

TOWN OF TONOPAH, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL MATERIAL
YEAR ENDED JUNE 30, 2005

**TOWN OF TONOPAH, NEVADA
 REPORT ON FINANCIAL STATEMENTS
 AND SUPPLEMENTAL MATERIAL
 FOR THE YEAR ENDED JUNE 30, 2005
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TOWN OF TONOPAH, NEVADA

ORGANIZATION

TOWN OFFICERS at June 30, 2005

Chairman	Cindy Kaminski
Vice Chairman	Paul Campos
Town Clerk	Terry Rivero
Board Members	Raymond Gallagher
	Thomas Hawkins

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Town Board
Tonopah, Nevada

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Tonopah, Nevada (the Town), as of and for the year ended June 30, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of the Town of Tonopah, Nevada as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 27, 2006, on my consideration of the town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis on pages 7 through 14 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tonopah, Nevada's basic financial statements. The introductory section and combining and individual fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

Las Vegas, Nevada
January 27, 2006

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2005

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

Financial Highlights

The Town's primary revenue sources for governmental activities were room taxes of \$269,531, ad valorem taxes of \$112,199, and consolidated taxes of \$266,975. These revenue sources comprised 35%, 15%, and 35% respectively, or 85% of total governmental activities revenues.

The Town's total expenses were \$1,776,807. The greatest expenses were \$133,828 in general government and \$270,464 in the culture and recreation function. Business-type activities contributed \$1,130,660 to total expenses.

At the end of the fiscal year, the unreserved fund balance for the General Fund was \$355,711. This was an increase of \$109,775 from the prior year.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2005

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2005

Proprietary Funds

The Town maintains one type of proprietary fund.

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

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including historical information on tax rates for the Town's overlapping taxing districts.

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

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

**Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2005**

Government-wide Financial Analysis

Net assets of the Town as of June 30, 2005, are summarized and analyzed below:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Assets:			
Current and other assets	\$ 635,439	\$ 834,562	\$ 1,470,001
Net capital assets	<u>2,934,652</u>	<u>9,055,268</u>	<u>11,989,920</u>
Total Assets	<u>3,570,091</u>	<u>9,889,830</u>	<u>13,459,921</u>
Liabilities:			
Current liabilities	90,531	216,139	306,670
Long-term liabilities	<u>0</u>	<u>484,007</u>	<u>484,007</u>
Total Liabilities	<u>90,531</u>	<u>700,146</u>	<u>790,677</u>
Net Assets:			
Invested in capital assets			
net of related debt	2,934,652	8,566,005	11,500,657
Restricted	0	73,584	73,584
Unrestricted	<u>544,908</u>	<u>550,095</u>	<u>1,095,003</u>
Total Net Assets	<u>\$ 3,479,560</u>	<u>\$ 9,189,684</u>	<u>\$12,669,244</u>

As noted earlier, net assets may serve over time as a useful indicator of the Town's financial position. Assets exceeded liabilities by \$12,669,244 as of June 30, 2005.

The largest portion of the Town's net assets, 94.64%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), net of any related debt outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

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

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

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2005

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

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 82,539	\$ 635,827	\$ 718,366
Operating grant	4,625	-	4,625
Capital grant	-	308,253	308,253
General revenues:			
Ad valorem taxes	112,199	-	112,199
Room tax	269,531	-	269,531
Consolidated tax	266,975	-	266,975
Fuel taxes	12,180	-	12,180
Interest	15,985	23,338	39,323
Other	3,206	129,016	132,222
	<u>767,240</u>	<u>1,096,434</u>	<u>1,863,674</u>
Total revenues	<u>767,240</u>	<u>1,096,434</u>	<u>1,863,674</u>
Expenses:			
General government	133,828	-	133,828
Public safety	112,249	-	112,249
Public works	129,606	-	129,606
Culture and recreation	270,464	-	270,464
Utility operations	-	1,130,660	1,130,660
	<u>646,147</u>	<u>1,130,660</u>	<u>1,776,807</u>
Total expenses	<u>646,147</u>	<u>1,130,660</u>	<u>1,776,807</u>
Change in net assets	121,093	(34,226)	86,867
Net assets - beginning	<u>3,358,467</u>	<u>9,223,910</u>	<u>12,582,377</u>
Net assets - ending	<u>\$ 3,479,560</u>	<u>\$ 9,189,684</u>	<u>\$ 12,669,244</u>

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

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

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2005

Financial Analysis of the Town's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$569,154. Approximately 33.91% of fund balances or \$192,981 constitutes unreserved, undesignated fund balance. The remainder of the fund balance is designated to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unreserved, undesignated fund balance of the General Fund was \$144,413. The total fund balance was \$355,711.

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

Revenues increased by \$63,101, or 9.74%. Tax revenues increased by \$23,462, or 7.61%. Intergovernmental revenues increased by \$12,952, or 4.57%, due to increased consolidated taxes. Charges for services increased by \$9,179 or 82.04%.

Expenditures decreased by \$24,332, or 3.89%.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation at June 30, 2005, was \$2,934,652. Detail by type of activity and asset is summarized in the table below.

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2005

Governmental Activities:

	Balance			Balance
	<u>June 30, 2004</u>	<u>Additions</u>	<u>Deletion</u>	<u>June 30, 2005</u>
Capital asset not being depreciated:				
Land	\$ 2,173,183	\$ 1,200	\$ 0	\$ 2,174,383
Capital assets being depreciated:				
Building	952,639	538	0	953,177
Equipment	<u>887,383</u>	<u>10,112</u>	<u>0</u>	<u>897,495</u>
Total capital assets being depreciated	<u>1,840,022</u>	<u>10,650</u>	<u>0</u>	<u>1,850,672</u>
Less accumulated depreciation for:				
Building	375,176	19,058	0	394,234
Equipment	<u>671,074</u>	<u>25,095</u>	<u>0</u>	<u>696,169</u>
Total accumulated depreciation	<u>1,046,250</u>	<u>44,153</u>	<u>0</u>	<u>1,090,403</u>
Total capital assets being depreciated, net	<u>793,772</u>	<u>(33,503)</u>	<u>0</u>	<u>760,269</u>
 Governmental activities assets, net	 <u>\$ 2,966,955</u>	 <u>\$ (32,303)</u>	 <u>\$ 0</u>	 <u>\$ 2,934,652</u>

Business-type Activities:

Capital assets not being depreciated				
Land	\$ 55,000	\$ 0	\$ 0	\$ 55,000
Capital assets being depreciated:				
Equipment	14,494,472	572,317	43,656	15,023,133
Less accumulated depreciation for:				
Equipment	<u>5,665,944</u>	<u>400,577</u>	<u>43,656</u>	<u>6,022,865</u>
Total capital assets being depreciated, net	<u>8,828,528</u>	<u>171,740</u>	<u>0</u>	<u>9,000,268</u>
 Business-type Activities assets, net	 <u>\$ 8,883,528</u>	 <u>\$ 171,740</u>	 <u>\$ 0</u>	 <u>\$ 9,055,268</u>

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2005

For additional information on the Town's capital assets see note D 3 in the accompanying financial statements.

