

TOWN OF TONOPAH, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

**TOWN OF TONOPAH, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL MATERIAL
FOR THE YEAR ENDED JUNE 30, 2015
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TOWN OF TONOPAH, NEVADA

ORGANIZATION

TOWN OFFICERS at June 30, 2015

Chairman	Horace Carlyle
Vice Chairman	Duane Downing
Clerk	Tom Seley
Board Member	Janet Hatch
Board Member	Doug Farinholt

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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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, 2015, 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Change in Accounting Principle

As discussed in Note D-13 to the financial statements, the Town adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. My opinion is not modified with respect to this matter.

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 4 through 12, Schedule of Funding Progress on page 50, Schedule of Pension Contributions on page 51 and Schedule of the Town's Proportionate Share of the Net Pension Liability on page 52 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 and schedules 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 and schedules 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 and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Prior Year Comparative Information

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, 2014, 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 and schedules for the year ended June 30, 2014, 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 2014 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 2014 combining and individual fund financial statements and schedules 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 January 15, 2016 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
January 15, 2016

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the Town of Tonopah, Nevada ("Town") and 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 adopted new accounting guidance, GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the County to recognize its proportionate share of the net pension liability, deferred outflows and deferred inflows of resources, and related expenses from the Town's participation in the Public Employees' Retirement System of the State of Nevada (PERS). The effect of implementing these statements resulted in a restatement of beginning net position.

The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the 2015 fiscal year by \$23,713,308 (net position). Total net position represents approximately \$19,912,256 in capital assets, net of related debt, \$82,645 in assets restricted for debt services, \$808,648 in assets restricted for capital projects, \$144,458 in assets restricted for culture and recreation, and \$95,574 in assets restricted for public safety. The remaining \$2,669,727 represents unrestricted net position, which may be used to meet the Town's ongoing obligations to its citizens and creditors.

The government-wide net position of the Town decreased during the fiscal year 2015, from \$24,427,645 to \$23,713,308 after factoring in the restatement of beginning net position due to changes from GASB 68, net pension liabilities.

The Town's primary revenue sources for governmental activities were room taxes of \$497,497, ad valorem taxes (property taxes) of \$190,614, and consolidated taxes (sales taxes) of \$323,690. These revenue sources comprised 37.78%, 14.47%, and 24.58% respectively, or 76.83% of total governmental activities revenues.

The Town's total expenses were \$2,581,945. The greatest governmental activities expenses were \$393,951 in culture and recreation and \$347,953 in the general government function. The business-type activities contributed \$1,490,948 to the Town's total expenses.

At the end of fiscal year 2015, the Town's governmental funds reported combined fund balances of \$2,545,205, an increase of \$276,824 when compared to the previous year. Approximately 39.13% of this amount, \$995,817, is available for spending at the government's discretion (unassigned fund balance).

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 to the financial statements. 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 an overview of the Town's financial position in a manner similar to a private-sector business.

The Statement of Net Position combines and consolidates all of the Town's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This includes combining current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting. Net position is segregated into three components: invested in capital assets, net of related debt; restricted; and unrestricted net position. Net position is an indicator of the overall financial position of the Town and the change in net position from year to year is an indicator of the financial position improving or deteriorating.

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

Government-Wide Financial Statements (Continued)

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 when 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 report two types of activities: governmental activities and business-type activities. 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. The business-type activities include operations of its utilities.

Fund Financial Statements

A fund is a grouping of accounts that is used to maintain control over resources that are designated for a specific purpose within the government. The Town uses fund financial statements to provide detailed information about its most significant funds. All of the Town of Tonopah funds are classified into three categories:

Governmental Funds – Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements described above. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses 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. To provide a better understanding of the relationship between the fund financial statements and government-wide financial statements, a reconciliation is provided for a more comprehensive picture of the Town's financial position.

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 balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining and individual fund statements and schedules.

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

Fund Financial Statements (Continued)

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. 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.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the water and sewer utility funds.

Fiduciary Funds - Fiduciary funds are used to account for the resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town has one type of fiduciary fund: the Agency Fund. The Agency Fund reports resources held by the Town in a custodial capacity for individuals, private organizations, and other governments.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential for 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 concerning the Town's progress in funding its obligation to provide other post-employment benefits to its employees.

The combining statements and individual fund schedules are presented immediately following the required supplementary information on other post-employment benefits.

