

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

**TOWN OF TONOPAH, NEVADA  
REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTAL MATERIAL  
FOR THE YEAR ENDED JUNE 30, 2013  
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# **TOWN OF TONOPAH, NEVADA**

## **ORGANIZATION**

**TOWN OFFICERS** at June 30, 2013

Chairman	Horace Carlyle
Vice Chairman	Duane Downing
Clerk	Ron Kipp
Board Member	Javier Gonzalez
Board Member	Vacant



# DANIEL C. McARTHUR, LTD.

*Certified Public Accountant*

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

## INDEPENDENT AUDITOR'S REPORT

Honorable Board Members  
Town of Tonopah, Nevada  
Tonopah, Nevada

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

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

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 7-13 and 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

I also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Town's basic financial statements for the year ended June 30, 2012, which are not presented with the accompanying financial statements and I expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements as a whole. The combining and individual fund financial statements, related to the 2012 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the 2012 combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated November 26, 2013 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 grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Las Vegas, Nevada  
November 26, 2013

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

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 \$497,762 ad valorem taxes (property taxes) of \$178,389, and consolidated taxes (sales taxes) of \$323,989. These revenue sources comprised 43.09%, 15.44%, and 28.05% respectively, or 86.58% of total governmental activities revenues.

The Town's total expenses were \$2,178,773. The greatest governmental activities expenses were \$376,294 in culture and recreation and \$319,944 in the general government function. The business-type activities contributed \$1,248,320 to the Town's total expenses.

At the end of the fiscal year, the fund balance for the General Fund was \$1,911,942. This was an increase of \$174,316 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 Position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

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.

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

**Fund Financial Statements**

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

**Governmental Funds**

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

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

The Town maintains individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and Capital Projects Fund, which are considered to be 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.

**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.

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, 2013**

**Government-wide Financial Analysis**

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

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Assets:</b>						
Current and other assets	\$2,175,833	\$2,166,612	\$ 3,141,807	\$ 2,409,626	\$ 5,317,640	\$ 4,576,238
Net capital assets	<u>3,490,495</u>	<u>3,212,475</u>	<u>18,251,909</u>	<u>12,027,586</u>	<u>21,742,404</u>	<u>15,240,061</u>
Total Assets	<u>5,666,328</u>	<u>5,379,087</u>	<u>21,393,716</u>	<u>14,437,212</u>	<u>27,060,044</u>	<u>19,816,299</u>
<b>Liabilities:</b>						
Current liabilities	100,837	85,767	765,267	750,941	866,104	836,708
Long-term liabilities	<u>149,011</u>	<u>101,571</u>	<u>4,937,581</u>	<u>1,108,442</u>	<u>5,086,592</u>	<u>1,210,013</u>
Total Liabilities	<u>249,848</u>	<u>187,338</u>	<u>5,702,848</u>	<u>1,859,383</u>	<u>5,952,696</u>	<u>2,046,721</u>
<b>Net Position:</b>						
Invested in capital assets						
net of related debt	3,490,495	3,212,475	13,285,596	10,474,293	16,776,091	13,686,768
Restricted	188,145	357,639	593,340	392,041	781,485	749,680
Unrestricted	<u>1,737,840</u>	<u>1,621,635</u>	<u>1,811,932</u>	<u>1,711,495</u>	<u>3,549,772</u>	<u>3,333,130</u>
Total Net Position	<u>\$5,416,480</u>	<u>\$5,191,749</u>	<u>\$15,690,868</u>	<u>\$12,577,829</u>	<u>\$21,107,348</u>	<u>\$17,769,578</u>

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. Assets exceeded liabilities by \$21,107,348 as of June 30, 2013.

The largest portion of the Town's net position, 79.48%, 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 position represent resources that are subject to external restrictions on how they may be used.

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

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

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

	Governmental Activities		Business Type Activities		Total Primary Governmental	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 133,659	\$ 106,607	\$ 1,012,629	\$ 1,030,168	\$ 1,146,288	\$ 1,136,775
Capital grant	-	-	3,083,302	2,000	3,083,302	2,000
General revenues:						
Ad valorem taxes	178,389	188,705	-	-	178,389	188,705
Room tax	497,762	441,965	-	-	497,762	441,965
Consolidated tax	323,989	300,267	-	-	323,989	300,267
Fuel taxes	8,494	9,002	-	-	8,494	9,002
Investment income	7,167	9,517	6,504	8,481	13,671	17,998
Miscellaneous	5,724	14,041	258,924	222,701	264,648	236,742
Total revenues	<u>1,155,184</u>	<u>1,070,104</u>	<u>4,361,359</u>	<u>1,263,350</u>	<u>5,516,543</u>	<u>2,333,454</u>
Expenses:						
General government	319,994	320,177	-	-	319,994	320,177
Public safety	71,318	70,361	-	-	71,318	70,361
Public works	162,847	136,987	-	-	162,847	136,987
Culture and recreation	376,294	317,577	-	-	376,294	317,577
Utility operations	-	-	1,248,320	1,174,598	1,248,320	1,174,598
Total expenses	<u>930,453</u>	<u>845,102</u>	<u>1,248,320</u>	<u>1,174,598</u>	<u>2,178,773</u>	<u>2,019,700</u>
Change in net position	224,731	225,002	3,113,039	88,752	3,337,770	313,754
Net position - beginning	<u>5,191,749</u>	<u>4,966,747</u>	<u>12,577,829</u>	<u>12,489,077</u>	<u>17,769,578</u>	<u>17,455,824</u>
Net position - ending	<u>\$5,416,480</u>	<u>\$5,191,749</u>	<u>\$15,690,868</u>	<u>\$12,577,829</u>	<u>\$21,107,348</u>	<u>\$17,769,578</u>

Program revenues include charges for services including fines and forfeitures, and certain licenses and permits.

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

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

**Financial Analysis of the Town's Funds**

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

**Governmental Funds**

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$2,094,533. This is a decrease over the prior year of \$ 732 or .03%.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the fund balance of the General Fund was \$1,911,942, an increase of \$174,316 or 10.03% over the prior year.

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

Revenues increased by \$74,519 or 7.40%. Tax revenues increased by \$35,280 or 6.19%, due to an increase in room taxes. Intergovernmental revenues increased by \$24,149, or 7.33%, due to an increase consolidated tax revenues. Charges for services revenues increased by \$5,286 or 17.42%, due to an increase in rental income.

Expenditures increased by \$47,208, or 6.22%, due to an increase in general government benefit expenditures related to money set aside to fund post employment benefits, and capital purchase. Wages and related benefits increased for public works and the mining park.

**Capital Assets and Debt Administration**

**Capital Assets**

The Town's investment in governmental type capital assets, net of accumulated depreciation at June 30, 2013, was \$3,490,495. Business type capital assets were \$18,251,909. Detail by type of activity and asset is summarized in the following table.

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

**Governmental Activities**

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
<b>Capital asset not being depreciated:</b>				
Land	\$ 2,215,563	\$ 0	\$ 0	\$ 2,215,563
Construction in progress	277,704	297,134	0	574,838
<b>Total capital assets not being depreciated</b>	<u>2,493,267</u>	<u>297,134</u>	<u>0</u>	<u>2,790,401</u>
<b>Capital assets being depreciated:</b>				
Building	1,067,856	0	0	1,067,856
Equipment	960,069	29,036	0	989,105
<b>Total capital assets being depreciated</b>	<u>2,027,925</u>	<u>29,036</u>	<u>0</u>	<u>2,056,961</u>
<b>Less accumulated depreciation for:</b>				
Building	533,532	20,666	0	554,198
Equipment	775,185	27,484	0	802,669
<b>Total accumulated depreciation</b>	<u>1,308,717</u>	<u>48,150</u>	<u>0</u>	<u>1,356,867</u>
<b>Total capital assets being depreciated, net</b>	<u>719,208</u>	<u>(19,114)</u>	<u>0</u>	<u>700,094</u>
<b>Governmental activities assets, net</b>	<u>\$ 3,212,475</u>	<u>\$ 278,020</u>	<u>\$ 0</u>	<u>\$ 3,490,495</u>

<b>Business-type Activities:</b>	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
<b>Capital assets not being depreciated:</b>				
Land	\$ 55,000	\$ 0	\$ 0	\$ 55,000
Construction in progress	872,684	6,627,425	0	7,500,109
<b>Total capital assets not being depreciated</b>	<u>927,684</u>	<u>6,627,425</u>	<u>0</u>	<u>7,555,109</u>
<b>Capital assets being depreciated:</b>				
Equipment	20,258,074	57,137	0	20,315,211
<b>Less accumulated depreciation for:</b>				
Equipment	9,158,172	460,239	0	9,618,411
<b>Total capital assets being depreciated, net</b>	<u>11,099,902</u>	<u>(403,102)</u>	<u>0</u>	<u>10,696,800</u>
<b>Business-type Activities assets, net</b>	<u>\$ 12,027,586</u>	<u>\$6,224,323</u>	<u>\$ 0</u>	<u>\$ 18,251,909</u>

A summary of long term debt of the town is as follows:

**Debt Administration**

**Governmental Type Activities:**

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013
Compensated absences	\$ 28,706	\$ 7,567	\$ 0	\$ 36,273
OPEB obligations payable	95,705	49,800	0	145,505
<b>Total</b>	<u>\$ 124,411</u>	<u>\$ 57,367</u>	<u>\$ 0</u>	<u>\$ 181,778</u>

**Business Type Activities:**

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013
Compensated absences	\$ 51,972	\$ 4,856	\$ 0	\$ 56,828
OPEB obligations payable	78,686	46,294	0	124,980
Bonds payable	1,015,851	3,907,000	31,260	4,891,591
Notes Payable	420,104	74,722	420,104	74,722
<b>Total</b>	<u>\$ 1,566,613</u>	<u>\$ 4,032,872</u>	<u>\$ 451,364</u>	<u>\$ 5,148,121</u>