REQUESTS FOR INFORMATION

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

Town Administration
Town of Tonopah, Nevada
PO Box 151
Tonopah, Nevada 89049

TOWN OF TONOPAH, NEVADA
STATEMENT OF NET ASSETS
JUNE 30, 2005

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 540,460	\$ 572,612	\$ 1,113,072
Interest receivable	4,492	4,470	8,962
Taxes receivable	6,565	-	6,565
Room tax receivable	26,603	-	26,603
Due from other governments	57,319	109,911	167,230
Accounts receivable	-	84,045	84,045
Inventory	-	63,524	63,524
Capital assets, net of accumulated depreciation	<u>2,934,652</u>	<u>9,055,268</u>	<u>11,989,920</u>
 Total assets	 <u>3,570,091</u>	 <u>9,889,830</u>	 <u>13,459,921</u>
Liabilities:			
Accounts payable	31,878	96,197	128,075
Accrued payroll and benefits	28,240	23,643	51,883
Accrued compensated absences	30,413	67,936	98,349
Accrued interest	-	5,241	5,241
Current portion of bonds payable	-	5,256	5,256
Note payable	-	484,007	484,007
Customer deposits	<u>-</u>	<u>17,866</u>	<u>17,866</u>
 Total liabilities	 <u>90,531</u>	 <u>700,146</u>	 <u>790,677</u>
Net assets:			
Invested in capital assets, net of related debt	2,934,652	8,566,005	11,500,657
Restricted for:			
Capital projects	190,231	65,532	255,763
Debt	-	8,052	8,052
Unrestricted	<u>354,677</u>	<u>550,095</u>	<u>904,772</u>
Total net assets	<u>\$ 3,479,560</u>	<u>\$ 9,189,684</u>	<u>\$ 12,669,244</u>

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

TOWN OF TONOPAH, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Functions/Programs	Program Revenues				Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary governments:							
General government	\$ (133,828)	\$ 58,593	\$ -	\$ -	\$ (75,235)	\$ -	\$ (75,235)
Public safety	(112,249)	3,725	2,425	-	(106,099)	-	(106,099)
Public works	(129,606)	-	-	-	(129,606)	-	(129,606)
Culture and recreation	(270,464)	20,221	2,200	-	(248,043)	-	(248,043)
Total governmental activities	(646,147)	82,539	4,625	-	(558,983)	-	(558,983)
Business-type activities:							
Water	(771,879)	516,030	-	277,969	-	22,120	22,120
Sewer	(358,781)	248,813	-	30,284	-	(79,684)	(79,684)
Total business-type activities	(1,130,660)	764,843	-	308,253	-	(57,564)	(57,564)
Total primary governments	\$ (1,776,807)	\$ 847,382	\$ 4,625	\$ 308,253	\$ (558,983)	\$ (57,564)	\$ (616,547)
General Revenues:							
Property taxes					\$ 112,199	\$ -	\$ 112,199
Room tax					269,531	-	269,531
Fuel tax					12,180	-	12,180
Consolidated taxes					266,975	-	266,975
Interest					15,985	23,338	39,323
Miscellaneous					3,206	-	3,206
Total general revenues					680,076	23,338	703,414
Change in net assets					121,093	(34,226)	86,867
Net assets - beginning of year					3,358,467	9,223,910	12,582,377
Net assets - end of year					<u>\$ 3,479,560</u>	<u>\$ 9,189,684</u>	<u>\$ 12,669,244</u>

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

TOWN OF TONOPAH, NEVADA
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2005

	Major Fund - General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ 327,345	\$ 213,115	\$ 540,460
Interest receivable	4,492	-	4,492
Delinquent property taxes	6,565	-	6,565
Room tax receivable	24,603	2,000	26,603
Due from other governments	<u>57,319</u>	<u>-</u>	<u>57,319</u>
 Total assets	 <u>\$ 420,324</u>	 <u>\$ 215,115</u>	 <u>\$ 635,439</u>
Liabilities:			
Accounts payable	\$ 30,206	\$ 1,672	\$ 31,878
Accrued payroll	28,240	-	28,240
Deferred taxes	<u>6,167</u>	<u>-</u>	<u>6,167</u>
 Total liabilities	 <u>64,613</u>	 <u>1,672</u>	 <u>66,285</u>
Fund Equity:			
Fund balance - unreserved:			
Designated for subsequent year	211,298	164,875	376,173
Undesignated	<u>144,413</u>	<u>48,568</u>	<u>192,981</u>
Total fund equity	<u>355,711</u>	<u>213,443</u>	<u>569,154</u>
 Total liabilities and fund equity	 <u>\$ 420,324</u>	 <u>\$ 215,115</u>	 <u>\$ 635,439</u>

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

TOWN OF TONOPAH, NEVADA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005

Total fund balance - governmental funds	\$ 569,154
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets net of the related depreciation are not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the Statement of Net Assets	2,934,652
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	6,167
Certain liabilities such as compensated absences, are not reported in the governmental funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Assets	<u>(30,413)</u>
Total net assets - governmental activities	<u>\$ 3,479,560</u>

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

TOWN OF TONOPAH, NEVADA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Major Fund- General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 331,610	\$ 24,239	\$ 355,849
Fines and forfeitures	27,264	-	27,264
Licenses and permits	16,244	-	16,244
Intergovernmental	296,665	25,214	321,879
Charges for services	20,368	3,578	23,946
Other	<u>18,682</u>	<u>2,709</u>	<u>21,391</u>
 Total revenues	 <u>710,833</u>	 <u>55,740</u>	 <u>766,573</u>
Expenditures:			
Current:			
General government	130,396	-	130,396
Public safety	115,365	-	115,365
Public works	128,320	-	128,320
Culture and recreation	226,977	17,161	244,138
Capital projects	<u>-</u>	<u>8,211</u>	<u>8,211</u>
 Total expenditures	 <u>601,058</u>	 <u>25,372</u>	 <u>626,430</u>
 Excess (deficiency) of revenues over expenditures	 109,775	 30,368	 140,143
Fund balance:			
Beginning of year	<u>245,936</u>	<u>183,075</u>	<u>429,011</u>
 End of year	 <u>\$ 355,711</u>	 <u>\$ 213,443</u>	 <u>\$ 569,154</u>

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

TOWN OF TONOPAH, NEVADA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Net change in fund balance - governmental funds	\$ 140,143
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over the estimated useful lives as annual depreciation expense in the Statement of Activities. The is the amount by which depreciation exceeds capital outlay in the current period.</p>	(32,303)
<p>The effect of donated capital assets is to increase net assets.</p>	
<p>Property taxes that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenue in the Statement of Activities.</p>	667
<p>Generally, expenditures recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred.</p>	<u>12,586</u>
Change in net assets of governmental activities	<u><u>\$ 121,093</u></u>

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

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2005

	Budget Amounts		Actual	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 86,650	\$ 86,650	\$ 86,318	\$ (332)
Room taxes	<u>213,500</u>	<u>213,500</u>	<u>245,292</u>	<u>31,792</u>
Total taxes	<u>300,150</u>	<u>300,150</u>	<u>331,610</u>	<u>31,460</u>
Fines and forfeitures	<u>28,000</u>	<u>28,000</u>	<u>27,264</u>	<u>(736)</u>
Licenses and permits	<u>16,000</u>	<u>16,000</u>	<u>16,244</u>	<u>244</u>
Intergovernmental:				
County liquor license	2,000	2,000	1,720	(280)
County gaming license	20,000	20,000	13,365	(6,635)
Consolidated tax	234,020	234,020	266,975	32,955
Grants	-	-	2,425	2,425
Gas tax \$1.75	<u>9,500</u>	<u>9,500</u>	<u>12,180</u>	<u>2,680</u>
Total intergovernmental	<u>265,520</u>	<u>265,520</u>	<u>296,665</u>	<u>31,145</u>
Charges for services:				
Rescue runs	1,000	1,000	147	(853)
Swimming pool fees	8,000	8,000	11,392	3,392
Convention Center rental	5,000	5,000	7,885	2,885
Baseball complex fees	400	400	510	110
Fairgrounds rental	<u>400</u>	<u>400</u>	<u>434</u>	<u>34</u>
Total charges for services	<u>14,800</u>	<u>14,800</u>	<u>20,368</u>	<u>5,568</u>
Other:				
Interest	7,000	7,000	13,276	6,276
Donations	2,000	2,000	2,200	200
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>3,206</u>	<u>1,206</u>
Total other	<u>11,000</u>	<u>11,000</u>	<u>18,682</u>	<u>7,682</u>
Total revenues	<u>635,470</u>	<u>635,470</u>	<u>710,833</u>	<u>75,363</u>