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements are structured to report financial information on the Town as a whole. Condensed financial information with comparative amounts from the prior year is presented along with the accompanying analysis.

The following table illustrates the changes in net position for the fiscal years ending June 30, 2015 and 2014.

Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 2,618,768	\$ 2,351,921	\$ 2,728,743	\$ 2,790,715	\$ 5,347,511	\$ 5,142,636
Net capital assets	3,754,966	3,779,084	21,721,701	22,042,504	25,476,667	25,821,588
Total assets	<u>6,373,734</u>	<u>6,131,005</u>	<u>24,450,444</u>	<u>24,833,219</u>	<u>30,824,178</u>	<u>30,964,224</u>
Deferred Outflows of Resources:						
Deferred charge on pension	70,243	-	75,529	-	145,772	-
Liabilities:						
Current liabilities	63,747	76,485	71,553	390,887	135,300	467,372
Long-term liabilities	652,309	200,032	6,241,310	5,869,175	6,893,619	6,069,207
Total liabilities	<u>716,056</u>	<u>276,517</u>	<u>6,312,863</u>	<u>6,260,062</u>	<u>7,028,919</u>	<u>6,536,579</u>
Deferred Inflows of Resources:						
Deferred charge on pension	105,834	-	121,889	-	227,723	-
Net position:						
Invested in capital assets, net of related debt	3,754,966	3,779,084	16,157,290	16,351,148	19,912,256	20,130,232
Restricted	617,620	587,758	513,705	536,187	1,131,325	1,123,945
Unrestricted	1,249,501	1,487,646	1,420,226	1,685,822	2,669,727	3,173,468
Total net position	<u>\$ 5,622,087</u>	<u>\$ 5,854,488</u>	<u>\$ 18,091,221</u>	<u>\$ 18,573,157</u>	<u>\$ 23,713,308</u>	<u>\$ 24,427,645</u>

The Town's assets exceeded liabilities by \$23,713,308 at the close of the current fiscal year and total net position decreased \$714,337 resulting in a 2.92% decrease in net position. The decrease includes a restatement of \$986,176 due to GASB 68 pension requirements.

The largest portion of the Town's net position, 83.97%, reflects its investment in capital assets less any related debt outstanding used to acquire those assets. The Town uses 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 total net position of \$23,713,308 includes unrestricted net position totaling \$2,669,727. This is used to meet the ongoing obligations of the Town. Portions of total net position are subject to external restrictions as to how they may be used. In the current fiscal year, there were restricted assets of \$1,131,325.

Net Position

Governmental activities decreased the Town's net position by \$232,401. Business-type activities decreased the Town's net position by \$481,936. This is a total decrease in net position of \$714,337.

TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Business-Type Activities		Total Primary Governmental	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 135,480	\$ 140,514	\$ 1,005,766	\$ 1,124,064	\$ 1,141,246	\$ 1,264,578
Capital grant	-	-	250,085	2,926,699	250,085	2,926,699
General revenues:						
Ad valorem taxes	190,614	175,876	-	-	190,614	175,876
Room tax	497,497	616,221	-	-	497,497	616,221
Fuel taxes	9,040	14,058	-	-	9,040	14,058
Consolidated tax	323,690	308,265	-	-	323,690	308,265
Public safety tax	145,020	35,205	-	-	145,020	35,205
Investment income	13,603	17,514	15,759	16,198	29,362	33,712
Miscellaneous	1,977	106	265,253	259,823	267,230	259,929
Total revenues	<u>1,316,921</u>	<u>1,307,759</u>	<u>1,536,863</u>	<u>4,326,784</u>	<u>2,853,784</u>	<u>5,634,543</u>
Expenses:						
General government	347,953	278,272	-	-	347,953	278,272
Public safety	68,568	65,912	-	-	68,568	65,912
Public works	195,518	181,193	-	-	195,518	181,193
Culture and recreation	393,951	344,374	-	-	393,951	344,374
Intergovernmental	85,007	-	-	-	85,007	-
Utility operations	-	-	1,490,948	1,444,495	1,490,948	1,444,495
Total expenses	<u>1,090,997</u>	<u>869,751</u>	<u>1,490,948</u>	<u>1,444,495</u>	<u>2,581,945</u>	<u>2,314,246</u>
Change in net position	<u>225,924</u>	<u>438,008</u>	<u>45,915</u>	<u>2,882,289</u>	<u>271,839</u>	<u>3,320,297</u>
Net position - beginning	5,854,488	5,416,480	18,573,157	15,690,868	24,427,645	21,107,348
Restatement per GASB 68	<u>(458,325)</u>	<u>-</u>	<u>(527,851)</u>	<u>-</u>	<u>(986,176)</u>	<u>-</u>
Net position - restated	<u>5,396,163</u>	<u>5,416,480</u>	<u>18,045,306</u>	<u>15,690,868</u>	<u>23,441,469</u>	<u>21,107,348</u>
Net position - ending	<u>\$5,622,087</u>	<u>\$5,854,488</u>	<u>\$18,091,221</u>	<u>\$18,573,157</u>	<u>\$23,713,308</u>	<u>\$ 24,427,645</u>