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

**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

# **BASIC FINANCIAL STATEMENTS**

**TOWN OF TONOPAH, NEVADA**  
**STATEMENT OF NET POSITION**  
**June 30, 2013**

	Governmental Activities 2013	Business-type Activities 2013	Total Primary Government 2013
<b>Assets:</b>			
Cash and cash equivalents	\$ 2,035,654	\$ 1,882,081	\$ 3,917,735
Interest receivable	2,945	3,301	6,246
Taxes receivable	13,745	-	13,745
Room tax receivable	49,477	-	49,477
Prepaid expenses	14,850	19,316	34,166
Due from other governments	59,162	417,933	477,095
Accounts receivable net of allowance for uncollectibles	-	123,265	123,265
Inventory	-	75,384	75,384
Restricted assets - cash	-	620,527	620,527
Capital assets (net of accumulated depreciation)	3,490,495	18,251,909	21,742,404
 Total assets	 5,666,328	 21,393,716	 27,060,044
<b>Liabilities:</b>			
Accounts payable	48,528	510,152	558,680
Accrued payroll and benefits	19,542	19,202	38,744
Accrued compensated absences	32,767	54,340	87,107
Bonds payable	-	81,478	81,478
Notes Payable	-	74,722	74,722
Payable from restricted assets			
Customer deposits	-	25,373	25,373
Noncurrent liabilities:			
OPEB obligation payable	145,505	124,980	270,485
Accrued compensated absences	3,506	2,488	5,994
Bonds payable	-	4,810,113	4,810,113
 Total liabilities	 249,848	 5,702,848	 5,952,696
<b>Net position:</b>			
Invested in capital assets, net of related debt	3,490,495	13,285,596	16,776,091
Restricted for:			
Debt	-	206,696	206,696
Capital replacement	-	313,424	313,424
Capital projects	45,788	73,220	119,008
Culture and recreation	142,357	-	142,357
Unrestricted	1,737,840	1,811,932	3,549,772
Total net position	\$ 5,416,480	\$ 15,690,868	\$ 21,107,348

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, 2013**

Functions/Programs	Expenses	Program Revenues		Changes in Net Position		Total
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary governments:						
General government	\$ (319,994)	\$ 97,772	\$ -	\$ (222,222)	\$ -	\$ (222,222)
Public safety	(71,318)	330	-	(70,988)	-	(70,988)
Public works	(162,847)	-	-	(162,847)	-	(162,847)
Culture and recreation	(376,294)	35,557	-	(340,737)	-	(340,737)
Total governmental activities	(930,453)	133,659	-	(796,794)	-	(796,794)
Business-type activities:						
Water	(701,750)	578,776	1,961,412	-	1,838,438	1,838,438
Sewer	(546,570)	433,853	1,121,890	-	1,009,173	1,009,173
Total business-type activities	(1,248,320)	1,012,629	3,083,302	-	2,847,611	2,847,611
Total primary governments	<u>\$ (2,178,773)</u>	<u>\$ 1,146,288</u>	<u>\$ 3,083,302</u>	<u>(796,794)</u>	<u>2,847,611</u>	<u>2,050,817</u>
General Revenues:						
Property taxes				178,389	-	178,389
Room tax				497,762	-	497,762
Fuel tax				8,494	-	8,494
Consolidated taxes				323,989	-	323,989
Capital projects fees				-	12,915	12,915
Debt service				-	34,103	34,103
Surcharge				-	168,950	168,950
Investment income				7,167	6,504	13,671
Miscellaneous				5,724	42,956	48,680
Total general revenues				<u>1,021,525</u>	<u>265,428</u>	<u>1,286,953</u>
Change in net position				224,731	3,113,039	3,337,770
Net position - beginning of year				<u>5,191,749</u>	<u>12,577,829</u>	<u>17,769,578</u>
Net position - end of year				<u>\$ 5,416,480</u>	<u>\$ 15,690,868</u>	<u>\$ 21,107,348</u>

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

**TOWN OF TONOPAH, NEVADA**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**June 30, 2013**

	<b>MAJOR FUNDS</b>			
	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Pooled cash and investments	\$ 1,856,616	\$ 7,888	\$ 171,150	\$ 2,035,654
Interest receivable	2,726	-	219	2,945
Taxes receivable	13,745	-	-	13,745
Room tax receivable	45,892	-	3,585	49,477
Prepaid expenses	14,850	-	-	14,850
Due from other governments	59,162	-	-	59,162
Due from other funds	-	5,554	-	5,554
<b>Total assets</b>	<b>\$ 1,992,991</b>	<b>\$ 13,442</b>	<b>\$ 174,954</b>	<b>\$ 2,181,387</b>
<b>Liabilities:</b>				
Accounts payable	\$ 48,277	\$ -	\$ 251	\$ 48,528
Accrued payroll	19,542	-	-	19,542
Due to other funds	-	-	5,554	5,554
<b>Total liabilities</b>	<b>67,819</b>	<b>-</b>	<b>5,805</b>	<b>73,624</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - property taxes	13,230	-	-	13,230
<b>Fund Balance:</b>				
Restricted for:				
Capital projects	-	13,442	32,346	45,788
Culture and recreation	-	-	142,357	142,357
Unassigned	1,911,942	-	(5,554)	1,906,388
<b>Total fund balance</b>	<b>1,911,942</b>	<b>13,442</b>	<b>169,149</b>	<b>2,094,533</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 1,992,991</b>	<b>\$ 13,442</b>	<b>\$ 174,954</b>	<b>\$ 2,181,387</b>

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 POSITION**  
**June 30, 2013**

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<b>Total fund balance - governmental funds</b>	<b>\$ 2,094,533</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets net of the related depreciation are not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the Statement of Net Position	3,490,495
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	13,230
Certain liabilities, such as compensated absences, are not reported in the governmental funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position	<u>(181,778)</u>
<b>Total net position - governmental activities</b>	<b><u>\$ 5,416,480</u></b>

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, 2013**

	MAJOR FUNDS			
	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 605,580	\$ -	\$ 36,070	\$ 641,650
Licenses and permits	24,908	-	-	24,908
Intergovernmental	353,553	-	29,691	383,244
Charges for services	35,623	264	-	35,887
Fines and forfeitures	51,794	-	-	51,794
Miscellaneous	10,345	463	2,083	12,891
Total revenues	<u>1,081,803</u>	<u>727</u>	<u>67,844</u>	<u>1,150,374</u>
<b>Expenditures:</b>				
Current:				
General government	313,970	-	-	313,970
Public safety	58,883	-	-	58,883
Public works	152,634	-	-	152,634
Culture and recreation	281,000	-	47,485	328,485
Capital projects	-	257,134	40,000	297,134
Total expenditures	<u>806,487</u>	<u>257,134</u>	<u>87,485</u>	<u>1,151,106</u>
Excess (deficiency) of revenues over expenditures	<u>275,316</u>	<u>(256,407)</u>	<u>(19,641)</u>	<u>(732)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	158,834	25,000	183,834
Operating transfers out	(101,000)	-	(82,834)	(183,834)
Total other financing sources (uses)	<u>(101,000)</u>	<u>158,834</u>	<u>(57,834)</u>	<u>-</u>
Net change in fund balance	174,316	(97,573)	(77,475)	(732)
<b>Fund balance:</b>				
Beginning of year	<u>1,737,626</u>	<u>111,015</u>	<u>246,624</u>	<u>2,095,265</u>
End of year	<u>\$ 1,911,942</u>	<u>\$ 13,442</u>	<u>\$ 169,149</u>	<u>\$ 2,094,533</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, 2013**

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<b>Net change in fund balance - governmental funds</b>	<b>\$ (732)</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their 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.

278,020

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.

4,810

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.

(57,367)

<b>Change in net position of governmental activities</b>	<b><u>\$ 224,731</u></b>
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The notes to the financial statements are an integral part of this statement.



**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2013**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 143,651	\$ 143,651	\$ 143,888	\$ 237
Room taxes	260,000	260,000	461,692	201,692
Total taxes	403,651	403,651	605,580	201,929
 <b>Licenses and permits</b>	 16,500	 16,500	 24,908	 8,408
 <b>Intergovernmental:</b>				
County liquor license	1,800	1,800	2,440	640
County gaming license	16,000	16,000	18,630	2,630
Consolidated tax	240,000	240,000	323,989	83,989
Gas tax \$1.75	8,447	8,447	8,494	47
Total intergovernmental	266,247	266,247	353,553	87,306
 <b>Charges for services:</b>				
Rescue runs	100	100	66	(34)
Swimming pool fees	6,000	6,000	8,012	2,012
Old fire house rental	-	-	2,835	2,835
Convention Center rental	5,000	5,000	14,107	9,107
Sports complex fees	1,300	1,300	2,000	700
Mining park entrance	5,000	5,000	8,313	3,313
Fairgrounds rental	450	450	290	(160)
Total charges for services	17,850	17,850	35,623	17,773
 <b>Fines and forfeitures</b>	 20,000	 20,000	 51,794	 31,794
 <b>Miscellaneous:</b>				
Investment income	12,000	12,000	5,621	(6,379)
Other	2,000	2,000	4,724	2,724
Total miscellaneous	14,000	14,000	10,345	(3,655)
 <b>Total revenues</b>	 738,248	 738,248	 1,081,803	 343,555

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

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2013**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
<b>General government:</b>				
Salaries and wages	\$ 222,960	\$ 222,960	\$ 116,961	\$ 105,999
Employee benefits	144,536	144,536	76,725	67,811
Services and supplies	124,800	124,800	92,045	32,755
Capital outlay	-	-	28,239	(28,239)
Total general government	<u>492,296</u>	<u>492,296</u>	<u>313,970</u>	<u>178,326</u>
<b>Public safety:</b>				
<b>Fire:</b>				
Salaries and wages	27,000	27,000	15,000	12,000
Employee benefits	18,750	18,750	6,681	12,069
Services and supplies	<u>50,500</u>	<u>50,500</u>	<u>37,202</u>	<u>13,298</u>
Total public safety	<u>96,250</u>	<u>96,250</u>	<u>58,883</u>	<u>37,367</u>
<b>Public works:</b>				
Salaries and wages	79,226	79,226	54,473	24,753
Employee benefits	47,940	47,940	27,098	20,842
Services and supplies	86,227	86,227	70,266	15,961
Capital outlay	<u>-</u>	<u>-</u>	<u>797</u>	<u>(797)</u>
Total public works	<u>213,393</u>	<u>213,393</u>	<u>152,634</u>	<u>60,759</u>
<b>Culture and recreation:</b>				
<b>Parks:</b>				
Services and supplies	<u>37,345</u>	<u>41,845</u>	<u>40,362</u>	<u>1,483</u>
<b>Mining parks:</b>				
Salaries and wages	46,044	41,544	36,981	4,563
Employee benefits	20,690	18,690	15,623	3,067
Services and supplies	<u>22,288</u>	<u>22,288</u>	<u>15,428</u>	<u>6,860</u>
Total mining parks	<u>89,022</u>	<u>82,522</u>	<u>68,032</u>	<u>14,490</u>
<b>Swimming pool:</b>				
Salaries and wages	17,000	17,000	16,428	572
Employee benefits	3,876	3,876	2,202	1,674
Services and supplies	<u>18,300</u>	<u>18,300</u>	<u>14,918</u>	<u>3,382</u>
Total swimming pool	<u>39,176</u>	<u>39,176</u>	<u>33,548</u>	<u>5,628</u>