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

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2005

	Budget Amounts		Actual	Variance- Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Salaries and wages	\$ 105,268	\$ 105,268	\$ 60,908	\$ 44,360
Employee benefits	35,294	35,294	22,516	12,778
Services and supplies	31,700	31,700	44,822	(13,122)
Capital projects	-	-	2,150	(2,150)
Total general government	<u>172,262</u>	<u>172,262</u>	<u>130,396</u>	<u>41,866</u>
Public safety:				
Fire:				
Salaries and wages	79,142	79,142	51,987	27,155
Employee benefits	31,817	31,817	41,794	(9,977)
Services and supplies	<u>27,780</u>	<u>27,780</u>	<u>21,584</u>	<u>6,196</u>
Total public safety	<u>138,739</u>	<u>138,739</u>	<u>115,365</u>	<u>23,374</u>
Public works:				
Highways and streets:				
Salaries and wages	74,917	74,917	71,473	3,444
Employee benefits	26,919	26,919	24,711	2,208
Services and supplies	<u>44,400</u>	<u>44,400</u>	<u>32,136</u>	<u>12,264</u>
Total public works	<u>146,236</u>	<u>146,236</u>	<u>128,320</u>	<u>17,916</u>
Culture and recreation:				
Parks:				
Services and supplies	<u>21,600</u>	<u>21,600</u>	<u>12,967</u>	<u>8,633</u>
Mining parks:				
Salaries and wages	67,093	67,093	63,396	3,697
Employee benefits	25,118	25,118	24,204	914
Services and supplies	<u>15,416</u>	<u>15,416</u>	<u>14,065</u>	<u>1,351</u>
Total mining parks	<u>107,627</u>	<u>107,627</u>	<u>101,665</u>	<u>5,962</u>
Swimming pool:				
Salaries and wages	25,000	25,000	11,263	13,737
Employee benefits	2,753	2,753	961	1,792
Services and supplies	16,600	16,600	14,147	2,453
Capital outlay	<u>-</u>	<u>-</u>	<u>2,250</u>	<u>(2,250)</u>
Total swimming pool	<u>44,353</u>	<u>44,353</u>	<u>28,621</u>	<u>15,732</u>

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

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2005

	Budget Amounts		Actual	Variance- Positive (Negative)
	Original	Final		
Culture and recreation (continued):				
Fair grounds:				
Services and supplies	\$ 2,700	\$ 2,700	\$ 1,220	\$ 1,480
Ball fields:				
Services and supplies	10,860	10,860	5,636	5,224
Convention Center:				
Salaries and wages	28,654	28,654	24,252	4,402
Employee benefits	16,304	16,304	14,009	2,295
Services and supplies	42,050	42,050	38,607	3,443
Total Convention Center	87,008	87,008	76,868	10,140
Total culture and recreation	274,148	274,148	226,977	47,171
Contingency	15,000	15,000	-	15,000
Total expenditures	746,385	746,385	601,058	145,327
Excess (deficiency) of revenues over expenditures	(110,915)	(110,915)	109,775	220,690
Fund balance:				
Beginning of year	246,388	246,388	245,936	(452)
End of year	\$ 135,473	\$ 135,473	\$ 355,711	\$ 220,238

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

TOWN OF TONOPAH, NEVADA
PROPRIETARY FUND
STATEMENT OF NET ASSETS
June 30, 2005

	Tonopah Public Utility Enterprise Fund
<u>ASSETS:</u>	
Current assets:	
Pooled cash and investments	\$ 493,709
Interest receivable	4,470
Due from other governments	109,911
Accounts receivable, net of allowance for doubtful accounts	84,045
Inventory	63,524
Restricted assets - cash	<u>78,903</u>
Total current assets	834,562
Property, plant and equipment, net of accumulated depreciation	<u>9,055,268</u>
 Total assets	 <u>9,889,830</u>
<u>LIABILITIES:</u>	
Current liabilities, payable from unrestricted assets:	
Accounts payable	96,197
Accrued payroll	23,643
Accrued interest	5,241
Accrued compensated absences	67,936
Current portion of bonds payable	<u>5,256</u>
Total current liabilities-unrestricted	198,273
Current liabilities, payable from restricted assets:	
Customer deposits	<u>17,866</u>
 Total current liabilities	 216,139
 Bonds payable	 <u>484,007</u>
 Total liabilities	 <u>700,146</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	8,566,005
Restricted for debt	8,052
Restricted for construction	65,532
Unrestricted	<u>550,095</u>
Total net assets	<u>\$ 9,189,684</u>

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

TOWN OF TONOPAH, NEVADA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
For the Year Ended June 30, 2005

	Tonopah Public Utility Enterprise Fund
Operating revenues:	
Charges for services:	
Water fees	\$ 382,875
Sewer fees	<u>248,813</u>
Total operating revenues	<u>631,688</u>
Operating expenses:	
Water Department:	
Administration	102,075
General operations	233,923
Water operations	129,372
Depreciation	<u>282,023</u>
Total water department	<u>747,393</u>
Sewer Department:	
Administration	77,666
General operations	150,684
Sewer operations	11,877
Depreciation	<u>118,554</u>
Total sewer department	<u>358,781</u>
Total operating expenses	<u>1,106,174</u>
Operating (loss)	<u>(474,486)</u>
Nonoperating revenue (expense):	
Interest	23,338
Miscellaneous	30,854
Grants	308,253
Interest	(24,486)
Capital projects	30,162
Surcharge	<u>72,139</u>
Total nonoperating revenue	<u>440,260</u>
Net income (loss)	(34,226)
Net Assets:	
Beginning of year	<u>9,223,910</u>
End of year	<u>\$ 9,189,684</u>

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

**TOWN OF TONOPAH, NEVADA
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 2005**

	Tonopah Public Utility	Enterprise Fund
Cash flows from operating activities:		
Cash received from customers	\$ 518,570	
Cash paid for salaries, wages, and employee benefits	(490,870)	
Cash paid for services and supplies	<u>(149,450)</u>	
Net cash provided by operating activities	<u>(121,750)</u>	
Cash flows from noncapital financing activities:		
Miscellaneous revenue	30,854	
Grants	308,253	
Capital projects	30,162	
Surcharges	<u>72,139</u>	
Net cash provided by noncapital financing activities	<u>441,408</u>	
Cash flows from capital and related financing activities:		
Purchase of fixed assets	(572,317)	
Principal paid	(5,787)	
Interest paid	<u>(24,486)</u>	
Net cash (used) by capital and related financing activities	<u>(602,590)</u>	
Cash flows from investing activities:		
Interest income	<u>20,329</u>	
Net increase in cash	(262,603)	
Cash:		
Beginning of year	<u>835,215</u>	
End of year	<u>\$ 572,612</u>	
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	<u>\$ (474,486)</u>	
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	400,577	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(111,630)	
(Increase) decrease in inventory	2,978	
Increase (decrease) in accounts payable	69,470	
Increase (decrease) in accrued payroll	(7,171)	
Increase (decrease) in customer deposits	<u>(1,488)</u>	
Total adjustments	<u>352,736</u>	
Net cash provided by operating activities	<u>\$ (121,750)</u>	

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so. The more significant accounting policies established in GAAP and used by the Town are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The Town has elected to implement the general provisions of the Statement in the prior year and plans to retroactively report infrastructure assets acquired prior to July 1, 2002 in the fiscal year ending 2006.