Program revenues include charges for services including fines and forfeitures, certain licenses and permits, and water and sewer utility services. Capital grants are for work on the new arsenic project.

General revenues consist of taxes, interest, and miscellaneous revenues. For governmental activities, the largest of these revenues was room tax. The second largest revenue was consolidated tax. The business-type general revenue came from miscellaneous revenue related to the water and sewer utility.

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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, unassigned 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 \$2,545,205. This is an increase over the prior year of \$276,824, or 12.20%. Fund balance components have been classified as restricted, assigned, and/or unassigned based primarily on the extent to which the Town is bound to observe constraints imposed on the use of the resources of the funds. Restricted fund balance is \$617,620, or 24.27%, of the total. Spending of these resources is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use. The restricted fund balances include \$377,588 for capital projects, \$144,458 for culture and recreation, and \$95,574 for public safety.

Major Funds

General Fund: 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 \$1,927,585, an increase of \$211,757, or 12.34%, over the prior year. The primary reason for the increase was due to more revenues than expenses.

Revenues decreased by \$137,148, or 11.05%. Tax revenues decreased by \$107,046, or 14.65%, primarily due to a decrease in room taxes. Intergovernmental revenues decreased by \$19,933, or 5.26%, primarily due to reporting public safety sales tax in the nonmajor funds. Fines and forfeitures revenues decreased by \$9,931, or 18.94%.

Expenditures increased by \$69,776, or 8.86%. General government expenditure increased \$63,370, or 24.32%, due to increased service and supplies expenditures.

Major Enterprise Funds

Enterprise Funds: The Town's water and sewer utility enterprise fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise funds totaled \$1,420,226. Total net position in the enterprise funds decreased \$481,936 due to a restatement per GASB 68 of \$527,851 and a current year change in net position of \$45,915.

Tonopah Public Utility Water: Operating revenues decreased \$86,747, or 14.29%. Operating expenditures increased \$10,493, or 1.36%. This increase is attributed to increased administration and general operational costs. Nonoperating revenues/(expenses) were \$2,689,121 less than the prior year primarily due to receiving principal forgiveness of \$1,700,000 for the Arsenic revolving loans and grant revenue received for the Arsenic projects of \$1,226,699 in the prior year.

Tonopah Public Utility Sewer: Operating revenues decreased \$31,551, or 6.10%. Operating expenditures increased by \$19,284, or 3.38%, from the prior year. This increase is attributed to increased administration and general operational costs.

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

GENERAL FUND BUDGETARY HIGHLIGHTS

Nevada Revised Statutes require that the Town legally adopts budgets for all funds. Budgets are prepared in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments made during the year. The final appropriated budget is prepared by fund, function, and object. All appropriations lapse at year-end and encumbrances are re-appropriated in the ensuing fiscal year.

The actual General Fund balance of \$1,927,585 was \$995,817 higher than anticipated to begin the 2015-2016 year. This is reflected in the General Fund as unassigned fund balance.

The Town made no budget augmentations during the year.

Final budget compared to actual results. The most significant differences between estimated revenues and expenses and actual revenues and expenses in the General Fund were as follows:

Overall, the revenues received were more than budgeted by 38.05%, or \$304,236. Significant revenues in excess of budgeted amounts were \$206,203 for taxes, primarily due to room taxes, \$52,599 for intergovernmental, primarily due to consolidated tax revenues, and \$22,512 received for fines and forfeitures.

A review of actual expenditures compared to the appropriations in the final budget shows expenditures were \$580,786 less than budgeted, or 40.40%. Expenditures were under budget for all functions of the General Fund as follows: general government \$277,211, public safety \$89,994, public works \$74,629, and culture and recreation \$123,952.