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

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2013**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Culture and recreation (continued):</b>				
<b>Fair grounds:</b>				
Services and supplies	\$ 4,800	\$ 4,800	\$ 2,221	\$ 2,579
<b>Ball fields:</b>				
Services and supplies	31,295	33,295	32,120	1,175
<b>Convention Center:</b>				
Salaries and wages	35,351	35,351	35,392	(41)
Employee benefits	28,350	28,350	23,376	4,974
Services and supplies	71,725	71,725	45,949	25,776
Total Convention Center	135,426	135,426	104,717	30,709
Total culture and recreation	337,064	337,064	281,000	56,064
<b>Contingency</b>	15,000	15,000	-	15,000
Total expenditures	1,154,003	1,154,003	806,487	347,516
Excess (deficiency) of revenues over expenditures	(415,755)	(415,755)	275,316	691,071
<b>Other financing sources (uses):</b>				
Operating transfers out	(725,000)	(725,000)	(101,000)	624,000
Net change in fund balance	(1,140,755)	(1,140,755)	174,316	1,315,071
<b>Fund balance:</b>				
Beginning of year	1,330,830	1,330,830	1,737,626	406,796
End of year	\$ 190,075	\$ 190,075	\$ 1,911,942	\$ 1,721,867

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

**TOWN OF TONOPAH, NEVADA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**June 30, 2013**

June 30, 2015

	MAJOR FUNDS		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<b><u>ASSETS:</u></b>			
Current assets:			
Pooled cash and investments	\$ 912,920	\$ 969,161	\$ 1,882,081
Interest receivable	1,879	1,422	3,301
Due from other governments	417,933	-	417,933
Accounts receivable, net of allowance for doubtful accounts	76,764	46,501	123,265
Inventory	68,740	6,644	75,384
Prepaid expense	7,425	11,891	19,316
Restricted assets - cash	517,873	102,654	620,527
Total current assets	2,003,534	1,138,273	3,141,807
Property, plant and equipment, net of accumulated depreciation	11,254,252	6,997,657	18,251,909
Total assets	13,257,786	8,135,930	21,393,716
<b><u>LIABILITIES:</u></b>			
Current liabilities, payable from unrestricted assets:			
Accounts payable	438,848	71,304	510,152
Accrued payroll	9,539	9,663	19,202
Accrued compensated absences	27,170	27,170	54,340
Current portion of bonds payable	73,947	7,531	81,478
Notes payable	74,722	-	74,722
Total current liabilities-unrestricted	624,226	115,668	739,894
Current liabilities, payable from restricted assets:			
Customer deposits	25,373	-	25,373
Total current liabilities	649,599	115,668	765,267
Non-current liabilities			
OPEB obligation payable	66,564	58,416	124,980
Accrued compensated absences	1,244	1,244	2,488
Bonds payable	4,256,192	553,921	4,810,113
Total non-current liabilities	4,324,000	613,581	4,937,581
Total liabilities	4,973,599	729,249	5,702,848
<b><u>NET POSITION:</u></b>			
Invested in capital assets, net of related debt	6,849,391	6,436,205	13,285,596
Restricted for debt	179,854	26,842	206,696
Restricted for capital replacement	313,424	-	313,424
Restricted for construction	-	73,220	73,220
Unrestricted	941,518	870,414	1,811,932
Total net position	\$ 8,284,187	\$ 7,406,681	\$ 15,690,868

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

**TOWN OF TONOPAH, NEVADA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**For the Year Ended June 30, 2013**

	<b>MAJOR FUNDS</b>		
	<b>Tonopah Public Utility Water Fund</b>	<b>Tonopah Public Utility Sewer Fund</b>	<b>Total Enterprise Funds</b>
<b>Operating revenues:</b>			
Charges for services:			
Water fees	\$ 578,776	\$ -	\$ 578,776
Sewer fees	-	433,853	433,853
Total operating revenues	578,776	433,853	1,012,629
<b>Operating expenses:</b>			
<b>Water Department:</b>			
Administration	56,603	-	56,603
General operations	242,799	-	242,799
Water operations	136,896	-	136,896
Depreciation	228,733	-	228,733
Total water department	665,031	-	665,031
<b>Sewer Department:</b>			
Administration	-	116,451	116,451
General operations	-	160,692	160,692
Sewer operations	-	13,892	13,892
Depreciation	-	231,506	231,506
Total sewer department	-	522,541	522,541
Total operating expenses	665,031	522,541	1,187,572
Operating (loss)	(86,255)	(88,688)	(174,943)
<b>Nonoperating revenue (expense):</b>			
Investment income	3,353	3,151	6,504
Miscellaneous	42,956	-	42,956
Grants	1,961,412	1,121,890	3,083,302
Interest expense	(36,719)	(24,029)	(60,748)
Capital projects fees	-	12,915	12,915
Debt service	-	34,103	34,103
Surcharge	168,950	-	168,950
Total nonoperating revenue	2,139,952	1,148,030	3,287,982
Net income (loss)	2,053,697	1,059,342	3,113,039
<b>Net Position:</b>			
Beginning of year	6,230,490	6,347,339	12,577,829
End of year	\$ 8,284,187	\$ 7,406,681	\$ 15,690,868

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

**TOWN OF TONOPAH, NEVADA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2013**

	<b>MAJOR FUNDS</b>		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 599,668	\$ 439,331	\$ 1,038,999
Cash paid for salaries, wages, and employee benefits	(195,157)	(184,529)	(379,686)
Cash paid for services and supplies	(215,563)	(77,308)	(292,871)
Net cash provided by operating activities	<u>188,948</u>	<u>177,494</u>	<u>366,442</u>
<b>Cash flows from noncapital financing activities:</b>			
Miscellaneous revenue	42,956	-	42,956
Grants	1,123,375	1,121,890	2,245,265
Capital projects fees	-	12,915	12,915
Debt service	-	34,103	34,103
Surcharges	<u>168,950</u>	<u>-</u>	<u>168,950</u>
Net cash provided by noncapital financing activities	<u>1,335,281</u>	<u>1,168,908</u>	<u>2,504,189</u>
<b>Cash flows from capital and related financing activities:</b>			
Purchase of capital assets	(5,202,011)	(1,245,293)	(6,447,304)
Principal paid	(24,041)	(7,219)	(31,260)
Interest paid	(36,719)	(24,029)	(60,748)
Debt proceeds	<u>3,981,722</u>	<u>-</u>	<u>3,981,722</u>
Net cash (used) by capital and related financing activities	<u>(1,281,049)</u>	<u>(1,276,541)</u>	<u>(2,557,590)</u>
<b>Cash flows from investing activities:</b>			
Investment income	<u>4,741</u>	<u>4,766</u>	<u>9,507</u>
Net increase in cash	247,921	74,627	322,548
<b>Cash:</b>			
Beginning of year	<u>1,182,872</u>	<u>997,188</u>	<u>2,180,060</u>
End of year	<u>\$ 1,430,793</u>	<u>\$ 1,071,815</u>	<u>\$ 2,502,608</u>
<b>Reconciliation of operating (loss) to net cash provided by operating activities:</b>			
Operating (loss)	<u>\$ (86,255)</u>	<u>\$ (88,688)</u>	<u>\$ (174,943)</u>
<b>Adjustments to reconcile operating (loss) to net cash provided by operating activities:</b>			
Depreciation	228,733	231,506	460,239
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	16,419	5,478	21,897
(Increase) decrease in prepaid expenses	(7,425)	(11,891)	(19,316)
(Increase) decrease in inventory	2,325	387	2,712
Increase (decrease) in accounts payable	2,792	11,030	13,822
Increase (decrease) in accrued payroll	27,886	29,672	57,558
Increase (decrease) in customer deposits	<u>4,473</u>	<u>-</u>	<u>4,473</u>
Total adjustments	<u>275,203</u>	<u>266,182</u>	<u>541,385</u>
<b>Net cash provided by operating activities</b>	<u>\$ 188,948</u>	<u>\$ 177,494</u>	<u>\$ 366,442</u>

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

**TOWN OF TONOPAH, NEVADA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2013**

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Post Retirement  
Benefits Fund  
Agency  
Fund

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**Assets**

Pooled cash and investments	\$ 40,200
Total assets	<u>\$ 40,200</u>

**Liabilities**

Amount held for others	\$ 40,200
Total liabilities	<u>\$ 40,200</u>

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

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

**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, 2013. The Town is not included in any other governmental reporting entity as a component unit as defined by Governmental Accounting Standards Board pronouncements.

**2. Basic Financial Statements**

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

**3. Government-wide Financial Statements**

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

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

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.



**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. Fund Financial Statements**

The financial accounts of the Town are organized on the basis of funds. Each 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 balance, 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 statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The Town reports the following major governmental fund:

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

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

Additionally the Town reports the following major proprietary funds:

**Water Enterprise Fund** - The Tonopah Public Utility Water Enterprise Fund accounts for the Town's delivery of water services.

**Sewer Enterprise Fund** - The Tonopah Public Utility Sewer Enterprise Fund accounts for the Town's delivery of sewer services.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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.

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

**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 Position. 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 \$250,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**a. Pooled Cash and Investments (Continued)**

Nevada Revised Statutes authorize the Town to invest in:

5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 20 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.

**b. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the 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, 2013**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**c. Inventories and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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. 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" (See Note D6).

In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as 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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as current charges. Deferred losses related to the refunding of debt are reported as a deferred charge component of bonds payable and are amortized over the term of the related debt.

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

**h. Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**i. Governmental Fund Balances**

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

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

**j. Net Position**

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

- (i) **Invested in Capital Assets, net of Related Debt**  
This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.
- (ii) **Restricted Assets**  
This is the component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Designations of fund balance represent tentative management plans that are subject to change.
- (iii) **Unrestricted**  
This is the component of net position that is the difference between the assets and liabilities not reported in Invested in Capital Assets, Net of Related Debt and Restricted Assets.

**k. Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

**l. Comparative Data/Reclassifications**

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements 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.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**m. 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.

**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 Position**

The governmental funds Balance Sheet includes reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide Statement of Net Position. One element of the reconciliation explains that "Certain liabilities, such as compensated absences are not reported in the governmental funds financial statements because they are not due and payable..." The detail of this difference is as follows:

OPEB obligation payable	\$ (145,505)
Compensated absences	<u>( 36,273)</u>
	<u>\$ (181,778)</u>

**2. Explanation of certain differences between the governmental funds 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 position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities." The detail of this difference is as follows:

Capital outlay	\$ 326,170
Depreciation expense	<u>(48,150)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 278,020</u>

Another element of that reconciliation states that, "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." The details of this difference are as follows:

Compensated absences	\$ ( 7,567)
Other Post Employment Benefits	<u>(49,800)</u>
	<u>\$ ( 57,367)</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**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.
- h. There were no budgets augmented during the year.
- i. All appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year.

