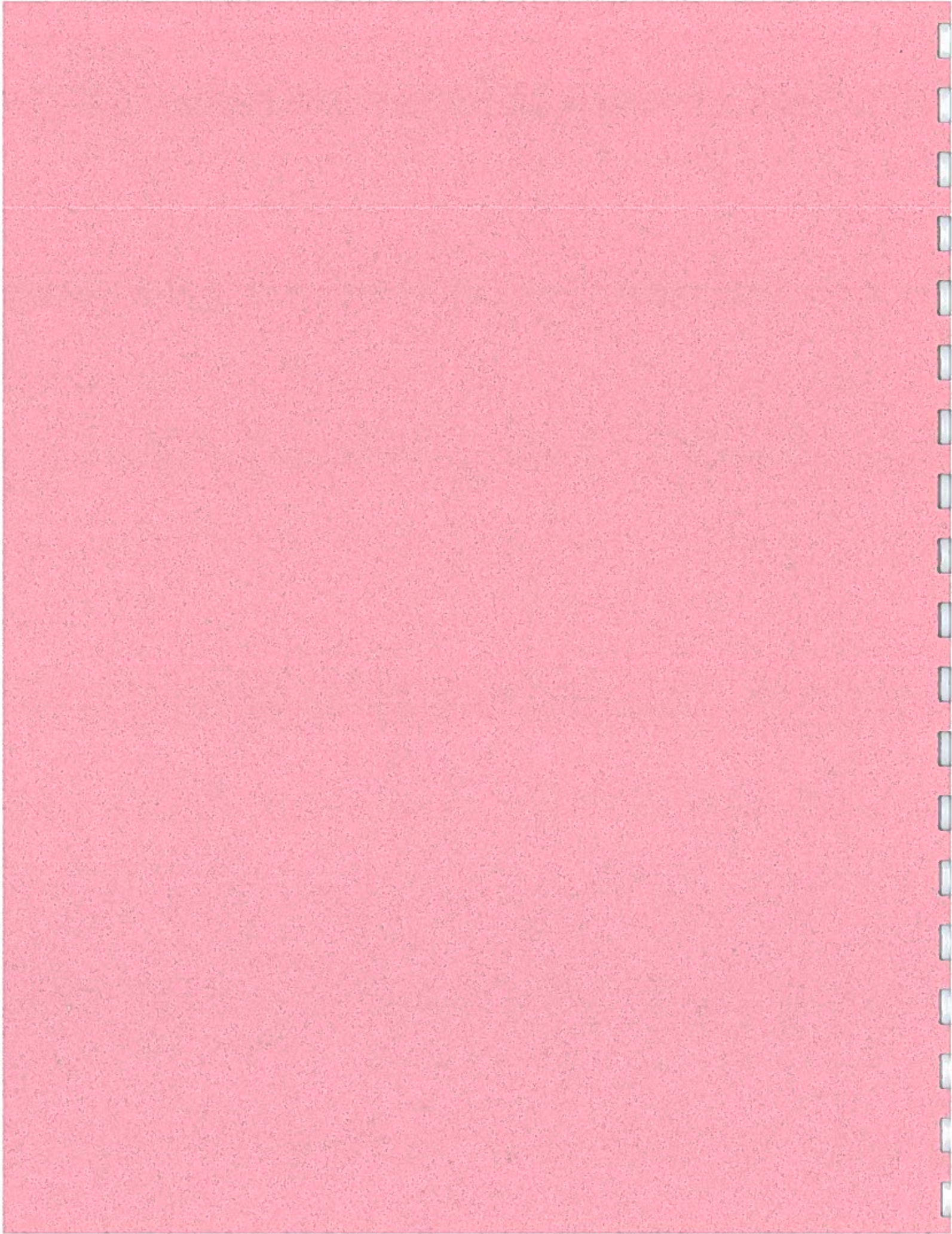
The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial 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, 1995 for the System as a whole, determined through an actuarial valuation performed as of that date, was \$7,658.6 million. The System's net assets available for benefits on that date (valued at market) were \$6,642.0 million, leaving an unfunded pension benefit obligation of \$1,016.6 million. The Town's 1995 contribution represented 0.014 percent of total contributions required of all participating entities.