CAPITAL ASSETS

At June 30, 2015, the Town's governmental type activities had \$3,754,966 (net) invested in land, construction in progress, building and improvements, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of \$24,118 from the previous year.

At June 30, 2015, the Town's business-type activities had \$21,721,701 (net) invested in land, utility distributions systems and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of \$320,803 from the previous year.

Capital assets, net of related debt, reflect 83.97% of net position of the Town. The Town uses capital assets to provide services to the citizens of the Town of Tonopah and consequently these assets are not available for future spending.

TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

The following tables reflect additions and dispositions of capital assets for the Town's governmental activities and business-type activities.

Governmental Activities:

	Balance June 30, 2014	Additions	Dispositions	Balance June 30, 2015
Capital assets not being depreciated:				
Land	\$ 2,215,563	\$ -	\$ -	\$ 2,215,563
Construction in progress	574,838	-	-	574,838
Total capital assets not being depreciated	<u>2,790,401</u>	<u>-</u>	<u>-</u>	<u>2,790,401</u>
Capital assets being depreciated:				
Building and improvements	1,407,837	14,744	-	1,422,581
Equipment	989,961	26,370	-	1,016,331
Total capital assets being depreciated	<u>2,397,798</u>	<u>41,114</u>	<u>-</u>	<u>2,438,912</u>
Less accumulated depreciation for:				
Building and improvements	575,903	34,846	-	610,749
Equipment	833,212	30,386	-	863,598
Total accumulated depreciation	<u>1,409,115</u>	<u>65,232</u>	<u>-</u>	<u>1,474,347</u>
Total capital assets being depreciated, net	<u>988,683</u>	<u>(24,118)</u>	<u>-</u>	<u>964,565</u>
Governmental activities assets, net	<u>\$ 3,779,084</u>	<u>\$ (24,118)</u>	<u>\$ -</u>	<u>\$ 3,754,966</u>

Buildings and improvements increased due to work on the fire houses.

Equipment additions were for the mining park.

Business-type Activities:

	Balance June 30, 2014	Additions	Dispositions	Balance June 30, 2015
Capital assets not being depreciated:				
Land	\$ 55,000	\$ -	\$ -	\$ 55,000
Capital assets being depreciated:				
Systems and equipment	32,191,578	264,727	-	32,456,305
Less accumulated depreciation for:				
Systems and equipment	10,204,074	585,530	-	10,789,604
Total capital assets being depreciated, net	<u>21,987,504</u>	<u>(320,803)</u>	<u>-</u>	<u>21,666,701</u>
Business-type activities assets, net	<u>\$ 22,042,504</u>	<u>\$ (320,803)</u>	<u>\$ -</u>	<u>\$ 21,721,701</u>

The Town completed arsenic water projects during the year ending June 30, 2015. The total cost of the projects were \$250,422 for the year.

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

DEBT ADMINISTRATION

Changes in Long-term Debt: During the year ended June 30, 2015, the following changes occurred in long-term debt:

Governmental activities:

	Balance June 30, 2014	Net Additions	Net Deletions	Balance June 30, 2015	Due within One Year
Compensated absences	\$ 48,994	\$ 14,424	\$ -	\$ 63,418	\$ 23,558
Net pension obligation (restated)	458,325	-	47,903	410,422	-
OPEB obligation payable	151,038	27,431	-	178,469	-
Total	<u>\$ 658,357</u>	<u>\$ 41,855</u>	<u>\$ 47,903</u>	<u>\$ 652,309</u>	<u>\$ 23,558</u>

Business-type activities:

	Balance June 30, 2014	Net Additions	Net Deletions	Balance June 30, 2015	Due within One Year
Compensated absences	\$ 48,824	\$ 818	\$ -	\$ 49,642	\$ 20,694
Net pension obligation (restated)	527,851	-	55,224	472,627	-
OPEB obligation payable	128,995	25,635	-	154,630	-
Bond payable	5,691,356	-	126,945	5,564,411	98,503
Total	<u>\$ 6,397,026</u>	<u>\$ 26,453</u>	<u>\$ 182,169</u>	<u>\$ 6,241,310</u>	<u>\$ 119,197</u>

The Town's debt decreased by \$6,048 for governmental activities during the current fiscal year. The decrease was due to net pension obligations.