**2. Deficit Fund Equity**

The following fund had a deficit fund balance at June 30, 2013:

Special Ad Valorem Capital Projects Fund   \$   5,554

The fund deficit will be eliminated by a revenues received in the ensuing year.



**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**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, 2013.

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Agency</u>	<u>Totals</u>
Cash in the hands of officers	\$ 41,574	\$ 207,386	\$ 0	\$ 248,960
Carrying amount of deposits with County Treasurer	<u>1,994,080</u>	<u>2,295,222</u>	<u>40,200</u>	<u>4,329,502</u>
Total	<u>\$ 2,035,654</u>	<u>\$ 2,502,608</u>	<u>\$ 40,200</u>	<u>\$ 4,578,462</u>
Cash and cash equivalents	\$ 2,035,654	\$ 1,882,081	\$ 40,200	\$ 3,957,935
Restricted assets – cash	<u>0</u>	<u>620,527</u>	<u>0</u>	<u>620,527</u>
Total	<u>\$ 2,035,654</u>	<u>\$ 2,502,608</u>	<u>\$ 40,200</u>	<u>\$ 4,578,462</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**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	\$ 13,745	\$ 0	\$ 0	\$ 13,745
Interest receivable	2,726	219	3,301	6,246
Net accounts receivable	0	0	123,265	123,265
Due from other governments	59,162	0	417,933	477,095
Room tax receivable	<u>45,892</u>	<u>3,585</u>	<u>0</u>	<u>49,477</u>
Net total receivables	<u>\$121,525</u>	<u>\$ 3,804</u>	<u>\$ 544,499</u>	<u>\$ 669,828</u>

**3. Capital Assets**

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

**Governmental Activities**

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
<b>Capital asset not being depreciated:</b>				
Land	\$ 2,215,563	\$ 0	\$ 0	\$ 2,215,563
Construction in progress	<u>277,704</u>	<u>297,134</u>	<u>0</u>	<u>574,838</u>
<b>Total capital assets not being depreciated</b>	<u>2,493,267</u>	<u>297,134</u>	<u>0</u>	<u>2,790,401</u>
<b>Capital assets being depreciated:</b>				
Building	1,067,856	0	0	1,067,856
Equipment	<u>960,069</u>	<u>29,036</u>	<u>0</u>	<u>989,105</u>
<b>Total capital assets being depreciated</b>	<u>2,027,925</u>	<u>29,036</u>	<u>0</u>	<u>2,056,961</u>
<b>Less accumulated depreciation for:</b>				
Building	533,532	20,666	0	554,198
Equipment	<u>775,185</u>	<u>27,484</u>	<u>0</u>	<u>802,669</u>
<b>Total accumulated depreciation</b>	<u>1,308,717</u>	<u>48,150</u>	<u>0</u>	<u>1,356,867</u>
<b>Total capital assets being depreciated, net</b>	<u>719,208</u>	<u>(19,114)</u>	<u>0</u>	<u>700,094</u>
<b>Governmental activities assets, net</b>	<u>\$ 3,212,475</u>	<u>\$ 278,020</u>	<u>\$ 0</u>	<u>\$ 3,490,495</u>

**Business-type Activities:**

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 55,000	\$ 0	\$ 0	\$ 55,000
Construction in progress	<u>872,684</u>	<u>6,627,425</u>	<u>0</u>	<u>7,500,109</u>
<b>Total capital assets not being depreciated</b>	<u>927,684</u>	<u>6,627,425</u>	<u>0</u>	<u>7,555,109</u>
<b>Capital assets being depreciated:</b>				
Equipment	20,258,074	57,137	0	20,315,211
<b>Less accumulated depreciation for:</b>				
Equipment	<u>9,158,172</u>	<u>460,239</u>	<u>0</u>	<u>9,618,411</u>
<b>Total capital assets being depreciated, net</b>	<u>11,099,902</u>	<u>(403,102)</u>	<u>0</u>	<u>10,696,800</u>
<b>Business-type Activities assets, net</b>	<u>\$ 12,027,586</u>	<u>\$6,224,323</u>	<u>\$ 0</u>	<u>\$18,251,909</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**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	\$ 1,851
Public safety	12,435
Public works	980
Culture and recreation	<u>32,884</u>
	<u>\$ 48,150</u>

**Business activities:**

Water and sewer	<u>\$ 460,239</u>
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**4. Deferred Inflows of Resources**

Delinquent taxes receivable not collected within sixty days after year end are recorded as unavailable revenue – property taxes as they are not available to pay liabilities of the current period. Unavailable revenue – property taxes in the General Fund were \$13,230.

**5. Restricted Assets Accounts**

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

21515	Cash – Water customer deposits	\$ 24,595
21516	Cash – Water/sewer privilege	524
21517	Cash – Water surcharge	7,600
21562	Cash – Water revenue bond reserve	29,116
21552	Cash – Water debt service	17,813
21555	Cash – Water capital replacement	284,646
21542	Cash – Water capital projects	0
21502	Cash – Water short lived assets	20,014
21532	Cash – Water construction arsenic	640
21561	Cash – Water arsenic debt reserve	6,954
21551	Cash – Water arsenic debt service	<u>125,971</u>
	Total restricted assets	<u>\$ 517,873</u>
21563	Cash – Sewer debt reserve	19,332
21503	Cash – Sewer short lived assets	15,000
21553	Cash – Sewer debt service	10,102
21533	Cash – Sewer construction reuse	57,586
21543	Cash – Sewer construction	<u>634</u>
	Total restricted assets	<u>\$ 102,654</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

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

**6. Long-term Debt**

**a. Revenue Bonds Payable**

1. The Town issued bonds that were funded by the United State Department of Agriculture (USDA) in 2009 for \$600,000. The bonds were for the construction of a new sewer system for the Town of Tonopah. The bonds are being repaid over 40 years requiring monthly payments of \$2,604 including interest at 4.25%. The outstanding balance at June 30, 2013, was \$561,452. The bond agreement requires the Town to establish a Sewer 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 \$260 and the average annual loan installment is \$31,248. The required reserve at June 30, 2013, was \$18,484. The balance in reserve account at June 30, 2013, was \$19,332.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 7,531	\$ 23,717
2015	7,858	23,390
2016	8,198	23,050
2017	8,554	22,694
2018	8,924	22,324
2019-2023	50,770	105,470
2024-2028	62,766	93,474
2029-2033	77,598	78,642
2034-2038	95,935	60,305
2039-2043	118,605	37,635
2044-2047	114,713	10,227
	<u>\$ 561,452</u>	<u>\$ 500,928</u>

2. The Town issued bonds in the amount of \$3,907,000 that were funded by the United States Department of Agriculture (USDA) in 2013. The bonds were for the construction of an arsenic water project for the Town of Tonopah. The bonds are being repaid over 40 years requiring monthly payments of \$11,604 including interest at 1.875%. The outstanding balance at June 30, 2013, was \$3,890,032. The bond agreement requires the Town to establish a debt service reserve equal to 10% of the monthly payment each month over the life of the loan until one annual installment is accumulated. The required monthly deposit is \$1,160. The required reserve at June 30, 2013 is \$3,480. In addition, the town is to fund a short lived asset replacement reserve with an annual deposit of \$10,007. The required reserve as of June 30, 2013 was \$2,502. The balance in the reserve at June 30, 2013 was \$20,014. A water projects capital replacement reserve is also to be funded \$56,000 annually. The balance in the water replacement reserve at June 30, 2013 was \$284,646.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 66,874	\$ 72,374
2015	68,139	71,109
2016	69,428	69,820
2017	70,741	68,507
2018	72,079	67,169
2019-2023	381,363	314,877
2024-2028	418,815	277,425
2029-2033	459,944	236,296
2034-2038	505,113	191,127
2039-2043	554,717	141,523
2044-2048	609,193	87,047
2048-2052	613,626	27,382
	<u>\$ 3,890,032</u>	<u>\$1,624,656</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

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

**6. Long-term Debt (Continued)**

**a. Revenue Bonds Payable (Continued)**

3. The Town issued bonds that were funded by the Farmer's Home Administration (FMHA) in 2004. The bonds were for the construction of a new water system for the Town of Tonopah. The bonds are being repaid over 40 years requiring monthly payments of \$2,162 including interest at 4.25%. The outstanding balance at June 30, 2013, was \$440,107. 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, 2013, was \$25,509. The balance in the reserve account at June 30, 2013, was \$29,116.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 7,380	\$ 18,568
2015	7,700	18,248
2016	8,033	17,915
2017	8,381	17,567
2018	8,745	17,203
2019-2023	49,747	79,993
2024-2028	61,503	68,237
2029-2033	76,036	53,704
2034-2038	94,003	35,737
2039-2043	116,216	13,524
2044	2,363	10
	<u>\$ 440,107</u>	<u>\$ 340,706</u>

**Note Payable.** The Tonopah Utility Water fund entered into a drinking water state revolving loan with an authorized amount of the loan of \$1,060,780. The balance as of June 30, 2012, was \$420,104. The Town received additional loan funds of \$640,676 as of June 30, 2013. The Town meets the definition of a disadvantaged community and received a subsidy as spelled out in Nevada's Intended Use Plan. Since the Town was eligible for this subsidy, the total principal of \$1,060,780 was forgiven as of June 30, 2013.

**Note Payable.** The Tonopah Utility Water fund entered into a drinking water state revolving loan. The authorized amount of the loan is \$1,700,000. The balance as of June 30, 2013, is \$74,722. The Town meets the definition of a disadvantaged community and is eligible to receive an additional subsidy. Since the Town is eligible for this additional subsidy, all principal may be forgiven upon completion of the contract.