Historical trend information is presented in the System's June 30, 1995 annual financial report.

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GENERAL FUND

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



TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND

COMPARATIVE BALANCE SHEET

June 30, 1995 and 1994

	1995	1994
<u>ASSETS</u>		
Cash	\$ 568 264	\$ 692 578
Delinquent property taxes receivable	367	560
Due from other governments	<u>146 313</u>	<u>111 168</u>
Total assets	<u>\$ 714 944</u>	<u>\$ 804 306</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 17 663	\$ 21 125
Payroll accrual	16 208	13 962
Deferred taxes	<u>367</u>	<u>499</u>
Total liabilities	34 238	35 586
<u>FUND BALANCE</u>		
Fund balance	<u>680 706</u>	<u>768 720</u>
Total liabilities and fund balance	<u>\$ 714 944</u>	<u>\$ 804 306</u>

TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 1995
With Comparative Actual Amounts for Year Ended June 30, 1994

	1995		Variance	1994
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Taxes	\$ 364 252	\$ 653 960	\$ 289 708	\$ 815 222
Fines and forfeitures	-	-	-	1 661
Licenses & Permits	4 247	2 581	(1 666)	4 452
Intergovernmental	228 124	242 336	14 212	191 345
Charges for services	4 500	11 366	6 866	7 196
Other	<u>1 519</u>	<u>1 035</u>	<u>(484)</u>	<u>4 786</u>
Total Revenue	<u>602 642</u>	<u>911 278</u>	<u>308 636</u>	<u>1 024 662</u>
Expenditures:				
General government	393 982	307 979	86 003	245 252
Public Safety	134 665	114 593	20 072	95 629
Public Works	33 500	21 772	11 728	33 662
Culture and recreation	<u>180 258</u>	<u>101 443</u>	<u>78 815</u>	<u>235 486</u>
Total Expenditures	<u>742 405</u>	<u>545 787</u>	<u>196 618</u>	<u>610 029</u>
Excess (deficiency) of revenues over expenditures	<u>(139 763)</u>	<u>365 491</u>	<u>505 254</u>	<u>414 633</u>
Other financing sources (uses:)				
Operating transfers out	<u>(425 365)</u>	<u>(456 917)</u>	<u>(31 552)</u>	<u>(300 000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(565 128)</u>	<u>(91 426)</u>	<u>473 702</u>	<u>114 633</u>
Fund balance:				
Beginning of year	696 510	768 720	72 210	654 087
Residential equity transfer	<u>3 412</u>	<u>3 412</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 134 794</u>	<u>\$ 680 706</u>	<u>\$ 545 912</u>	<u>\$ 768 720</u>

TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND
STATEMENT OF REVENUES COMPARED TO BUDGET
Year Ended June 30, 1995
With Comparative Actual Amounts for Year Ended June 30, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 226 876	\$ 243 529	\$ 16 653	\$ 815 222
Net proceeds	<u>137 376</u>	<u>410 431</u>	<u>273 055</u>	<u>-</u>
Total taxes	<u>364 252</u>	<u>653 960</u>	<u>289 708</u>	<u>815 222</u>
Fines and forfeitures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 661</u>
Licenses and permits:				
Gaming licenses	3 123	1 193	(1 930)	3 292
Liquor licenses	<u>1 124</u>	<u>1 388</u>	<u>264</u>	<u>1 160</u>
Total licenses	<u>4 247</u>	<u>2 581</u>	<u>(1 666)</u>	<u>4 452</u>
Intergovernmental:				
Motor vehicle priv.	27 372	30 565	3 193	45 490
Supplemental County	81 659	88 466	6 807	82 124
State library grant	-	-	-	1 500
Gas tax \$1.75	-	-	-	29 165
LGTA	-	3 367	3 367	6 637
Nye County reimbursement	-	-	-	26 429
County grant	99 093	99 938	845	-
County grant for fire truck	<u>20 000</u>	<u>20 000</u>	<u>-</u>	<u>-</u>
Total intergovernmental	<u>228 124</u>	<u>242 336</u>	<u>14 212</u>	<u>191 345</u>
Charges for services:				
Swimming pool	4 500	4 896	396	7 196
Water charges	<u>-</u>	<u>6 470</u>	<u>6 470</u>	<u>-</u>
Total charges for services	<u>4 500</u>	<u>11 366</u>	<u>6 866</u>	<u>7 196</u>
Other:				
Rent	1 019	675	(344)	1 245
Photo copy	-	-	-	1 593
Donations	-	-	-	500
Miscellaneous	<u>500</u>	<u>360</u>	<u>(140)</u>	<u>1 448</u>
Total other	<u>1 519</u>	<u>1 035</u>	<u>(484)</u>	<u>4 786</u>
Total revenues	<u>\$ 602 642</u>	<u>\$ 911 278</u>	<u>\$ 308 636</u>	<u>\$ 1 024 662</u>

TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
Year Ended June 30, 1995
With Comparative Actual Amounts for Year Ended June 30, 1994

	1995		Variance	1994
	Budget	Actual	Favorable (Unfavorable)	Actual
Expenditures:				
General government:				
Administration:				
Salaries and wages	\$ 52 194	\$ 49 120	\$ 3 074	\$ 45 154
Employee benefits	17 536	15 598	1 938	14 884
Service and supplies	<u>68 438</u>	<u>31 975</u>	<u>36 463</u>	<u>29 377</u>
Total administration	<u>138 168</u>	<u>96 693</u>	<u>41 475</u>	<u>89 415</u>
Building and Grounds:				
Salaries and wages	141 086	111 871	29 215	87 250
Employee benefits	42 793	33 802	8 991	27 473
Service and supplies	<u>71 935</u>	<u>65 613</u>	<u>6 322</u>	<u>41 114</u>
Total building and grounds	<u>255 814</u>	<u>211 286</u>	<u>44 528</u>	<u>155 837</u>
Total general government	<u>393 982</u>	<u>307 979</u>	<u>86 003</u>	<u>245 252</u>
Public safety:				
Fire department:				
Services and supplies	<u>2 700</u>	<u>1 853</u>	<u>847</u>	<u>5 745</u>
Fire department - Hadley Station:				
Salaries and wages	56 415	49 974	6 441	50 339
Employee benefits	25 364	24 313	1 051	21 292
Services and supplies	<u>50 186</u>	<u>38 453</u>	<u>11 733</u>	<u>18 253</u>
	<u>131 965</u>	<u>112 740</u>	<u>19 225</u>	<u>89 884</u>
Total public safety	<u>134 665</u>	<u>114 593</u>	<u>20 072</u>	<u>95 629</u>

TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
Year Ended June 30, 1995
With Comparative Actual Amounts for Year Ended June 30, 1994

	1995		Variance	1994
	Budget	Actual	Favorable (Unfavorable)	Actual
Public works:				
Highways and streets:				
Services and supplies	\$ 12 000	\$ 2 673	\$ 9 327	\$ 29 210
Round Mountain Water:				
Services and supplies	<u>21 500</u>	<u>19 099</u>	<u>2 401</u>	<u>4 452</u>
Total public works	<u>33 500</u>	<u>21 772</u>	<u>11 728</u>	<u>33 662</u>
Culture and recreation:				
Library				
Services and supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>436</u>
Hadley Library				
Salaries and wages	<u>-</u>	<u>-</u>	<u>-</u>	<u>74 797</u>
Employee benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>23 094</u>
Services and supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>32 681</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>130 572</u>
Gym				
Services and supplies	<u>12 200</u>	<u>6 535</u>	<u>5 665</u>	<u>9 063</u>
Swimming Pool				
Salaries and wages	37 440	10 628	26 812	15 108
Employee benefits	3 848	1 082	2 766	1 742
Services and supplies	<u>23 300</u>	<u>15 911</u>	<u>7 389</u>	<u>21 643</u>
	<u>64 588</u>	<u>27 621</u>	<u>36 967</u>	<u>38 493</u>
Parks and recreation				
Salaries and wages	45 914	32 836	13 078	30 868
Employee benefits	12 575	8 635	3 940	11 446
Services and supplies	<u>41 981</u>	<u>23 813</u>	<u>18 168</u>	<u>12 031</u>
	<u>100 470</u>	<u>65 284</u>	<u>35 186</u>	<u>54 345</u>
Activity center				
Services and supplies	<u>3 000</u>	<u>2 003</u>	<u>997</u>	<u>2 577</u>
Total culture and recreation	<u>180 258</u>	<u>101 443</u>	<u>78 815</u>	<u>235 486</u>
Total expenditures	<u>\$742 405</u>	<u>\$ 545 787</u>	<u>\$ 196 618</u>	<u>\$610 029</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
GENERAL FUND**