The Town's debt decreased by \$155,716 for business-type activities during the current fiscal year. The decrease was due to net pension obligations and principal payments on bonds.

REQUESTS FOR INFORMATION

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

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

**TOWN OF TONOPAH, NEVADA
STATEMENT OF NET POSITION**

June 30, 2015

	Governmental Activities 2015	Business-type Activities 2015	Total Primary Government 2015
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 2,461,494	\$ 1,951,829	\$ 4,413,323
Interest receivable	4,268	4,947	9,215
Property taxes receivable	10,571	-	10,571
Room tax receivable	46,101	-	46,101
Due from other governments	96,334	2,400	98,734
Accounts receivable net of allowance for uncollectibles	-	150,622	150,622
Inventory	-	78,010	78,010
Restricted assets - cash	-	540,935	540,935
Capital assets (net of accumulated depreciation)	<u>3,754,966</u>	<u>21,721,701</u>	<u>25,476,667</u>
 Total assets	 <u>6,373,734</u>	 <u>24,450,444</u>	 <u>30,824,178</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred charge on pension	<u>70,243</u>	<u>75,529</u>	<u>145,772</u>
<u>LIABILITIES:</u>			
Accounts payable	35,912	18,582	54,494
Accrued payroll and benefits	27,835	23,764	51,599
Accrued interest payable	-	2,882	2,882
Accrued compensated absences	23,558	20,694	44,252
Bonds payable	-	98,503	98,503
Payable from restricted assets			
Customer deposits	-	26,325	26,325
Noncurrent liabilities:			
OPEB obligation payable	178,469	154,630	333,099
Net pension obligation payable	410,422	472,627	883,049
Accrued compensated absences	39,860	28,948	68,808
Bonds payable	<u>-</u>	<u>5,465,908</u>	<u>5,465,908</u>
 Total liabilities	 <u>716,056</u>	 <u>6,312,863</u>	 <u>7,028,919</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred charge on pension	<u>105,834</u>	<u>121,889</u>	<u>227,723</u>
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	3,754,966	16,157,290	19,912,256
Restricted for:			
Debt	-	82,645	82,645
Capital projects	377,588	431,060	808,648
Culture and recreation	144,458	-	144,458
Public safety	95,574	-	95,574
Unrestricted	<u>1,249,501</u>	<u>1,420,226</u>	<u>2,669,727</u>
Total net position	<u>\$ 5,622,087</u>	<u>\$ 18,091,221</u>	<u>\$ 23,713,308</u>

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

TOWN OF TONOPAH, NEVADA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

For the Year Ended June 30, 2015						
Functions/Programs	Expenses	Program Revenues		Changes in Net Position		
		Charges for Services	Capital	Governmental Activities	Business-type Activities	Total
			Grants and Contributions			
Primary governments:						
General government	\$ (347,953)	\$ 88,862	\$ -	\$ (259,091)	\$ -	\$ (259,091)
Public safety	(68,568)	612	-	(67,956)	-	(67,956)
Public works	(195,518)	-	-	(195,518)	-	(195,518)
Culture and recreation	(393,951)	46,006	-	(347,945)	-	(347,945)
Intergovernmental	<u>(85,007)</u>	<u>-</u>	<u>-</u>	<u>(85,007)</u>	<u>-</u>	<u>(85,007)</u>
Total governmental activities	<u>(1,090,997)</u>	<u>135,480</u>	<u>-</u>	<u>(955,517)</u>	<u>-</u>	<u>(955,517)</u>
Business-type activities:						
Water	(900,601)	520,318	250,085	-	(130,198)	(130,198)
Sewer	<u>(590,347)</u>	<u>485,448</u>	<u>-</u>	<u>-</u>	<u>(104,899)</u>	<u>(104,899)</u>
Total business-type activities	<u>(1,490,948)</u>	<u>1,005,766</u>	<u>250,085</u>	<u>-</u>	<u>(235,097)</u>	<u>(235,097)</u>
Total primary governments	<u>\$ (2,581,945)</u>	<u>\$ 1,141,246</u>	<u>\$ 250,085</u>	<u>(955,517)</u>	<u>(235,097)</u>	<u>(1,190,614)</u>
General Revenues:						
Ad valorem tax				190,614	-	190,614
Room tax				497,497	-	497,497
Fuel tax				9,040	-	9,040
Consolidated tax				323,690	-	323,690
Public safety tax				145,020	-	145,020
Capital projects fees				-	50,077	50,077
Surcharge				-	193,700	193,700
Investment income				13,603	15,759	29,362
Miscellaneous				<u>1,977</u>	<u>21,476</u>	<u>23,453</u>
Total general revenues				<u>1,181,441</u>	<u>281,012</u>	<u>1,462,453</u>
Change in net position				225,924	45,915	271,839
Net position - beginning of year restated				<u>5,396,163</u>	<u>18,045,306</u>	<u>23,441,469</u>
Net position - end of year				\$ 5,622,087	\$ 18,091,221	\$ 23,713,308