**Changes in general long-term liabilities.**

During the year ended June 30, 2013, the following changes occurred:

**Governmental Type Activities:**

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2013</u>
Compensated absences	\$ 28,706	\$ 7,567	\$ 0	\$ 36,273
OPEB obligations payable	95,705	49,800	0	145,505
Total	<u>\$ 124,411</u>	<u>\$ 57,367</u>	<u>\$ 0</u>	<u>\$ 181,778</u>

**Business Type Activities:**

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2013</u>
Compensated absences	\$ 51,972	\$ 4,856	\$ 0	\$ 56,828
OPEB obligations payable	78,686	46,294	0	124,980
Bonds payable	1,015,851	3,907,000	31,260	4,891,591
Notes payable	420,104	74,722	420,104	74,722
Total	<u>\$ 1,566,613</u>	<u>\$ 4,032,872</u>	<u>\$ 451,364</u>	<u>\$ 5,148,121</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

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

**7. Interfund Transactions**

Interfund operating transfers are made from one fund to another fund to support expenditures in accordance with authority established for the individual funds. Transfers between funds during the year included transfers to the Capital Projects Fund for the convention center project and transfers to the Mining Park Permanent Fund as follows:

		<u>Transfers Out</u>	
	<u>Transfers In</u>	<u>General Fund</u>	<u>Nonmajor funds</u>
Capital projects	\$158,834	\$ 76,000	\$82,834
Nonmajor funds	<u>25,000</u>	<u>25,000</u>	<u>0</u>
	<u>\$183,834</u>	<u>\$101,000</u>	<u>\$82,834</u>

**E. OTHER INFORMATION**

**1. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town joined together with other local governments in the Nevada Public Agency Insurance Pool (NPAIP), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Town pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of \$200,000 property/crime/equipment breakdown; casualty \$500,000 each and every insured event. As a participatory member the maintenance deductible is \$5,000 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.

**Litigation**

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

**3. Pension Plan**

**Plan Description.** The Town contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS Chapter 286 establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**E. OTHER INFORMATION (Continued)**

**3. Pension Plan (Continued)**

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

Fiscal Year	Contribution Rates		Total Contribution
	Regular Members	Police and Firemen	
2012-2013	23.75%	39.75%	\$ 107,472
2011-2012	23.75%	39.75%	\$ 104,092
2010-2011	21.50%	37.00%	\$ 105,625

**4. Postemployment Health Care Plan**

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

Benefit provisions for the plan are established pursuant to NRS 287.023 and amended through negotiations between the Town and its employees. NRS 288.150 assigns the authority to establish benefit provisions to the Town Board. The plan provides healthcare insurance for eligible retirees through the Town's group health insurance plan, which covers both active and retired members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. The plan does not issue a publicly available financial report.

**Funding Policy** Contribution requirements of the plan members and the Town are established and may be amended through negotiations between the Town and employees. The Town pays 100% of the costs of current-year premiums for eligible retired plan members. For fiscal year 2013 the Town contributed \$43,390 to the plan. Employees hired before January 9, 2013 who vest in the State of Nevada Public Retirement System (PERS) by or through their employment with the Town, and who have worked not less than ten (10) continuous years for the Town immediately preceding retirement, and who, when they leave Town employment collect PERS retirement, will have the same percentage of their post-retirement health insurance premiums paid by the Town as the Town pays for its employees, as that percentage may from time to time change. Employees hired on or after January 9, 2013, who vest in PERS by or through their employment with the Town, and who have worked not less than twenty (20) continuous years for the Town, and who, when they leave Town employment collect PERS retirement, will have fifty percent (50%) of their post-retirement health insurance premiums paid by the Town. Employees who retire from the Town who do not meet these qualifications, may choose to participate in the plan and would be required to fully pay their costs of health insurance coverage.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**E. OTHER INFORMATION (Continued)**

**4. Postemployment Health Care Plan (Continued)**

**Annual OPEB Cost and Net OPEB Obligation** The Town's annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

For fiscal year 2013, the Town's annual OPEB cost (expense) was \$139,484. The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (Pay as You Go)</u>	<u>% of Annual OPEB Contributions</u>	<u>Net OPEB Obligation</u>
6/30/2013	\$ 139,484	31%	\$ 270,485
6/30/2012	\$ 117,780	27%	\$ 174,391
6/30/2011	\$ 54,791	66%	\$ 88,581

The following table shows the components of the Town's annual OPEB cost for the past three years, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Annual Required Contribution	\$ 134,119	\$ 87,500	\$ 87,500
Interest on net OPEB obligation	5,365	6,277	6,278
Adjustment to annual required contribution	<u>0</u>	<u>24,003</u>	<u>(38,987)</u>
Annual OPEB cost (expense)	139,484	117,780	54,791
Contributions made	<u>43,390</u>	<u>31,970</u>	<u>36,139</u>
Increase in net OPEB obligation	96,094	85,810	18,652
Net OPEB obligation - beginning of the year	<u>174,391</u>	<u>88,581</u>	<u>69,929</u>
Net OPEB obligation - end of year	<u>\$ 270,485</u>	<u>\$ 174,391</u>	<u>\$ 88,581</u>



**TOWN OF TONOPAH, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2013**

**E. OTHER INFORMATION (Continued)**

**4. Postemployment Health Care Plan (Continued)**

**Funded Status and Funding Progress** As of June, 30, 2013, the actuarial accrued liability (AAL) for benefits was \$1,290,182, of which \$1,249,982 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$642,401 and the ratio of the UAAL to the covered payroll was 194.58%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions** Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012, actuarial study, the pay as you go actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate. An annual healthcare cost trend rate of 8 percent is used initially, reduced by decrements to an ultimate rate of 5 percent after seven years, with the stipulation that the Town will not pay more than \$8,773 per person per year. A standard 3.5 percent inflation rate was used throughout.

The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2013, is 43 years.

The Town is has begun to fund benefits for employees who are presently working. During the current year \$40,200 was set aside to fund future costs. The Town is funding the costs of insurance for employees who have retired on the "pay as you go" basis.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF TONOPAH, NEVADA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**June 30, 2013**

Valuation Date	Value of Assets (a)	Accrued Liability (AAL) Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2012	\$ 40,200	\$ 1,290,182	\$ 1,249,982	3.12%	\$ 642,401	194.58%
7/1/2010	\$ -	\$ 1,184,950	\$ 1,184,950	0.00%	\$ 528,878	224.05%
7/1/2008	\$ -	\$ 574,254	\$ 574,254	0.00%	\$ 593,810	96.71%

## **SUPPLEMENTARY INFORMATION**

## **MAJOR FUNDS**

### **GENERAL FUND**

**General fund is used to account for resources and costs of operation traditionally associated with governments which are not required to be accounted for in other funds.**

### **CAPITAL PROJECTS FUND**

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

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2013 and 2012**

	2013	2012
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 1,856,616	\$ 1,687,381
Interest receivable	2,726	5,649
Taxes receivable	13,745	9,415
Room tax receivable	45,892	49,723
Prepaid expenses	14,850	-
Due from other governments	<u>59,162</u>	<u>56,683</u>
 Total assets	 <u>\$ 1,992,991</u>	 <u>\$ 1,808,851</u>
 <b><u>LIABILITIES</u></b>		
Accounts payable	\$ 48,277	\$ 45,093
Accrued payroll	<u>19,542</u>	<u>17,712</u>
 Total liabilities	 67,819	 62,805
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Unavailable revenue - property taxes	13,230	8,420
 <b><u>FUND BALANCE</u></b>		
Unassigned	<u>1,911,942</u>	<u>1,737,626</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 1,992,991</u>	 <u>\$ 1,808,851</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND (GAAP BASIS)**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2013**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2012)**

	2013		Variance-	2012
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
Taxes	\$ 403,651	\$ 605,580	\$ 201,929	\$ 570,300
Licenses and permits	16,500	24,908	8,408	20,811
Intergovernmental	266,247	353,553	87,306	329,404
Charges for services	17,850	35,623	17,773	30,337
Fines and forfeitures	20,000	51,794	31,794	34,356
Miscellaneous	14,000	10,345	(3,655)	22,076
Total revenues	<u>738,248</u>	<u>1,081,803</u>	<u>343,555</u>	<u>1,007,284</u>
<b>Expenditures:</b>				
General government	492,296	313,970	178,326	299,324
Public safety	96,250	58,883	37,367	53,283
Public works	213,393	152,634	60,759	134,421
Culture and recreation	337,064	281,000	56,064	272,251
Contingency	15,000	-	15,000	-
Total expenditures	<u>1,154,003</u>	<u>806,487</u>	<u>347,516</u>	<u>759,279</u>
Excess (deficiency) of revenues over expenditures	(415,755)	275,316	691,071	248,005
<b>Other financing sources (uses):</b>				
Operating transfers out	<u>(725,000)</u>	<u>(101,000)</u>	<u>624,000</u>	<u>(98,300)</u>
Net change in fund balance	(1,140,755)	174,316	1,315,071	149,705
<b>Fund balance:</b>				
Beginning of year	<u>1,330,830</u>	<u>1,737,626</u>	<u>406,796</u>	<u>1,587,921</u>
End of year	<u>\$ 190,075</u>	<u>\$ 1,911,942</u>	<u>\$ 1,721,867</u>	<u>\$ 1,737,626</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND (GAAP BASIS)**  
**SCHEDULE OF REVENUES COMPARED TO BUDGET**  
**For the Year Ended June 30, 2013**

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

	2013		Variance-	2012
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 143,651	\$ 143,888	\$ 237	\$ 160,430
Room taxes	260,000	461,692	201,692	409,870
Total taxes	403,651	605,580	201,929	570,300
 <b>Licenses and permits</b>	 16,500	 24,908	 8,408	 20,811
 <b>Intergovernmental:</b>				
County liquor license	1,800	2,440	640	2,360
County gaming license	16,000	18,630	2,630	17,775
Consolidated tax	240,000	323,989	83,989	300,267
Gas tax \$1.75	8,447	8,494	47	9,002
Total intergovernmental	266,247	353,553	87,306	329,404
 <b>Charges for services:</b>				
Rescue runs	100	66	(34)	195
Swimming pool fees	6,000	8,012	2,012	8,780
Old Fire House rental	-	2,835	2,835	-
Convention Center rental	5,000	14,107	9,107	12,225
Sports complex fees	1,300	2,000	700	2,000
Mining park entrance	5,000	8,313	3,313	6,997
Fairgrounds rental	450	290	(160)	140
Total charges for services	17,850	35,623	17,773	30,337
 <b>Fines and forfeitures</b>	 20,000	 51,794	 31,794	 34,356
 <b>Miscellaneous:</b>				
Investment income	12,000	5,621	(6,379)	8,035
Other	2,000	4,724	2,724	14,041
Total miscellaneous	14,000	10,345	(3,655)	22,076
 <b>Total revenues</b>	 \$ 738,248	 \$ 1,081,803	 \$ 343,555	 \$ 1,007,284



**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND (GAAP BASIS)**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET**  
**For the Year Ended June 30, 2013**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2012)**