1. Reporting Entity

The Town is governed by an elected five member board. As required by generally accepted accounting principles, these financial statements present the Town's funds for which the Town is considered to be financially accountable. There were no component units of the Town at June 30, 2005. The Town is not included in any other governmental reporting entity as a component unit as defined by Governmental Accounting Standards Board pronouncements.

2. Basic Financial Statements

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Government-wide Financial Statements

The government-wide financial statements are made up of the Statement of Net Assets and the Statement of Activities. These statements include the aggregated financial information of the Town as a whole, except for fiduciary activity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Assets presents the consolidated financial position of the Town at year-end.

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

4. Fund Financial Statements

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

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

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

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The major revenue sources of the Town include room taxes, consolidated taxes, and ad valorem taxes.

All of the Town’s major funds are governmental funds. The Town reports the following major governmental fund:

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

Additionally the Town reports the following fund types:

Proprietary Fund:

Enterprise Fund - The Tonopah Public Utility Enterprise Fund accounts for the Town’s delivery of water and sewer services.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow this subsequent private-sector guidance.

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity

a. Pooled Cash and Investments

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

Investments are stated at fair value on the Statement of Net Assets. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of Town investments are part of investment income which is included in revenue from other sources on the Statement of Activities. **(See Note D1)**

Nevada Revised Statutes authorize the Town to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not exceed more than 10 years from the date of purchase.
2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$100,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 20 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

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

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

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

c. Inventories and Prepaid Items

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

Payments to vendors that will benefit periods beyond June 30, 2005 are recorded as expenditures in the fund financial statements. They are recorded as prepaid expenses in the government-wide financial statements. There were no material prepaids at June 30, 2005.

d. Restricted Assets

Certain cash assets of the Enterprise Fund are from revenue for specific use by the Enterprise Fund and are classified as restricted assets because their use is restricted by agreement. (See Note D5)

e. Capital Assets

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

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

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

GASB No. 34 requires the Town to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006. The Town has elected to implement the general provisions of GASB No. 34 in the current year and plan to implement the retroactive infrastructure provisions (under the modified approach) in the fiscal year ending June 30, 2006.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

f. Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements. No expenditure is reported for these amounts in the fund financial statements. (See **Note D6**) Vacation leave and sick leave included in accrued liabilities and recorded as expenditures in governmental fund types is the amount normally liquidated from “available spendable resources”.

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

g. Long-term Obligations

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

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

h. Fund Equity

In the fund financial statements, 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.

I. Net Assets

In the government-wide statements, net assets on the Statement of Net Assets includes the following:

(I) Invested in Capital Assets, net of Related Debt

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

(ii) Restricted Assets

This is the component of net assets that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Designations of fund balance represent tentative management plans that are subject to change.

(iii) Unrestricted

This is the component of net assets that is the difference between the assets and liabilities not reported in Invested in Capital Assets, Net of Related Debt and Restricted Assets.

j. Comparative Data/Reclassifications

Comparative total data for the prior year has 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.

k. Use of Estimates

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental funds Balance Sheet includes a reconciliation between fund balances - total governmental funds and net assets - governmental activities as reported in the government-wide Statement of Net Assets. One element of the reconciliation explains that “certain liabilities (such as bonds payable and capital lease payable) are not reported in this fund financial statement because they are not due and payable.” The details of this difference is as follows:

Compensated absences	\$ <u>30,413</u>
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2.. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

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

Capital outlay	\$ 11,850
Depreciation expense	<u>(44,153)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (32,303)</u>

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

Compensated absences	\$ <u>12,586</u>
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TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

C. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

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

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

- a. Prior to April 15, the Town submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget, as submitted, contains the proposed expenditures and means of financing them.
- b. The Nevada State Department of Taxation notifies the Town of its acceptance of the budget.
- c. Public hearings are conducted on the third Thursday in May.
- d. After all changes have been noted and hearings closed, the Town Board adopts the budget on or before June 1.
- e. Whenever such an action does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions, the Town may transfer appropriations within any function or program or between functions or programs within a fund, if:
 1. The governing body is advised of the action at the next regular meeting, and;
 2. The action is recorded in the official minutes of the meeting.
- f. Increases to a fund's budget (augmentations) other than by transfer 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. There were no fund budgets augmented during the year.

2. Encumbrance Accounting

Encumbrance accounting is not utilized in the governmental funds.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

D. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

1. Deposits and Investments

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

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

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

The fair value of the Town’s investment in the Nye County Treasurer’s Investment Pool was determined by multiplying the pool’s fair value per share factor times the Town’s pool balance as of June 30, 2005.

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Cash in the hands of officers	\$ 8,495	\$ 72,327	\$ 80,822
Carrying amount of deposits with County Treasurer	<u>531,965</u>	<u>500,285</u>	<u>1,032,250</u>
Total	<u>\$ 540,460</u>	<u>\$ 572,612</u>	<u>\$ 1,113,072</u>
Cash and cash equivalents	\$ 540,460	\$ 493,709	\$ 1,034,169
Restricted assets - cash	<u>0</u>	<u>78,903</u>	<u>78,903</u>
Total	<u>\$ 540,460</u>	<u>\$ 572,612</u>	<u>\$ 1,113,072</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

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

2. Receivables

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

	<u>General</u>	<u>Other Governmental</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:				
Property taxes	\$ 6,565	\$ 0	\$ 0	\$ 6,565
Interest receivable	4,492	0	4,470	8,962
Accounts receivable (net)	0	0	84,045	84,045
Due from other governments	57,319	0	109,911	167,230
Room tax receivable	<u>24,603</u>	<u>2,000</u>	<u>0</u>	<u>26,603</u>
Net total receivables	<u>\$92,979</u>	<u>\$ 2,000</u>	<u>\$198,426</u>	<u>\$ 293,405</u>

3. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2005 follows:

Governmental Activities	<u>June 30, 2004</u>	<u>Balance Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
Capital asset not being depreciated:				
Land	<u>\$ 2,173,183</u>	<u>\$ 1,200</u>	<u>\$ 0</u>	<u>\$ 2,174,383</u>
Capital assets being depreciated:				
Building	952,639	538	0	953,177
Equipment	<u>887,383</u>	<u>10,112</u>	<u>0</u>	<u>897,495</u>
Total capital assets being depreciated	<u>1,840,022</u>	<u>10,650</u>	<u>0</u>	<u>1,850,672</u>
Less accumulated depreciation for:				
Building	375,176	19,058	0	394,234
Equipment	<u>671,074</u>	<u>25,095</u>	<u>0</u>	<u>696,169</u>
Total accumulated depreciation	<u>1,046,250</u>	<u>44,153</u>	<u>0</u>	<u>1,090,403</u>
Total capital assets being depreciated, net	<u>793,772</u>	<u>(33,503)</u>	<u>0</u>	<u>760,269</u>
Governmental activities assets, net	<u>\$ 2,966,955</u>	<u>\$ (32,303)</u>	<u>\$ 0</u>	<u>\$ 2,934,652</u>
 Business-type Activities:	 Balance			 Balance
	<u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2005</u>
Capital assets not being depreciated:				
Land	<u>\$ 55,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 55,000</u>
Capital assets being depreciated:				
Equipment	14,494,472	572,317	43,656	15,023,133
Less accumulated depreciation for:				
Equipment	<u>5,665,944</u>	<u>400,577</u>	<u>43,656</u>	<u>6,022,865</u>
Total capital assets being depreciated, net	<u>8,828,528</u>	<u>171,740</u>	<u>0</u>	<u>9,000,268</u>
Business-type Activities assets, net	<u>\$ 8,883,528</u>	<u>\$ 171,740</u>	<u>\$ 0</u>	<u>\$ 9,055,268</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

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

3. Capital Assets (Continued)

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

Governmental activities:

General government	\$ 1,759
Public safety	15,837
Public works	1,960
Culture and recreation	<u>24,597</u>

\$ 44,153

Business activities:

Water and sewer	<u>\$ 400,577</u>
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4. Deferred Revenue

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. Deferred taxes in the General Fund were \$6,167.