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

TOWN OF TONOPAH, NEVADA
BALANCE SHEET- GOVERNMENTAL FUNDS
June 30, 2015

	<u>MAJOR FUNDS</u>		
	General Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>			
Pooled cash and investments	\$ 1,866,090	\$ 595,404	\$ 2,461,494
Interest receivable	3,253	1,015	4,268
Property taxes receivable	10,571	-	10,571
Room tax receivable	42,760	3,341	46,101
Due from other governments	70,468	25,866	96,334
Due from other funds	<u>7,706</u>	<u>-</u>	<u>7,706</u>
Total assets	<u>\$ 2,000,848</u>	<u>\$ 625,626</u>	<u>\$ 2,626,474</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ 35,612	\$ 300	\$ 35,912
Accrued payroll	27,835	-	27,835
Due to other funds	<u>-</u>	<u>7,706</u>	<u>7,706</u>
Total liabilities	<u>63,447</u>	<u>8,006</u>	<u>71,453</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenue - property taxes	<u>9,816</u>	<u>-</u>	<u>9,816</u>
<u>FUND BALANCE:</u>			
Restricted for:			
Capital projects	-	377,588	377,588
Public safety	-	95,574	95,574
Culture and recreation	-	144,458	144,458
Assigned for subsequent year	931,768	-	931,768
Unassigned	<u>995,817</u>	<u>-</u>	<u>995,817</u>
Total fund balance	<u>1,927,585</u>	<u>617,620</u>	<u>2,545,205</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,000,848</u>	<u>\$ 625,626</u>	<u>\$ 2,626,474</u>

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

TOWN OF TONOPAH, NEVADA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

Total fund balance - governmental funds	\$ 2,545,205
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.	3,754,966
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	9,816
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.	(241,887)
The Town's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred outflows from pension activity.	70,243
Net pension liability	(410,422)
Deferred inflows from pension activity.	<u>(105,834)</u>
Total net position - governmental activities	<u>\$ 5,622,087</u>

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

TOWN OF TONOPAH, NEVADA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	<u>MAJOR FUNDS</u>		
	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 623,784	\$ 36,050	\$ 659,834
Licenses and permits	20,173	-	20,173
Intergovernmental	358,907	170,536	529,443
Charges for services	46,133	485	46,618
Fines and forfeitures	42,512	-	42,512
Miscellaneous	<u>12,326</u>	<u>3,254</u>	<u>15,580</u>
 Total revenues	 <u>1,103,835</u>	 <u>210,325</u>	 <u>1,314,160</u>
Expenditures:			
Current:			
General government	323,894	-	323,894
Public safety	49,364	-	49,364
Public works	189,995	-	189,995
Culture and recreation	293,620	54,342	347,962
Intergovernmental	-	85,007	85,007
Capital projects	<u>-</u>	<u>41,114</u>	<u>41,114</u>
 Total expenditures	 <u>856,873</u>	 <u>180,463</u>	 <u>1,037,336</u>
 Excess (deficiency) of revenues over expenditures	 <u>246,962</u>	 <u>29,862</u>	 <u>276,824</u>
Other financing sources (uses):			
Operating transfers in	-	35,205	35,205
Operating transfers out	<u>(35,205)</u>	<u>-</u>	<u>(35,205)</u>
Total other financing sources (uses)	<u>(35,205)</u>	<u>35,205</u>	<u>-</u>
 Net change in fund balance	 211,757	 65,067	 276,824
Fund balance:			
Beginning of year	<u>1,715,828</u>	<u>552,553</u>	<u>2,268,381</u>
 End of year	 <u>\$ 1,927,585</u>	 <u>\$ 617,620</u>	 <u>\$ 2,545,205</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, 2015

Net change in fund balance - governmental funds	\$ 276,824
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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. (24,118)

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. 2,761

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. (41,855)

Net difference between pension system contributions recognized in the fund statements of revenues, expenditures, and changes in fund balances and the statement of activities.