	2013		Variance-	2012
	Budget	Actual	Positive (Negative)	Actual
<b>Expenditures:</b>				
<b>General government:</b>				
Salaries and wages	\$ 222,960	\$ 116,961	\$ 105,999	\$ 130,480
Employee benefits	144,536	76,725	67,811	57,011
Services and supplies	124,800	92,045	32,755	111,833
Capital outlay	-	28,239	(28,239)	-
Total general government	<u>492,296</u>	<u>313,970</u>	<u>178,326</u>	<u>299,324</u>
<b>Public safety:</b>				
<b>Fire:</b>				
Salaries and wages	27,000	15,000	12,000	15,000
Employee benefits	18,750	6,681	12,069	6,288
Services and supplies	<u>50,500</u>	<u>37,202</u>	<u>13,298</u>	<u>31,995</u>
Total public safety	<u>96,250</u>	<u>58,883</u>	<u>37,367</u>	<u>53,283</u>
<b>Public works:</b>				
Salaries and wages	79,226	54,473	24,753	47,527
Employee benefits	47,940	27,098	20,842	22,415
Services and supplies	86,227	70,266	15,961	64,479
Capital outlay	-	797	(797)	-
Total public works	<u>213,393</u>	<u>152,634</u>	<u>60,759</u>	<u>134,421</u>
<b>Culture and recreation:</b>				
<b>Parks:</b>				
Services and supplies	<u>41,845</u>	<u>40,362</u>	<u>1,483</u>	<u>31,922</u>
<b>Mining parks:</b>				
Salaries and wages	41,544	36,981	4,563	27,821
Employee benefits	18,690	15,623	3,067	13,249
Services and supplies	<u>22,288</u>	<u>15,428</u>	<u>6,860</u>	<u>28,192</u>
Total mining parks	<u>82,522</u>	<u>68,032</u>	<u>14,490</u>	<u>69,262</u>
<b>Swimming pool:</b>				
Salaries and wages	17,000	16,428	572	13,657
Employee benefits	3,876	2,202	1,674	1,632
Services and supplies	<u>18,300</u>	<u>14,918</u>	<u>3,382</u>	<u>23,437</u>
Total swimming pool	<u>39,176</u>	<u>33,548</u>	<u>5,628</u>	<u>38,726</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND (GAAP BASIS)**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)**  
**For the Year Ended June 30, 2013**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2012)**

	2013		Variance-	2012
	Budget	Actual	Positive (Negative)	Actual
<b>Culture and recreation (continued):</b>				
<b>Fair:</b>				
Services and supplies	\$ 4,800	\$ 2,221	\$ 2,579	\$ 1,507
<b>Ball fields:</b>				
Services and supplies	33,295	32,120	1,175	25,443
<b>Convention Center:</b>				
Salaries and wages	35,351	35,392	(41)	34,712
Employee benefits	28,350	23,376	4,974	21,634
Services and supplies	71,725	45,949	25,776	49,045
Capital outlay	-	-	-	-
Total Convention Center	135,426	104,717	30,709	105,391
Total culture and recreation	337,064	281,000	56,064	272,251
<b>Contingency</b>	15,000	-	15,000	-
Total expenditures	\$ 1,154,003	\$ 806,487	\$ 347,516	\$ 759,279

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2013 and 2012**

	2013	2012
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 7,888	\$ 110,871
Interest receivable	-	144
Due from other funds	<u>5,554</u>	<u>-</u>
Total assets	<u>\$ 13,442</u>	<u>\$ 111,015</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE:</u></b>		
Restricted for capital projects	<u>13,442</u>	<u>111,015</u>
Total liabilities and fund balance	<u>\$ 13,442</u>	<u>\$ 111,015</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2013**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2012)**

	2013		Variance-	2012
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Charges for services:</b>				
Rescue runs	\$ 1,000	\$ 264	\$ (736)	\$ 780
Reader board fees	-	-	-	188
Total charges for services	1,000	264	(736)	968
<b>Miscellaneous:</b>				
Investment income	-	463	463	127
Total revenues	1,000	727	(273)	1,095
<b>Expenditures:</b>				
Capital projects	738,620	257,134	481,486	-
Excess (deficiency) of revenues over expenditures	(737,620)	(256,407)	481,213	1,095
<b>Other financing sources (uses):</b>				
Operating transfers in	725,000	158,834	(566,166)	98,300
Net change in fund balance	(12,620)	(97,573)	(84,953)	99,395
<b>Fund balance:</b>				
Beginning of year	12,620	111,015	98,395	11,620
End of year	\$ -	\$ 13,442	\$ 13,442	\$ 111,015

## **MAJOR ENTERPRISE FUNDS**

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

**Tonopah Public Utility Water fund is used to account for revenues and expenses of water services provided for residents of the unincorporated Town of Tonopah, Nevada.**

**Tonopah Public Utility Sewer fund is used to account for revenues and expenses of sewer services provided for residents of the unincorporated Town of Tonopah, Nevada.**

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**June 30, 2013 and 2012**

	2013	2012
<b><u>ASSETS:</u></b>		
Current assets:		
Pooled cash and investments	\$ 912,920	\$ 696,764
Interest receivable	1,879	3,267
Due from other governments	417,933	-
Accounts receivable, net of allowance for doubtful accounts	76,764	93,183
Inventory	68,740	71,065
Prepaid expense	7,425	-
Restricted assets - cash	517,873	486,108
Total current assets	2,003,534	1,350,387
Property, plant and equipment, net of accumulated depreciation	11,254,252	6,070,831
Total assets	13,257,786	7,421,218
<b><u>LIABILITIES:</u></b>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	438,848	225,913
Accrued payroll	9,539	8,545
Accrued compensated absences	27,170	11,888
Current portion of bonds payable	73,947	7,073
Notes payable	74,722	420,104
Total current liabilities-unrestricted	624,226	673,523
Current liabilities, payable from restricted assets:		
Customer deposits	25,373	20,900
Total current liabilities	649,599	694,423
Non-current liabilities:		
OPEB obligation payable	66,564	42,100
Accrued compensated absences	1,244	14,098
Bonds payable	4,256,192	440,107
Total non-current liabilities	4,324,000	496,305
Total liabilities	4,973,599	1,190,728
<b><u>NET POSITION:</u></b>		
Invested in capital assets, net of related debt	6,849,391	5,203,547
Restricted for debt	179,854	44,199
Restricted for capital replacement	313,424	320,690
Unrestricted	941,518	662,054
Total net position	\$ 8,284,187	\$ 6,230,490

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2013**  
**(with Comparative Amounts for the Year Ended June 30, 2012)**

	2013		Variance-	2012
	Budget	Actual	Positive (Negative)	Actuals
<b>Operating revenues:</b>				
Charges for services:				
Water fees	\$ 525,000	\$ 578,776	\$ 53,776	\$ 611,242
<b>Operating expenses:</b>				
<b>Water department:</b>				
Administration	48,154	56,603	(8,449)	55,515
General operations	269,301	242,799	26,502	216,691
Water operations	204,700	136,896	67,804	134,148
Depreciation	200,000	228,733	(28,733)	229,829
 Total operating expenses	 722,155	 665,031	 57,124	 636,183
 Operating income (loss)	 (197,155)	 (86,255)	 110,900	 (24,941)
<b>Nonoperating revenue (expense):</b>				
Investment income	10,000	3,353	(6,647)	3,947
Miscellaneous	23,000	42,956	19,956	27,098
Grant	-	1,961,412	1,961,412	-
Interest expense	(18,875)	(36,719)	(17,844)	(19,169)
Water surcharge	156,000	168,950	12,950	147,327
 Total nonoperating revenue	 170,125	 2,139,952	 1,969,827	 159,203
 Net income (loss)	 \$ (27,030)	 2,053,697	 \$ 2,080,727	 134,262
<b>Net Position:</b>				
Beginning of year		6,230,490		6,096,228
 End of year		 \$ 8,284,187		 \$ 6,230,490

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND**  
**COMPARATIVE SCHEDULES OF CASH FLOWS**  
**For the Year Ended June 30, 2013**  
**(With comparative Amounts for the Year Ended June 30, 2012)**

	2013	2012
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 599,668	\$ 589,581
Cash paid for salaries, wages and employee benefits	(195,157)	(186,936)
Cash paid for services and supplies	(215,563)	(208,962)
Net cash provided by operating activities	<u>188,948</u>	<u>193,683</u>
<b>Cash flows from noncapital financing activities:</b>		
Miscellaneous revenue	42,956	27,098
Grants	1,123,375	-
Surcharges	168,950	147,327
Net cash provided by noncapital financing activities	<u>1,335,281</u>	<u>174,425</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchase of capital assets	(5,202,011)	(438,913)
Principal paid	(24,041)	(6,779)
Interest paid	(36,719)	(19,169)
Debt proceeds	3,981,722	420,104
Net cash (used) by capital and related financing activities	<u>(1,281,049)</u>	<u>(44,757)</u>
<b>Cash flows from investing activities:</b>		
Investment income	4,741	4,100
Net increase in cash	247,921	327,451
<b>Cash:</b>		
Beginning of year	1,182,872	855,421
End of year	<u>\$ 1,430,793</u>	<u>\$ 1,182,872</u>
<b>Reconciliation of operating (loss) to net cash provided by operating activities:</b>		
Operating (loss)	<u>\$ (86,255)</u>	<u>\$ (24,941)</u>
<b>Adjustments to reconcile operating (loss) to net cash provided by operating activities:</b>		
Depreciation	228,733	229,829
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	16,419	(20,674)
(Increase) decrease in prepaid expenses	(7,425)	1,398
(Increase) decrease in inventory	2,325	(990)
Increase (decrease) in accounts payable	2,792	(12,987)
Increase (decrease) in accrued payroll	27,886	23,035
Increase (decrease) in customer deposits	4,473	(987)
Total adjustments	<u>275,203</u>	<u>218,624</u>
<b>Net cash provided by operating activities</b>	<u>\$ 188,948</u>	<u>\$ 193,683</u>