5. Restricted Assets Accounts

The balances of the Town's restricted assets accounts are as follows:

Cash - customer deposits	\$ 17,967
Cash - Construction	6,306
Cash - Water/sewer privilege	425
Cash - Sewer Construction	48,294
Cash - Water surcharge	<u>5,911</u>
Total restricted assets	<u>\$ 78,903</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

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

6. Long-term Debt

Revenue Bonds Payable.

Town issued bonds in the amount of \$498,232 that were funded by the Farmer's Home Administration (FMHA). The bonds are to be used for the construction of a new water system for the Town of Tonopah. The bonds are to be repaid over 40 years requiring monthly payments of \$2,162 including interest at 4.25%. The outstanding balance at June 30, 2005 was \$489,264. The bond agreement requires the Town to establish a Water Revenue Bond Reserve Fund in which the Town must deposit on a monthly basis an amount equal to one hundred twentieth of the average annual loan installment until the average annual loan installment has been accumulated. The monthly deposit is \$216 and the average annual loan installment is \$25,948. The required reserve at June 30, 2005 was \$7,344. The balance in reserve account at June 30, 2005 was \$12,245.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2006	5,257	20,692
2007	5,484	20,464
2008	5,721	20,227
2009	5,969	19,979
2010	6,228	19,720
2011 - 2043	<u>460,605</u>	<u>398,198</u>
	<u>\$ 489,264</u>	<u>\$ 499,280</u>

Changes in general long-term liabilities. During the year ended June 30, 2005, the following changes occurred:

	<u>Balance at July 1, 2004</u>	<u>Net Additions/ (Reductions)</u>	<u>Balance at June 30, 2005</u>
Compensated absences	<u>\$ 42,999</u>	<u>\$ (12,586)</u>	<u>\$ 30,413</u>

7. Contributed Capital

The changes in the Town's contributed capital accounts for its proprietary fund was as follows:

	<u>Enterprise Fund</u>
Beginning balance	\$ 5,992,530
Contributions	0
Deletions	<u>0</u>
Ending balance	<u>\$ 5,992,530</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

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

8. 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. There were no transfers between fund types during the year ended June 30, 2005.

E. OTHER INFORMATION

1. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town joined together with other local governments in the Nevada Public Agency Insurance Pool (NPAIP), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Town pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is self sustaining through member premiums and reinsures through commercial companies for claims in excess of \$100,000 property and crime, casualty \$150,000 each and every insured event. As a participatory member the maintenance deductible is \$500 for each insured event.

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

The Town is self insured for unemployment claims.

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

2. Contingent Liabilities

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those 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.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2005

E. OTHER INFORMATION (Continued)

Litigation

Counsel for the Town has indicated there are no pending actions against the Town.

3. Pension Plan

Plan Description. The Town of Tonopah is a public employer contributing to the Public Employee Retirement System of the State of Nevada (PERS), a cost sharing multi-employer defined benefit pension plan. The plan is administered by the State of Nevada Retirement System.

As required by Nevada Revised Statutes, benefits 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 or age 60 with 10 years of service or any age with 30 years of service. Police and firemen are eligible for retirement at age 65 with 5 years of accredited police and fire service or age 55 with 10 years of service or at age 50 with 20 years of accredited police and fire service.

Financial statements for the Plan are available by calling (775) 687-4200 or writing to:

Public Employees' Retirement System of Nevada
693 W. Nye Lane
Carson City, NV 89703-1599

Funding Policy. Contribution rates are established by NRS 286.410. The statute, which is tied to the increase in taxable sales within the State each year, provides for yearly increases of up to 1% until such time as the actuarially determined unfunded liability of the Plan is reduced to zero. The Town is obligated to contribute all amounts due under the Plan. The contribution rate for regular employees was 20.25% for the 2004-2005 year. The contribution rate for police and firemen was 28.5%. The contribution requirement for the year ended June 30, 2005 was \$166,848. The contributions were equal to the required contributions for the year. The Town's contributions to PERS for the years ended June 30, 2004 and 2003 were \$102,274 and \$101,399 respectively, equal to the required contribution each year at the determined rate.

The Town has no liability for unfunded obligations of the system as provided by Nevada Revised Statutes Chapter 286.110.

**TOWN OF TONOPAH, NEVADA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2005 and 2004**

	2005	2004
<u>ASSETS</u>		
Pooled cash and investments	\$ 327,345	\$ 244,578
Interest receivable	4,492	2,250
Delinquent property taxes	6,565	5,886
Room tax receivable	24,603	19,619
Due from other governments	<u>57,319</u>	<u>42,402</u>
 Total assets	 <u>\$ 420,324</u>	 <u>\$ 314,735</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 30,206	\$ 31,713
Accrued payroll	28,240	31,586
Deferred taxes	<u>6,167</u>	<u>5,500</u>
 Total liabilities	 <u>64,613</u>	 <u>68,799</u>
<u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	211,298	245,936
Undesignated	<u>144,413</u>	<u>-</u>
 Total fund balance	 <u>355,711</u>	 <u>245,936</u>
 Total liabilities and fund balance	 <u>\$ 420,324</u>	 <u>\$ 314,735</u>

**TOWN OF TONOPAH, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2005
(With Comparative Actual Amounts for the Year Ended June 30, 2004)**

	2005		Variance- Positive (Negative)	2004 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 300,150	\$ 331,610	\$ 31,460	\$ 308,148
Fines and forfeitures	28,000	27,264	(736)	24,669
Licenses and permits	16,000	16,244	244	15,728
Intergovernmental	265,520	296,665	31,145	283,713
Charges for services	14,800	20,368	5,568	11,189
Other	11,000	18,682	7,682	4,285
 Total revenues	 <u>635,470</u>	 <u>710,833</u>	 <u>75,363</u>	 <u>647,732</u>
Expenditures:				
General government	172,262	130,396	41,866	109,333
Public safety	138,739	115,365	23,374	115,653
Public works	146,236	128,320	17,916	137,196
Culture and recreation	274,148	226,977	47,171	263,208
Contingency	15,000	-	15,000	-
 Total expenditures	 <u>746,385</u>	 <u>601,058</u>	 <u>145,327</u>	 <u>625,390</u>
 Excess (deficiency) of revenues over expenditures	 (110,915)	 109,775	 220,690	 22,342
Other financing sources (uses):				
Operating transfers out	-	-	-	(40,000)
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 (110,915)	 109,775	 220,690	 (17,658)
Fund balance:				
Beginning of year	246,388	245,936	(452)	263,594
 End of year	 <u>\$ 135,473</u>	 <u>\$ 355,711</u>	 <u>\$ 220,238</u>	 <u>\$ 245,936</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
For the Year Ended June 30, 2005
(With Comparative Actual Amounts for the Year Ended June 30, 2004)