Pension contributions made after measurment date (2015 contributions).	66,552
Net pension expense	<u>(54,240)</u>

Change in net position of governmental activities	<u>\$ 225,924</u>
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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, 2015

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 157,581	\$ 157,581	\$ 162,337	\$ 4,756
Room taxes	260,000	260,000	461,447	201,447
Total taxes	417,581	417,581	623,784	206,203
Licenses and permits	16,500	16,500	20,173	3,673
Intergovernmental:				
County liquor license	1,800	1,800	2,440	640
County gaming license	16,000	16,000	23,737	7,737
Consolidated tax	280,000	280,000	323,690	43,690
Gas tax \$1.75	8,508	8,508	9,040	532
Sales Tax 0.0025 Public Safety	-	-	-	-
Total intergovernmental	306,308	306,308	358,907	52,599
Charges for services:				
Rescue runs	200	200	127	(73)
Swimming pool fees	6,000	6,000	11,815	5,815
Old fire house rental	7,560	7,560	7,560	-
Convention Center rental	10,000	10,000	15,020	5,020
Sports complex fees	2,000	2,000	3,239	1,239
Mining park entrance	5,000	5,000	8,024	3,024
Fairgrounds rental	450	450	348	(102)
Total charges for services	31,210	31,210	46,133	14,923
Fines and forfeitures	20,000	20,000	42,512	22,512
Miscellaneous:				
Investment income	6,000	6,000	10,349	4,349
Other	2,000	2,000	1,977	(23)
Total miscellaneous	8,000	8,000	12,326	4,326
Total revenues	799,599	799,599	1,103,835	304,236

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, 2015

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Salaries and wages	\$ 228,321	\$ 228,321	\$ 115,860	\$ 112,461
Employee benefits	155,784	155,784	66,974	88,810
Services and supplies	<u>217,000</u>	<u>217,000</u>	<u>141,060</u>	<u>75,940</u>
Total general government	<u>601,105</u>	<u>601,105</u>	<u>323,894</u>	<u>277,211</u>
Public safety:				
Fire:				
Salaries and wages	15,000	15,000	15,000	-
Employee benefits	20,058	20,058	6,122	13,936
Services and supplies	<u>104,300</u>	<u>104,300</u>	<u>28,242</u>	<u>76,058</u>
Total public safety	<u>139,358</u>	<u>139,358</u>	<u>49,364</u>	<u>89,994</u>
Public works:				
Highways and streets:				
Salaries and wages	81,738	81,738	71,269	10,469
Employee benefits	61,468	61,468	47,993	13,475
Services and supplies	<u>121,418</u>	<u>121,418</u>	<u>70,733</u>	<u>50,685</u>
Total public works	<u>264,624</u>	<u>264,624</u>	<u>189,995</u>	<u>74,629</u>
Culture and recreation:				
Parks:				
Services and supplies	<u>49,460</u>	<u>49,460</u>	<u>33,721</u>	<u>15,739</u>
Mining parks:				
Salaries and wages	50,545	50,545	47,194	3,351
Employee benefits	22,753	24,253	22,511	1,742
Services and supplies	<u>39,686</u>	<u>38,186</u>	<u>15,346</u>	<u>22,840</u>
Total mining parks	<u>112,984</u>	<u>112,984</u>	<u>85,051</u>	<u>27,933</u>
Swimming pool:				
Salaries and wages	24,000	24,000	17,627	6,373
Employee benefits	4,253	4,253	2,175	2,078
Services and supplies	<u>27,315</u>	<u>27,315</u>	<u>16,432</u>	<u>10,883</u>
Total swimming pool	<u>55,568</u>	<u>55,568</u>	<u>36,234</u>	<u>19,334</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, 2015