**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**June 30, 2013 and 2012**

	2013	2012
<b><u>ASSETS:</u></b>		
Current assets:		
Pooled cash and investments	\$ 969,161	\$ 969,071
Interest receivable	1,422	3,037
Due from other governments	-	2,000
Accounts receivable, net of allowance for doubtful accounts	46,501	49,979
Inventory	6,644	7,031
Prepaid expense	11,891	-
Restricted assets - cash	102,654	28,117
Total current assets	1,138,273	1,059,235
Property, plant and equipment, net of accumulated depreciation	6,997,657	5,956,755
Total assets	8,135,930	7,015,990
<b><u>LIABILITIES:</u></b>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	71,304	33,159
Accrued payroll	9,663	4,249
Accrued compensated absences	27,170	11,888
Current portion of bonds payable	7,531	7,218
Total current liabilities - unrestricted	115,668	56,514
Non-current liabilities:		
OPEB obligation payable	58,416	36,586
Accrued compensated absences	1,244	14,098
Bonds payable	553,921	561,453
Total non-current liabilities	613,581	612,137
Total liabilities	729,249	668,651
<b><u>NET POSITION:</u></b>		
Invested in capital assets, net of related debt	6,436,205	5,388,084
Restricted for debt	26,842	26,518
Restricted for construction	73,220	634
Unrestricted	870,414	932,103
Total net position	\$ 7,406,681	\$ 6,347,339

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2013**  
**(with Comparative Amounts for the Year Ended June 30, 2012)**

	2013		Variance-	2012
	Budget	Actual	Positive (Negative)	Actuals
<b>Operating revenues:</b>				
Charges for services:				
Sewer fees	\$ 435,217	\$ 433,853	\$ (1,364)	\$ 418,926
<b>Operating expenses:</b>				
<b>Sewer department:</b>				
Administration	151,810	116,451	35,359	129,921
General operations	206,585	160,692	45,893	127,267
Sewer operations	33,000	13,892	19,108	15,809
Depreciation	200,000	231,506	(31,506)	221,920
 Total operating expenses	 591,395	 522,541	 68,854	 494,917
 Operating income (loss)	 (156,178)	 (88,688)	 67,490	 (75,991)
<b>Nonoperating revenue (expense):</b>				
Investment income	6,000	3,151	(2,849)	4,534
Grant	-	1,121,890	1,121,890	2,000
Interest expense	(24,029)	(24,029)	-	(24,329)
Capital projects fees	12,000	12,915	915	14,475
Debt service fee	34,000	34,103	103	33,801
 Total nonoperating revenue	 27,971	 1,148,030	 1,120,059	 30,481
 Net income (loss)	 \$ (128,207)	 1,059,342	 \$ 1,187,549	 (45,510)
<b>Net Position:</b>				
Beginning of year		6,347,339		6,392,849
End of year		\$ 7,406,681		\$ 6,347,339

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND**  
**COMPARATIVE SCHEDULES OF CASH FLOWS**  
**For the Year Ended June 30, 2013**  
**(With comparative Amounts for the Year Ended June 30, 2012)**

	2013	2012
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 439,331	\$ 428,008
Cash paid for salaries, wages and employee benefits	(184,529)	(176,516)
Cash paid for services and supplies	(77,308)	(73,738)
Net cash provided by operating activities	<u>177,494</u>	<u>177,754</u>
<b>Cash flows from noncapital financing activities:</b>		
Due from other governments	-	(2,000)
Grants	1,121,890	2,000
Capital projects fees	12,915	14,475
Debt service	34,103	33,801
Net cash provided by noncapital financing activities	<u>1,168,908</u>	<u>48,276</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchase of capital assets	(1,245,293)	(5,148)
Principal paid	(7,219)	(6,919)
Interest paid	(24,029)	(24,329)
Net cash (used) by capital and related financing activities	<u>(1,276,541)</u>	<u>(36,396)</u>
<b>Cash flows from investing activities:</b>		
Investment income	4,766	4,457
Net increase in cash	74,627	194,091
<b>Cash:</b>		
Beginning of year	997,188	803,097
End of year	<u>\$ 1,071,815</u>	<u>\$ 997,188</u>
<b>Reconciliation of operating (loss) to net cash provided by operating activities:</b>		
Operating (loss)	\$ (88,688)	\$ (75,991)
<b>Adjustments to reconcile operating (loss) to net cash provided by operating activities:</b>		
Depreciation	231,506	221,920
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	5,478	9,082
(Increase) decrease in prepaid expenses	(11,891)	5,788
(Increase) decrease in inventory	387	390
Increase (decrease) in accounts payable	11,030	749
Increase (decrease) in accrued payroll	29,672	15,816
Total adjustments	<u>266,182</u>	<u>253,745</u>
<b>Net cash provided by operating activities</b>	<u>\$ 177,494</u>	<u>\$ 177,754</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

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

## **PERMANENT FUNDS**

**The permanent fund is used to report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the Mining Park Museum.**

**TOWN OF TONOPAH, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**June 30, 2013**

**(With Comparative Totals for June 30, 2012)**

	Nonmajor Special Revenue Funds	Nonmajor Mining Park Museum Permanent Fund	Nonmajor Capital Projects Funds	2013 Totals	2012 Totals
<b>Assets:</b>					
Pooled cash and investments	\$ 113,852	\$ 25,000	\$ 32,298	\$ 171,150	\$ 242,363
Interest receivable	171	-	48	219	498
Room tax receivable	<u>3,585</u>	<u>-</u>	<u>-</u>	<u>3,585</u>	<u>3,885</u>
Total assets	<u>\$ 117,608</u>	<u>\$ 25,000</u>	<u>\$ 32,346</u>	<u>\$ 174,954</u>	<u>\$ 246,746</u>
<b>Liabilities:</b>					
Accounts payable	\$ 251	\$ -	\$ -	\$ 251	\$ 122
Due to other funds	<u>-</u>	<u>-</u>	<u>5,554</u>	<u>5,554</u>	<u>-</u>
Total liabilities	<u>251</u>	<u>-</u>	<u>5,554</u>	<u>5,805</u>	<u>122</u>
<b>Fund Balance:</b>					
Restricted for capital projects	-	-	32,346	32,346	119,279
Restricted for culture & recreation	117,357	25,000	-	142,357	127,345
Unassigned	<u>-</u>	<u>-</u>	<u>(5,554)</u>	<u>(5,554)</u>	<u>-</u>
Total fund balance	<u>117,357</u>	<u>25,000</u>	<u>26,792</u>	<u>169,149</u>	<u>246,624</u>
Total liabilities and fund balance	<u>\$ 117,608</u>	<u>\$ 25,000</u>	<u>\$ 32,346</u>	<u>\$ 174,954</u>	<u>\$ 246,746</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**

**For the Year Ended June 30, 2013**

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

	Nonmajor Special Revenue Funds	Nonmajor Mining Park Museum Permanent Fund	Nonmajor Capital Projects Funds	2013 Totals	2012 Totals
<b>Revenues:</b>					
Taxes	\$ 36,070	\$ -	\$ -	\$ 36,070	\$ 32,095
Intergovernmental	-	-	29,691	29,691	28,338
Miscellaneous	1,427	-	656	2,083	1,355
	<u>37,497</u>	<u>-</u>	<u>30,347</u>	<u>67,844</u>	<u>61,788</u>
<b>Total revenues</b>					
	<u>37,497</u>	<u>-</u>	<u>30,347</u>	<u>67,844</u>	<u>61,788</u>
<b>Expenditures:</b>					
Current:					
Culture and recreation	47,485	-	-	47,485	22,738
Capital projects	-	-	40,000	40,000	166,259
	<u>47,485</u>	<u>-</u>	<u>40,000</u>	<u>87,485</u>	<u>188,997</u>
<b>Total expenditures</b>					
	<u>47,485</u>	<u>-</u>	<u>40,000</u>	<u>87,485</u>	<u>188,997</u>
Excess (deficiency) of revenues over expenditures	(9,988)	-	(9,653)	(19,641)	(127,209)
<b>Other financing sources (uses):</b>					
Operating transfers in	-	25,000	-	25,000	-
Operating transfers out	-	-	(82,834)	(82,834)	-
	<u>-</u>	<u>25,000</u>	<u>(82,834)</u>	<u>(57,834)</u>	<u>-</u>
<b>Total financing sources (uses)</b>					
	<u>-</u>	<u>25,000</u>	<u>(82,834)</u>	<u>(57,834)</u>	<u>-</u>
Net change in fund balance	(9,988)	25,000	(92,487)	(77,475)	(127,209)
<b>Fund balance:</b>					
Beginning of year	127,345	-	119,279	246,624	373,833
	<u>127,345</u>	<u>-</u>	<u>119,279</u>	<u>246,624</u>	<u>373,833</u>
End of year	\$ 117,357	\$ 25,000	\$ 26,792	\$ 169,149	\$ 246,624
	<u>\$ 117,357</u>	<u>\$ 25,000</u>	<u>\$ 26,792</u>	<u>\$ 169,149</u>	<u>\$ 246,624</u>

## **NONMAJOR SPECIAL REVENUE FUND**

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

**The State Room Tax fund is used to account for room tax revenues and expenditures.**

**The Mural fund is used to account for donations revenues and expenditures for the Mural.**

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND-SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

	State Room Tax	Mural Fund	Totals 2013	2012
<b><u>ASSETS:</u></b>				
Pooled cash and investments	\$ 94,291	\$ 19,561	\$ 113,852	\$ 123,186
Interest receivable	142	29	171	396
Room tax receivable	<u>3,585</u>	<u>-</u>	<u>3,585</u>	<u>3,885</u>
Total assets	<u>\$ 98,018</u>	<u>\$ 19,590</u>	<u>\$ 117,608</u>	<u>\$ 127,467</u>
<b><u>LIABILITIES:</u></b>				
Accounts payable	\$ 251	\$ -	\$ 251	\$ 122
<b><u>FUND BALANCE:</u></b>				
Restricted for culture and recreation	<u>97,767</u>	<u>19,590</u>	<u>117,357</u>	<u>127,345</u>
Total liabilities and fund balance	<u>\$ 98,018</u>	<u>\$ 19,590</u>	<u>\$ 117,608</u>	<u>\$ 127,467</u>



TOWN OF TONOPAH, NEVADA  
NONMAJOR FUNDS-SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2013  
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	State Room Tax	Mural Fund	Totals 2013	2012
<b>Revenues:</b>				
Taxes	\$ 36,070	\$ -	\$ 36,070	\$ 32,095
Miscellaneous	<u>358</u>	<u>1,069</u>	<u>1,427</u>	<u>591</u>
Total revenues	36,428	1,069	37,497	32,686
<b>Expenditures:</b>				
Culture and recreation	<u>47,485</u>	<u>-</u>	<u>47,485</u>	<u>22,738</u>
Excess (deficiency) of revenues over expenditures	(11,057)	1,069	(9,988)	9,948
<b>Fund balance:</b>				
Beginning of year	<u>108,824</u>	<u>18,521</u>	<u>127,345</u>	<u>117,397</u>
End of year	<u>\$ 97,767</u>	<u>\$ 19,590</u>	<u>\$ 117,357</u>	<u>\$ 127,345</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - STATE ROOM TAX SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2013 and 2012**