**STATEMENT OF CHANGES TO ORIGINAL BUDGET
Year Ended June 30, 1995**

	Original	Budget Transfer & Augmentation To (From)	Final
Revenues:			
Taxes	\$ 364 252	\$ -	\$ 364 252
Licenses and permits	4 247	-	4 247
Intergovernmental	250 774	(22 650)	228 124
Charges for services	4 500	-	4 500
Other	1 519	-	1 519
Total revenues	<u>625 292</u>	<u>(22 650)</u>	<u>602 642</u>
Expenditures:			
General government	381 209	12 773	393 982
Public safety	124 779	9 886	134 665
Public works	84 500	(51 000)	33 500
Culture and recreation	182 917	(2 659)	180 258
Contingency	23 202	(23 202)	-
Total expenditures	<u>796 607</u>	<u>(54 202)</u>	<u>742 405</u>
Excess (deficiency) of revenues over expenditures	(171 315)	31 552	(139 763)
Other financing sources (uses):			
Operating transfers out	(300 000)	(125 365)	(425 365)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(471 315)	(93 813)	(565 128)
Fund balance:			
Beginning of year	591 431	105 079	696 510
Residual equity transfer	3 412	-	3 412
End of year	<u>\$ 123 528</u>	<u>\$ 11 266</u>	<u>\$ 134 794</u>

SPECIAL REVENUE FUNDS

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

The Road Fund is used to account for gas tax revenues to be used for road maintenance.



**TOWN OF ROUND MOUNTAIN, NEVADA
ROAD SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 1995**

1995

ASSETS

Cash	\$ 64 473
Due from other government	<u>2 793</u>
Total Assets	<u>\$ 67 266</u>

LIABILITIES

Accounts payable	\$ 1 785
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Fund Balance

Fund Balance	<u>65 481</u>
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Total liabilities and Funds	<u>\$ 67 266</u>
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TOWN OF ROUND MOUNTAIN, NEVADA
ROAD SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Period Ended June 30, 1995

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Intergovernmental			
Gas Tax \$1.75	<u>\$ 42 650</u>	<u>\$ 31 173</u>	<u>\$ (11 477)</u>
Expenditures:			
Public works			
Highways and streets			
Service and supplies	51 000	21 325	29 675
Capital outlay	<u>30 000</u>	<u>27 246</u>	<u>2 754</u>
Total expenditures	<u>81 000</u>	<u>48 571</u>	<u>32 429</u>
Excess (deficiency) of revenues over expenditures	(38 350)	(17 398)	20 952
Other financing sources(uses):			
Operating transfers in	<u>82 279</u>	<u>82 879</u>	<u>600</u>
Excess (deficiency) of revenue and other sources over expenditures	43 929	65 481	21 552
Fund balance			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 43 929</u>	<u>\$ 65 481</u>	<u>\$ 21 552</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
ROAD SPECIAL REVENUE FUND**

**STATEMENT OF CHANGES TO ORIGINAL BUDGET
Year Ended June 30, 1995**

	<u>Original</u>	<u>Budget Transfer & Augmentation To (From)</u>	<u>Final</u>
Revenues:			
Intergovernmental:			
Gas tax	\$ -	\$ 42 650	\$ 42 650
Expenditures:			
Public works:			
Service & supplies	-	51 000	51 000
Capital outlay	-	30 000	30 000
Total public works	-	81 000	81 000
Excess (deficiency) of revenues over expenditures	-	(38 350)	(38 350)
Other financing sources (uses):			
Operating transfers in:			
General fund	-	82 279	82 279
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	43 929	43 929
Fund balance:			
Beginning of year	-	-	-
End of year	\$ -	\$ 43 929	\$ 43 929