	2005		Variance- Positive (Negative)	2004 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 86,650	\$ 86,318	\$ (332)	\$ 84,984
Room taxes	<u>213,500</u>	<u>245,292</u>	<u>31,792</u>	<u>223,164</u>
Total taxes	<u>300,150</u>	<u>331,610</u>	<u>31,460</u>	<u>308,148</u>
Fines and forfeitures	<u>28,000</u>	<u>27,264</u>	<u>(736)</u>	<u>24,669</u>
Licenses and permits	<u>16,000</u>	<u>16,244</u>	<u>244</u>	<u>15,728</u>
Intergovernmental:				
County liquor license	2,000	1,720	(280)	1,960
County gaming license	20,000	13,365	(6,635)	19,080
Consolidated tax	234,020	266,975	32,955	239,239
Grants	-	2,425	2,425	12,631
Gas tax \$1.75	<u>9,500</u>	<u>12,180</u>	<u>2,680</u>	<u>10,803</u>
Total intergovernmental	<u>265,520</u>	<u>296,665</u>	<u>31,145</u>	<u>283,713</u>
Charges for services:				
Rescue runs	1,000	147	(853)	439
Swimming pool fees	8,000	11,392	3,392	3,834
Convention Center Rental	5,000	7,885	2,885	6,140
Baseball complex fees	400	510	110	368
Fairgrounds rental	<u>400</u>	<u>434</u>	<u>34</u>	<u>408</u>
Total charges for services	<u>14,800</u>	<u>20,368</u>	<u>5,568</u>	<u>11,189</u>
Other:				
Interest	7,000	13,276	6,276	837
Donations	2,000	2,200	200	1,079
Miscellaneous	<u>2,000</u>	<u>3,206</u>	<u>1,206</u>	<u>2,369</u>
Total other	<u>11,000</u>	<u>18,682</u>	<u>7,682</u>	<u>4,285</u>
Total revenues	<u>\$ 635,470</u>	<u>\$ 710,833</u>	<u>\$ 75,363</u>	<u>\$ 647,732</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
For the Year Ended June 30, 2005

(With Comparative Actual Amounts for the Year Ended June 30, 2004)

	2005		Variance- Positive (Negative)	2004 Actual
	Budget	Actual		
Expenditures:				
General government:				
Salaries and wages	\$ 105,268	\$ 60,908	\$ 44,360	\$ 33,453
Employee benefits	35,294	22,516	12,778	13,155
Services and supplies	31,700	44,822	(13,122)	62,725
Capital Projects	-	2,150	(2,150)	-
Total general government	<u>172,262</u>	<u>130,396</u>	<u>41,866</u>	<u>109,333</u>
Public safety:				
Fire:				
Salaries and wages	79,142	51,987	27,155	61,980
Employee benefits	31,817	41,794	(9,977)	31,621
Services and supplies	<u>27,780</u>	<u>21,584</u>	<u>6,196</u>	<u>22,052</u>
Total public safety	<u>138,739</u>	<u>115,365</u>	<u>23,374</u>	<u>115,653</u>
Public works:				
Highways and streets:				
Salaries and wages	74,917	71,473	3,444	67,038
Employee benefits	26,919	24,711	2,208	24,017
Services and supplies	<u>44,400</u>	<u>32,136</u>	<u>12,264</u>	<u>46,141</u>
Total public works	<u>146,236</u>	<u>128,320</u>	<u>17,916</u>	<u>137,196</u>
Culture and recreation:				
Parks:				
Services and supplies	<u>21,600</u>	<u>12,967</u>	<u>8,633</u>	<u>14,320</u>
Mining parks:				
Salaries and wages	67,093	63,396	3,697	59,528
Employee benefits	25,118	24,204	914	23,726
Services and supplies	<u>15,416</u>	<u>14,065</u>	<u>1,351</u>	<u>13,234</u>
Total mining parks	<u>107,627</u>	<u>101,665</u>	<u>5,962</u>	<u>96,488</u>
Swimming pool:				
Salaries and wages	25,000	11,263	13,737	15,559
Employee benefits	2,753	961	1,792	1,400
Services and supplies	16,600	14,147	2,453	15,017
Capital Outlay	<u>-</u>	<u>2,250</u>	<u>(2,250)</u>	<u>-</u>
Total swimming pool	<u>44,353</u>	<u>28,621</u>	<u>15,732</u>	<u>31,976</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
For the Year Ended June 30, 2005
(With Comparative Actual Amounts for the Year Ended June 30, 2004)

	2005		Variance- Positive (Negative)	2004 Actual
	Budget	Actual		
Culture and recreation (continued):				
Fair:				
Services and supplies	\$ 2,700	\$ 1,220	\$ 1,480	\$ 1,310
Ball fields:				
Services and supplies	10,860	5,636	5,224	5,664
Convention Center:				
Salaries and wages	28,654	24,252	4,402	56,317
Employee benefits	16,304	14,009	2,295	21,601
Services and supplies	42,050	38,607	3,443	35,532
Total Convention Center	87,008	76,868	10,140	113,450
Total culture and recreation	274,148	226,977	47,171	263,208
Contingency	15,000	-	15,000	-
Total expenditures	\$ 746,385	\$ 601,058	\$ 145,327	\$ 625,390

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2005 and 2004

	2005	2004
<u>ASSETS:</u>		
Current assets:		
Pooled cash and investments	\$ 493,709	\$ 573,234
Interest receivable	4,470	1,461
Due from other governments	109,911	-
Accounts receivable, net of allowance for doubtful accounts	84,045	82,326
Inventory	63,524	66,502
Restricted assets - cash	<u>78,903</u>	<u>261,981</u>
Total current assets	834,562	985,504
Property, plant and equipment, net of accumulated depreciation	<u>9,055,268</u>	<u>8,883,528</u>
Total assets	<u>9,889,830</u>	<u>9,869,032</u>
<u>LIABILITIES:</u>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	96,197	26,727
Accrued payroll	23,643	31,080
Accrued interest	5,241	5,241
Accrued compensated absences	67,936	67,670
Current portion of bonds payable	<u>5,256</u>	<u>5,786</u>
Total current liabilities-unrestricted	198,273	136,504
Current liabilities, payable from restricted assets:		
Customer deposits	<u>17,866</u>	<u>19,354</u>
Total current liabilities	216,139	155,858
Note payable	<u>484,007</u>	<u>489,264</u>
Total liabilities	<u>700,146</u>	<u>645,122</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	8,566,005	8,381,418
Restricted for debt	8,052	3,408
Restricted for construction	65,532	233,570
Unrestricted	<u>550,095</u>	<u>605,514</u>
Total net assets	<u>\$ 9,189,684</u>	<u>\$ 9,223,910</u>

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2005
(with Comparative Amounts for the Year Ended June 30, 2004)

	2005		Variance-	2004
	Budget	Actual	Positive (Negative)	Actuals
Operating revenues:				
Charges for services:				
Water fees	\$ 500,000	\$ 382,875	\$ (117,125)	\$ 394,523
Sewer fees	<u>250,000</u>	<u>248,813</u>	<u>(1,187)</u>	<u>268,649</u>
Total operating revenues	<u>750,000</u>	<u>631,688</u>	<u>(118,312)</u>	<u>663,172</u>
Operating expenses:				
Water department:				
Administration	82,397	102,075	(19,678)	81,844
General operations	270,571	233,923	36,648	272,359
Water operations	170,400	129,372	41,028	146,816
Depreciation	<u>138,000</u>	<u>282,023</u>	<u>(144,023)</u>	<u>206,704</u>
Total water department	<u>661,368</u>	<u>747,393</u>	<u>(86,025)</u>	<u>707,723</u>
Sewer department:				
Administration	80,138	77,666	2,472	69,483
General operations	162,635	150,684	11,951	147,185
Sewer operations	16,000	11,877	4,123	7,988
Depreciation	<u>111,000</u>	<u>118,554</u>	<u>(7,554)</u>	<u>115,141</u>
Total sewer department	<u>369,773</u>	<u>358,781</u>	<u>10,992</u>	<u>339,797</u>
Total operating expenses	<u>1,031,141</u>	<u>1,106,174</u>	<u>(75,033)</u>	<u>1,047,520</u>
Operating (loss)	<u>(281,141)</u>	<u>(474,486)</u>	<u>(193,345)</u>	<u>(384,348)</u>
Nonoperating revenue (expense):				
Interest income	12,000	23,338	11,338	1,485
Miscellaneous	32,000	30,854	(1,146)	56,492
Grant	-	308,253	308,253	1,038,562
Interest expense	-	(24,486)	(24,486)	(19,358)
Capital projects	35,000	30,162	(4,838)	30,498
Surcharge	<u>80,000</u>	<u>72,139</u>	<u>(7,861)</u>	<u>91,128</u>
Total nonoperating revenue	<u>159,000</u>	<u>440,260</u>	<u>281,260</u>	<u>1,198,807</u>
Net income (loss)	<u>\$ (122,141)</u>	<u>(34,226)</u>	<u>\$ 87,915</u>	<u>814,459</u>
Net Assets:				
Beginning of year		<u>9,223,910</u>		<u>8,409,451</u>
End of year		<u>\$ 9,189,684</u>		<u>\$ 9,223,910</u>