	2013	2012
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 94,291	\$ 104,724
Interest receivable	142	337
Room tax receivable	<u>3,585</u>	<u>3,885</u>
Total assets	<u>\$ 98,018</u>	<u>\$ 108,946</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ 251	\$ 122
<b><u>FUND BALANCE:</u></b>		
Restricted for culture and recreation	<u>97,767</u>	<u>108,824</u>
Total liabilities and fund balance	<u>\$ 98,018</u>	<u>\$ 108,946</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, 2013**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2012)**

	2013		Variance-	2012
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Room tax	\$ 20,000	\$ 36,070	\$ 16,070	\$ 32,095
<b>Miscellaneous:</b>				
Investment income	<u>-</u>	<u>358</u>	<u>358</u>	<u>505</u>
Total revenues	20,000	36,428	16,428	32,600
<b>Expenditures:</b>				
<b>Culture and recreation:</b>				
Services and supplies	<u>103,962</u>	<u>47,485</u>	<u>56,477</u>	<u>22,738</u>
Excess (deficiency) of revenues over expenditures	(83,962)	(11,057)	72,905	9,862
<b>Fund balance:</b>				
Beginning of year	<u>83,962</u>	<u>108,824</u>	<u>24,862</u>	<u>98,962</u>
End of year	<u>\$ -</u>	<u>\$ 97,767</u>	<u>\$ 97,767</u>	<u>\$ 108,824</u>

**TOWN OF TONOPAH, NEVADA  
MURAL SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2013 and 2012**

	2013	2012
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 19,561	\$ 18,462
Interest receivable	<u>29</u>	<u>59</u>
Total assets	<u>\$ 19,590</u>	<u>\$ 18,521</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE:</u></b>		
Restricted for culture and recreation	<u>19,590</u>	<u>18,521</u>
Total liabilities and fund balance	<u>\$ 19,590</u>	<u>\$ 18,521</u>

**TOWN OF TONOPAH, NEVADA**  
**MURAL SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2013**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2012)**

	2013		Variance-	2012
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ 150	\$ 69	\$ (81)	\$ 86
Donations	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total revenues	150	1,069	919	86
<b>Expenditures:</b>				
<b>Culture and recreation:</b>				
Capital outlay	<u>18,785</u>	<u>-</u>	<u>18,785</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(18,635)	1,069	19,704	86
<b>Fund balance:</b>				
Beginning of year	<u>18,635</u>	<u>18,521</u>	<u>(114)</u>	<u>18,435</u>
End of year	<u>\$ -</u>	<u>\$ 19,590</u>	<u>\$ 19,590</u>	<u>\$ 18,521</u>

## **NONMAJOR CAPITAL PROJECTS FUNDS**

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

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

**Mining Parks Capital Projects Fund is used to account for grants received for improvements to the park**

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND-CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

	Special Ad Valorem	Mining	Totals 2013	2012
<b><u>ASSETS:</u></b>				
Pooled cash and investments	\$ -	\$ 32,298	\$ 32,298	\$ 119,177
Interest receivable	<u>-</u>	<u>48</u>	<u>48</u>	<u>102</u>
Total assets	<u>\$ -</u>	<u>\$ 32,346</u>	<u>\$ 32,346</u>	<u>\$ 119,279</u>
<b><u>LIABILITIES:</u></b>				
Due to other funds	<u>\$ 5,554</u>	<u>\$ -</u>	<u>\$ 5,554</u>	<u>\$ -</u>
<b><u>FUND BALANCE:</u></b>				
Restricted for capital projects	-	32,346	32,346	119,279
Unassigned	<u>(5,554)</u>	<u>-</u>	<u>(5,554)</u>	<u>-</u>
Total fund balance	<u>(5,554)</u>	<u>32,346</u>	<u>26,792</u>	<u>119,279</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 32,346</u>	<u>\$ 32,346</u>	<u>\$ 119,279</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, 2013**

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

	Special Ad Valorem	Mining	Totals 2013	2012
<b>Revenues:</b>				
Intergovernmental	\$ 29,691	\$ -	\$ 29,691	\$ 28,338
Miscellaneous	<u>535</u>	<u>121</u>	<u>656</u>	<u>764</u>
 Total revenues	 30,226	 121	 30,347	 29,102
<b>Expenditures:</b>				
Capital projects	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>166,259</u>
 Excess (deficiency) of revenues over expenditures	 (9,774)	 121	 (9,653)	 (137,157)
<b>Other financing sources (uses):</b>				
Operating transfers out	<u>(82,834)</u>	<u>-</u>	<u>(82,834)</u>	<u>-</u>
 Net change in fund balance	 (92,608)	 121	 (92,487)	 (137,157)
<b>Fund balance:</b>				
Beginning of year	<u>87,054</u>	<u>32,225</u>	<u>119,279</u>	<u>256,436</u>
 End of year	 <u>\$ (5,554)</u>	 <u>\$ 32,346</u>	 <u>\$ 26,792</u>	 <u>\$ 119,279</u>



**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2013 and 2012**

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	2013	2012
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ -	\$ 87,054
<b><u>LIABILITIES:</u></b>		
Due to other funds	\$ 5,554	\$ -
<b><u>FUND BALANCE:</u></b>		
Restricted for capital projects	(5,554)	87,054
Total liabilities and fund balance	\$ -	\$ 87,054

**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, 2013**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2012)**

	2013		Variance-	2012
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
Intergovernmental:	\$ 35,000	\$ 29,691	\$ (5,309)	\$ 28,338
Miscellaneous:				
Investment income	<u>-</u>	<u>535</u>	<u>535</u>	<u>617</u>
Total revenues	35,000	30,226	(4,774)	28,955
<b>Expenditures:</b>				
Capital projects	<u>45,265</u>	<u>40,000</u>	<u>5,265</u>	<u>166,259</u>
Excess (deficiency) of revenues over expenditures	(10,265)	(9,774)	491	(137,304)
<b>Other financing sources (uses):</b>				
Operating transfers out	<u>-</u>	<u>(82,834)</u>	<u>(82,834)</u>	<u>-</u>
Net change in fund balance	(10,265)	(92,608)	(82,343)	(137,304)
<b>Fund balance:</b>				
Beginning of year	<u>10,265</u>	<u>87,054</u>	<u>76,789</u>	<u>224,358</u>
End of year	<u>\$ -</u>	<u>\$ (5,554)</u>	<u>\$ (5,554)</u>	<u>\$ 87,054</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - MINING CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2013 and 2012**

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	2013	2012
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 32,298	\$ 32,123
Interest receivable	<u>48</u>	<u>102</u>
 Total assets	 <u>\$ 32,346</u>	 <u>\$ 32,225</u>
<b><u>FUND BALANCE:</u></b>		
Restricted for capital projects	<u>\$ 32,346</u>	<u>\$ 32,225</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, 2013**  
**(With Comparative Amounts for the Year Ended June 30, 2012)**

	Budget	2013 Actual	Variance- Positive (Negative)	2012 Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ -	\$ 121	\$ 121	\$ 147
<b>Expenditures:</b>				
Capital projects	<u>37,078</u>	<u>-</u>	<u>37,078</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(37,078)	121	37,199	147
<b>Fund balance:</b>				
Beginning of year	<u>37,078</u>	<u>32,225</u>	<u>(4,853)</u>	<u>32,078</u>
End of year	<u>\$ -</u>	<u>\$ 32,346</u>	<u>\$ 32,346</u>	<u>\$ 32,225</u>

## **AGENCY FUNDS**

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

**Post Retirement Benefits funds are used to cover future retirement benefits.**

**TOWN OF TONOPAH, NEVADA**  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
<b>Post Retirement Benefits Fund</b>				
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ 40,200	\$ -	\$ 40,200
<b>LIABILITIES</b>				
Amounts held for others	\$ -	\$ 40,200	\$ -	\$ 40,200

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**INDEPENDENT AUDITOR'S 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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Tonopah, Nevada (the Town), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated November 26, 2013.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

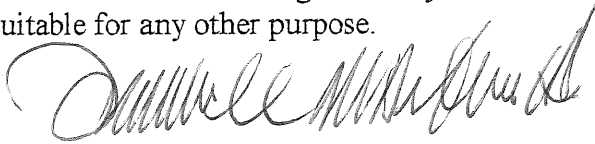
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "D. M. Smith", is written over the text of the "Purpose of this Report" section.

Las Vegas, Nevada  
November 26, 2013



**DANIEL C. McARTHUR, LTD.**  
*Certified Public Accountant*

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE**

Honorable Members of the Town Board  
Town of Tonopah, Nevada

I have audited in accordance with auditing standards generally accepted in the United States of America the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Tonopah, Nevada (the Town) as of and for the year ended June 30, 2013, and the notes to the financial statement which collectively comprise the Town's basic financial statements and have issued my report thereon dated November 26, 2013.

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

As required by NRS 354.624 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 for the information of the Town Board, management, others within the Town, and the Nevada Department of Taxation. However, this report is a matter of public record and its distribution is not limited.



Las Vegas, Nevada  
November 26, 2013

**TOWN OF TONOPAH, NEVADA**  
**SCHEDULE OF BUSINESS LICENSE FEES**  
**APPENDIX A**  
**JUNE 30, 2013**

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. The Town charges a business license fee that is subject to NRS 354.5989. During the year ended June 30, 2013, the Town did not raise fees on business licenses subject to the limitations of NRS 354.5989.

Business license fees are calculated on a point system, at \$0.0125 per point per calendar quarter. Business classes are as follows:

Class A	Professional	1,000 Points
Class B	Wholesaler	800
Class C	Retailer	500
Class D	Service	300

Additional points are assessed for the calculation of the license based on number of employees, hours of operation and number of locations. The points for each category have not changed during the year ended June 30, 2013.

**TOWN OF TONOPAH, NEVADA**  
**SCHEDULE OF CAPITAL PROJECTS ACTIVITY**  
**APPENDIX B**  
**JUNE 30, 2013**

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:

Special Capital Projects Fund:	
Convention Center	\$ 40,000
Capital Projects Fund:	
Convention Center	\$ 257,134

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

Response

Special Capital Projects Fund:	
Taxes	\$ 25,000
Capital Projects Fund	
Interest	\$ 1,000
Transfer in from General Fund	\$ 650,000
Mining Park Capital Projects Fund:	
Interest	\$ 150

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 Capital Projects Fund:	
Building Improvements/Construction	\$ 64,249
Capital Projects Fund:	
Building Improvements/Construction	\$ 650,000
Vehicle/Equipment	14,715
Mining Park Capital Projects Fund:	
Building & Facility Improvements	\$ 32,525

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

Response

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