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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**

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

**Year Ended June 30, 1995
With Comparative Actual Amounts for Year Ended June 30, 1994**

	1995		Variance	1994 Actual
	Budget	Actual	Favorable (Unfavorable)	
Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance:				
Beginning of year	3 412	3 412	-	3 412
Residual equity transfer out	(3 412)	(3 412)	-	-
End of year	\$ -	\$ -	\$ -	\$ 3 412

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

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

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

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



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

June 30, 1995
 With Comparative Totals for June 30, 1994

	Capital Projects	Special Ad Valorem Capital Projects	Totals	
			1995	1994
<u>Assets</u>				
Cash	\$ 95 148	\$ 11 064	\$ 106 212	\$ 289 195
Total assets	<u>\$ 95 148</u>	<u>\$ 11 064</u>	<u>\$ 106 212</u>	<u>\$ 289 195</u>
<u>Liabilities and Fund Balances</u>				
Accounts payable	\$ 10 945	\$ -	\$ 10 945	\$ 31 278
<u>Fund Balance</u>				
Fund balance	<u>84 203</u>	<u>11 064</u>	<u>95 267</u>	<u>257 917</u>
Total liabilities and Fund balance	<u>\$ 95 148</u>	<u>\$ 11 064</u>	<u>\$ 106 212</u>	<u>\$ 289 195</u>

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

**Year Ended June 30, 1995
With Comparative Totals for June 30, 1994**

	Capital Projects	Special Ad Valorem Capital Projects	Totals 1995	1994
Revenue				
Intergovernmental	\$ -	\$ 11 064	\$ 11 064	\$ 10 574
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total revenue	<u>-</u>	<u>11 064</u>	<u>11 064</u>	<u>11 074</u>
Expenditures				
Capital projects	<u>507 942</u>	<u>39 810</u>	<u>547 752</u>	<u>181 416</u>
Excess (deficiency) of revenues over expenditures	<u>(507 942)</u>	<u>(28 746)</u>	<u>(536 688)</u>	<u>(170 342)</u>
Other financing sources				
Operating transfers in	<u>374 038</u>	<u>-</u>	<u>374 038</u>	<u>300 000</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>(133 904)</u>	<u>(28 746)</u>	<u>(162 650)</u>	<u>129 658</u>
Fund balance				
Beginning of year	<u>218 107</u>	<u>39 810</u>	<u>257 917</u>	<u>128 259</u>
End of year	<u>\$ 84 203</u>	<u>\$ 11 064</u>	<u>\$ 95 267</u>	<u>\$ 257 917</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
CAPITAL PROJECTS FUND**

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

Year Ended June 30, 1995
With Comparative Actual Amounts for Year Ended June 30, 1994

	1995		Variance	1994
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues				
Other	\$ -	\$ -	\$ -	\$ 500
Expenditures				
Capital projects:				
General government	16 830	16 830	-	87 935
Public safety	77 100	77 100	-	24 673
Culture and recreation:				
Library	-	-	-	2 288
Parks and recreation	407 249	406 520	729	58 290
Pool	7 500	7 492	8	-
Activity center	-	-	-	1 134
Gym	-	-	-	7 096
Total expenditures	<u>508 679</u>	<u>507 942</u>	<u>737</u>	<u>181 416</u>
Excess (deficiency) of revenues over expenditures	(508 679)	(507 942)	737	(180 916)
Other financing sources				
Operating transfer in	<u>374 038</u>	<u>374 038</u>	<u>-</u>	<u>300 000</u>
Excess (deficiency) of revenue and other sources over expenditures	(134 641)	(133 904)	737	119 084
Fund balance				
Beginning of year	<u>212 445</u>	<u>218 107</u>	<u>5 662</u>	<u>99 023</u>
End of year	<u>\$ 77 804</u>	<u>\$ 84 203</u>	<u>\$ 6 399</u>	<u>\$ 218 107</u>