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2005
(With comparative Amounts for the Year Ended June 30, 2004)

	2005	2004
Cash flows from operating activities:		
Cash received from customers	\$ 518,570	\$ 1,063,464
Cash paid for salaries, wages and employee benefits	(490,870)	(480,927)
Cash paid for services and supplies	<u>(149,450)</u>	<u>(406,679)</u>
Net cash provided by operating activities	<u>(121,750)</u>	<u>175,858</u>
Cash flows from noncapital financing activities:		
Miscellaneous revenue	30,854	56,492
Grants	308,253	1,038,562
Capital projects	30,162	30,498
Surcharges	<u>72,139</u>	<u>91,128</u>
Net cash provided by noncapital financing activities	<u>441,408</u>	<u>1,216,680</u>
Cash flows from capital and related financing activities:		
Purchase of fixed assets	(572,317)	(493,377)
Principal paid	(5,787)	(8,968)
Interest paid	(24,486)	(19,358)
Payoff of interim debenture bond	-	(1,100,000)
Note proceeds	<u>-</u>	<u>498,232</u>
Net cash (used) by capital and related financing activities	<u>(602,590)</u>	<u>(1,123,471)</u>
Cash flows from investing activities:		
Interest income	<u>20,329</u>	<u>24</u>
Net increase in cash	(262,603)	269,091
Cash:		
Beginning of year	<u>835,215</u>	<u>566,124</u>
End of year	<u>\$ 572,612</u>	<u>\$ 835,215</u>
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	\$ (474,486)	\$ (384,348)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	400,577	321,845
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(111,630)	400,292
(Increase) decrease in inventory	2,978	1,814
Increase (decrease) in accounts payable	69,470	(168,862)
Increase (decrease) in accrued payroll	(7,171)	(598)
Increase (decrease) in customer deposits	<u>(1,488)</u>	<u>5,715</u>
Total adjustments	<u>352,736</u>	<u>560,206</u>
Net cash provided by operating activities	<u>\$ (121,750)</u>	<u>\$ 175,858</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2005 Totals	2004 Totals
Assets:				
Pooled cash and investments	\$ 22,247	\$ 190,868	\$ 213,115	\$ 181,992
Room tax receivable	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>1,533</u>
Total assets	<u>\$ 24,247</u>	<u>\$ 190,868</u>	<u>\$ 215,115</u>	<u>\$ 183,525</u>
Liabilities:				
Accounts payable	<u>\$ 1,035</u>	<u>\$ 637</u>	<u>\$ 1,672</u>	<u>\$ 450</u>
Fund Balance:				
Fund balance - unreserved:				
Designated for subsequent year	16,134	148,741	164,875	118,681
Undesignated	<u>7,078</u>	<u>41,490</u>	<u>48,568</u>	<u>64,394</u>
Total fund balance	<u>23,212</u>	<u>190,231</u>	<u>213,443</u>	<u>183,075</u>
Total liabilities and fund balance	<u>\$ 24,247</u>	<u>\$ 190,868</u>	<u>\$ 215,115</u>	<u>\$ 183,525</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2005 Totals	2004 Totals
Revenues:				
Taxes	\$ 24,239	\$ -	\$ 24,239	\$ 17,342
Intergovernmental	-	25,214	25,214	21,193
Charges for services	-	3,578	3,578	3,658
Other	-	2,709	2,709	731
Total revenues	<u>24,239</u>	<u>31,501</u>	<u>55,740</u>	<u>42,924</u>
Expenditures:				
Current:				
Culture and recreation	17,161	-	17,161	21,750
Capital projects	-	8,211	8,211	30,827
Total expenditures	<u>17,161</u>	<u>8,211</u>	<u>25,372</u>	<u>52,577</u>
Excess (deficiency) of revenues over expenditures	7,078	23,290	30,368	(9,653)
Other financing sources (uses):				
Operating transfers in	-	-	-	40,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	7,078	23,290	30,368	30,347
Fund balance:				
Beginning of year	<u>16,134</u>	<u>166,941</u>	<u>183,075</u>	<u>152,728</u>
End of year	<u>\$ 23,212</u>	<u>\$ 190,231</u>	<u>\$ 213,443</u>	<u>\$ 183,075</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-STATE ROOM TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2005 and 2004

	2005	2004
<u>ASSETS:</u>		
Pooled cash and investments	\$ 22,247	\$ 15,051
Room tax receivable	<u>2,000</u>	<u>1,533</u>
Total assets	<u>\$ 24,247</u>	<u>\$ 16,584</u>
<u>LIABILITIES</u>		
Accounts payable	<u>\$ 1,035</u>	<u>\$ 450</u>
<u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	16,134	14,242
Undesignated	<u>7,078</u>	<u>1,892</u>
Total fund balance	<u>23,212</u>	<u>16,134</u>
Total liabilities and fund balance	<u>\$ 24,247</u>	<u>\$ 16,584</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-STATE ROOM TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2005
(With Comparative Actual Amounts for the Year Ended June 30, 2004)

	2005		Variance- Positive (Negative)	2004 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Room tax	\$ 15,000	\$ 24,239	\$ 9,239	\$ 17,342
Expenditures:				
Culture and recreation:				
Services and supplies	29,242	15,961	13,281	21,750
Capital Outlay	-	1,200	(1,200)	-
Total expenditures	29,242	17,161	12,081	21,750
Excess (deficiency) of revenues over expenditures	(14,242)	7,078	21,320	- (4,408)
Fund balance:				
Beginning of year	14,242	16,134	1,892	20,542
End of year	\$ -	\$ 23,212	\$ 23,212	\$ 16,134

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2005

(With Comparative Totals for June 30, 2004)

	Capital Projects	Special Ad Valorem	Mining Capital Project	Totals 2005	Totals 2004
<u>ASSETS:</u>					
Pooled cash and investments	<u>\$ 32,286</u>	<u>\$ 128,582</u>	<u>\$ 30,000</u>	<u>\$ 190,868</u>	<u>\$ 166,941</u>
<u>LIABILITIES:</u>					
Accounts payable	<u>\$ 637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 637</u>	<u>\$ -</u>
<u>FUND BALANCE:</u>					
Unreserved:					
Designated for subsequent year	30,220	118,521	-	148,741	104,439
Undesignated	<u>1,429</u>	<u>10,061</u>	<u>30,000</u>	<u>41,490</u>	<u>62,502</u>
Total fund balance	<u>31,649</u>	<u>128,582</u>	<u>30,000</u>	<u>190,231</u>	<u>166,941</u>
Total liabilities and fund balance	<u>\$ 32,286</u>	<u>\$ 128,582</u>	<u>\$ 30,000</u>	<u>\$ 190,868</u>	<u>\$ 166,941</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUNDS-CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2005