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, 1995
 With Comparative Actual Amounts for Year Ended June 30, 1994

	1995		Variance Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
Revenues				
Intergovernmental	\$ 6 441	\$ 11 064	\$ 4 623	\$ 10 574
Expenditures				
Capital projects	42 479	39 810	2 669	-
Excess (deficiency) of revenues over expenditures	(36 038)	(28 746)	7 292	10 574
Fund balance				
Beginning of year	36 038	39 810	3 772	29 236
End of year	<u>\$ -</u>	<u>\$ 11 064</u>	<u>\$ 11 064</u>	<u>\$ 39 810</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
CAPITAL PROJECT FUNDS**

**STATEMENT OF CHANGES TO ORIGINAL BUDGET
Year Ended June 30, 1995**

	Original	Budget Transfer & Augmentation To (From)	Final
Revenues	\$ -	\$ -	\$ -
Expenditures			
General government	16 830	-	16 830
Public works	30 000	(30 000)	-
Public safety	77 100	-	77 100
Culture and recreation	<u>312 500</u>	<u>102 249</u>	<u>414 749</u>
	<u>436 430</u>	<u>72 249</u>	<u>508 679</u>
Contingency	<u>13 093</u>	<u>(13 093)</u>	<u>-</u>
Total expenditures	<u>449 523</u>	<u>59 156</u>	<u>508 679</u>
Excess (deficiency) of revenues over expenditures	(449 523)	(59 156)	(508 679)
Other financing sources (uses)			
Operating transfers in General fund	<u>300 000</u>	<u>74 038</u>	<u>374 038</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(149 523)	14 882	(134 641)
Fund balance:			
Beginning of year	<u>197 327</u>	<u>15 118</u>	<u>212 445</u>
End of year	<u>\$ 47 804</u>	<u>\$ 30 000</u>	<u>\$ 77 804</u>

**TOWN OF ROUND MOUNTAIN, NEVADA
PRIOR YEAR AUDITOR COMMENTS AND RECOMMENDATIONS**

GAS TAX REVENUES

The Town receives gas tax revenue for road maintenance. Nevada revised statutes require this money to be used only for road expenditures. Revenues received have been recorded in the general fund for several years. I have analyzed the gas tax revenue received and road maintenance expenditure for the past four years. As listed below there was a cumulative excess of \$95,871.

I recommended this money be transferred to a new road special revenue fund to insure the money is spent in accordance with Nevada revised statutes for road maintenance.

	<u>1991</u>	<u>1992</u>	<u>1994</u>	<u>1995</u>	<u>Cumulative Excess</u>
Revenue	36 806	37 192	46 536	29 165	
Expense	<u>8 799</u>	<u>6 064</u>	<u>9 760</u>	<u>29 200</u>	
Excess	<u>28 005</u>	<u>31 133</u>	<u>36 776</u>	<u>(45)</u>	\$95 871

Action Taken

The Town created the Road Special Revenue fund and transferred the appropriate balance into the fund from the Town General fund.

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE OR
BASIC FINANCIAL STATEMENTS PERFORMED 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, 1995 and have issued my report thereon dated November 16, 1995.

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.

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.

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, 1995. I obtained an understanding of the internal control structure. With respect to the internal control structure, 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 in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.



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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 Council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

James C. McArthur, CPA, Ltd.

Las Vegas, Nevada
November 16, 1995



DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

I have audited the general purpose financial statements of the Town of Round Mountain, Nevada, as of and for the year ended June 30, 1995, and have issued my report thereon dated November 16, 1995.

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.

Compliance with laws, regulations, contracts, and grants applicable to the Town of Round Mountain, Nevada is the responsibility of the Town's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Town of Round Mountain, Nevada's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Town of Round Mountain, Nevada Town Board and management. However, this report is a matter of public record and its distribution is not limited.

Daniel C. McArthur, Ltd.

Las Vegas, Nevada
November 16, 1995