(With Comparative Actual Amounts for the Year Ended June 30, 2004)

	Capital Projects	Special Ad Valorem	Mining Capital Project	Totals 2005	Totals 2004
Revenues:					
Intergovernmental	\$ -	\$ 25,214	\$ -	\$ 25,214	\$ 21,193
Charges for services	3,578	-	-	3,578	3,658
Other	<u>862</u>	<u>1,847</u>	<u>-</u>	<u>2,709</u>	<u>731</u>
Total revenues	4,440	27,061	-	31,501	25,582
Expenditures:					
Capital projects	<u>7,011</u>	<u>1,200</u>	<u>-</u>	<u>8,211</u>	<u>30,827</u>
Excess (deficiency) of revenues over expenditures	(2,571)	25,861	-	23,290	(5,245)
Other financing sources (uses):					
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,571)	25,861	-	23,290	34,755
Fund balance:					
Beginning of year	<u>34,220</u>	<u>102,721</u>	<u>30,000</u>	<u>166,941</u>	<u>132,186</u>
End of year	<u>\$ 31,649</u>	<u>\$ 128,582</u>	<u>\$ 30,000</u>	<u>\$ 190,231</u>	<u>\$ 166,941</u>

**TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2005 and 2004**

	2005	2004
<u>ASSETS:</u>		
Pooled cash and investments	<u>\$ 32,286</u>	<u>\$ 34,220</u>
<u>LIABILITIES:</u>		
Accounts payable	<u>\$ 637</u>	<u>\$ -</u>
<u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	30,220	30,911
Undesignated	<u>1,429</u>	<u>3,309</u>
Total fund balance	<u>31,649</u>	<u>34,220</u>
Total liabilities and fund balance	<u>\$ 32,286</u>	<u>\$ 34,220</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2005
(With Comparative Actual Amounts for the Year Ended June 30, 2004)

	2005		Variance- Positive (Negative)	2004 Actual
	Budget	Actual		
Revenues:				
Charges for services:				
Rescue runs	\$ 4,000	\$ 3,578	\$ (422)	\$ 3,658
Other:				
Interest	<u>-</u>	<u>862</u>	<u>862</u>	<u>576</u>
Total revenues	4,000	4,440	440	4,234
Expenditures:				
Capital projects	<u>34,335</u>	<u>7,011</u>	<u>27,324</u>	<u>30,827</u>
Excess (deficiency) of revenues over expenditures	(30,335)	(2,571)	27,764	(26,593)
Other financing sources (uses):				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(30,335)	(2,571)	27,764	13,407
Fund balance:				
Beginning of year	<u>30,335</u>	<u>34,220</u>	<u>3,885</u>	<u>20,813</u>
End of year	<u>\$ -</u>	<u>\$ 31,649</u>	<u>\$ 31,649</u>	<u>\$ 34,220</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2005 and 2004

	2005	2004
<u>ASSETS:</u>		
Pooled cash and investments	\$ <u>128,582</u>	\$ <u>102,721</u>
<u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	\$ 118,521	\$ 73,528
Undesignated	<u>10,061</u>	<u>29,193</u>
Total fund balance	<u>\$ 128,582</u>	<u>\$ 102,721</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-SPECIAL AD VALOREM CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2005
(With Comparative Actual Amounts for the Year Ended June 30, 2004)

	2005		Variance- Positive (Negative)	2004 Actual
	Budget	Actual		
Revenues:				
Intergovernmental	\$ 17,000	\$ 25,214	\$ 8,214	\$ 21,193
Other:				
Interest	<u>-</u>	<u>1,847</u>	<u>1,847</u>	<u>155</u>
Total revenues	17,000	27,061	10,061	21,348
Expenditures:				
Capital projects	<u>90,373</u>	<u>1,200</u>	<u>89,173</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(73,373)	25,861	99,234	21,348
Fund balance:				
Beginning of year	<u>73,373</u>	<u>102,721</u>	<u>29,348</u>	<u>81,373</u>
End of year	<u>\$ -</u>	<u>\$ 128,582</u>	<u>\$ 128,582</u>	<u>\$ 102,721</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-MINING CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2005 and 2004

	2005	2004
<u>ASSETS:</u>		
Pooled cash and investments	<u>\$ 30,000</u>	<u>\$ 30,000</u>
 <u>FUND BALANCE:</u>		
Unreserved:		
Undesignated	<u>\$ 30,000</u>	<u>\$ 30,000</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-MINING CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2005
(With Comparative Amounts for the Year Ended June 30, 2004)

	2005		Variance-	
	Budget	Actual	Positive (Negative)	2004 Actual
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital projects	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance:				
Beginning of year	-	30,000	30,000	30,000
End of year	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>

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

Honorable Members of the Town Board
Town of Tonopah, Nevada

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tonopah as of and for the year ended June 30, 2005, which collectively comprise the Town's basic financial statements and have issued my report thereon dated January 27, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Town of Tonopah's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud 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 over financial reporting and its operations that I consider to be material weaknesses.

Compliance and Other Matter

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

In connection with my audit, nothing came to my attention that caused me to believe that the funds established by the Town as listed in Nevada Revised Statutes (NRS) 354.624 Sec 5 (a) (1) through (5) (II), and NRS 354.6113 failed to comply with the express purposes required by NRS 354.6241 Sec 1 (a) , (b) ,(c) , (d) , (e) , and (f) and NRS 354.6113 Sec 4 (a) , (b) , (c), and (d), respectively. As required by NRS 354.624 Sec 4(a), a schedule of all fees imposed by the Town which were subject to the provisions of NRS 354.5989 is included in Appendix A. As required by NRS 354.6113 Sec 4, a schedule of capital projects activity is included in Appendix B.

This report is intended solely for the information and use of the Town Board, management, and officials of applicable state and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

Las Vegas, Nevada
January 27, 2006

**SCHEDULE OF BUSINESS LICENSE FEES
JUNE 30, 2005**

APPENDIX A

Nevada Revised Statutes 354.624.4(a) requires a schedule of all fees imposed by the Town which are subject to the provisions of NRS 354.5989. During the year ended June 30, 2005, the Town did not raise fees on business licenses subject to the limitations of NRS 354.5989. The Town business license fee is paid quarterly as follows:

Service business	\$ 12.50
Retail business	\$ 15.00
Wholesale business	\$ 21.25
Professional business	\$ 25.00

SCHEDULE OF CAPITAL PROJECTS ACTIVITY
JUNE 30, 2005
Page 1 of 2

APPENDIX B

The following are responses to requirements of NRS 354.6113:

NRS 354.6113.4 requires that the audit specifically identify the fund and;

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

Response

The following capital projects were purchased, constructed, or are under construction:

Capital Projects Fund:

Mining park fencing	\$ 2,412
Flag pole	2,100
Renovate town office	<u>538</u>
Total	<u>\$ 5,050</u>

Special Capital Project

Land	<u>\$ 1,200</u>
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2. Specify the amount of money that will be deposited in the fund for the next fiscal year.

Response

Special Ad Valorem Capital Projects Fund

Taxes	\$ 17,000
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3. Specify the proposed capital projects that will be constructed with money from the fund during the next fiscal year.

Response

The following costs are planned to be expended during the next fiscal year:

Special Ad Valorem Capital Projects Fund:

Renovation of Town buildings	\$ 135,521
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Capital Projects Fund:

Repairs to Town buildings	\$ 34,220
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4. Identify any planned accumulation of the money in the fund.

Response

Capital Projects Fund:

The Town plans no accumulation of fund balance for future capital needs.