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Culture and recreation (continued):				
Fair grounds:				
Services and supplies	\$ 4,800	\$ 4,800	\$ 1,717	\$ 3,083
Ball fields:				
Services and supplies	40,475	40,475	25,731	14,744
Convention Center:				
Salaries and wages	49,972	50,322	49,934	388
Employee benefits	25,743	25,843	21,822	4,021
Services and supplies	78,570	78,120	39,410	38,710
Total Convention Center	154,285	154,285	111,166	43,119
Total culture and recreation	417,572	417,572	293,620	123,952
Contingency	15,000	15,000	-	15,000
Total expenditures	1,437,659	1,437,659	856,873	580,786
Excess (deficiency) of revenues over expenditures	(638,060)	(638,060)	246,962	885,022
Other financing sources (uses):				
Operating transfers out	(290,000)	(290,000)	(35,205)	254,795
Net change in fund balance	(928,060)	(928,060)	211,757	1,139,817
Fund balance:				
Beginning of year	1,055,362	1,055,362	1,715,828	660,466
End of year	\$ 127,302	\$ 127,302	\$ 1,927,585	\$ 1,800,283

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, 2015

	MAJOR FUNDS		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<u>ASSETS:</u>			
Current assets:			
Pooled cash and investments	\$ 1,169,702	\$ 782,127	\$ 1,951,829
Interest receivable	2,986	1,961	4,947
Due from other governments	2,400	-	2,400
Accounts receivable, net of allowance for doubtful accounts	84,168	66,454	150,622
Inventory	71,326	6,684	78,010
Restricted assets - cash	525,177	15,758	540,935
Total current assets	1,855,759	872,984	2,728,743
Property, plant and equipment, net of accumulated depreciation	15,125,725	6,595,976	21,721,701
Total assets	16,981,484	7,468,960	24,450,444
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred charge on pension	39,281	36,248	75,529
<u>LIABILITIES:</u>			
Current liabilities, payable from unrestricted assets:			
Accounts payable	15,980	2,602	18,582
Accrued payroll	11,378	12,386	23,764
Accrued compensated absences	10,347	10,347	20,694
Accrued interest payable	2,882	-	2,882
Current portion of bonds payable	98,503	-	98,503
Total current liabilities-unrestricted	139,090	25,335	164,425
Current liabilities, payable from restricted assets:			
Customer deposits	26,325	-	26,325
Total current liabilities	165,415	25,335	190,750
Non-current liabilities			
OPEB obligation payable	80,948	73,682	154,630
Net pension obligation payable	244,537	228,090	472,627
Accrued compensated absences	14,474	14,474	28,948
Bonds payable	5,465,908	-	5,465,908
Total non-current liabilities	5,805,867	316,246	6,122,113
Total liabilities	5,971,282	341,581	6,312,863
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred charge on pension	63,065	58,824	121,889
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	9,561,314	6,595,976	16,157,290
Restricted for debt	82,645	-	82,645
Restricted for capital projects	415,311	15,749	431,060
Unrestricted	927,148	493,078	1,420,226
Total net position	\$ 10,986,418	\$ 7,104,803	\$ 18,091,221

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, 2015

	MAJOR FUNDS		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
Operating revenues:			
Charges for services:			
Water fees	\$ 520,318	\$ -	\$ 520,318
Sewer fees	-	485,448	485,448
Total operating revenues	<u>520,318</u>	<u>485,448</u>	<u>1,005,766</u>
Operating expenses:			
Water Department:			
Administration	72,183	-	72,183
General operations	267,439	-	267,439
Water operations	119,194	-	119,194
Depreciation	324,867	-	324,867
Total water department	<u>783,683</u>	<u>-</u>	<u>783,683</u>
Sewer Department:			
Administration	-	128,262	128,262
General operations	-	183,346	183,346
Sewer operations	-	18,076	18,076
Depreciation	-	260,663	260,663
Total sewer department	<u>-</u>	<u>590,347</u>	<u>590,347</u>
Total operating expenses	<u>783,683</u>	<u>590,347</u>	<u>1,374,030</u>
Operating (loss)	<u>(263,365)</u>	<u>(104,899)</u>	<u>(368,264)</u>
Nonoperating revenue (expense):			
Investment income	9,512	6,247	15,759
Miscellaneous	21,476	-	21,476
Grants	250,085	-	250,085
Interest expense	(116,918)	-	(116,918)
Capital projects fees	-	50,077	50,077
Surcharge	193,700	-	193,700
Total nonoperating revenue	<u>357,855</u>	<u>56,324</u>	<u>414,179</u>
Net income (loss)	<u>94,490</u>	<u>(48,575)</u>	<u>45,915</u>
Net Position:			
Beginning of year	11,165,038	7,408,119	18,573,157
Restatement - GASB 68	(273,110)	(254,741)	(527,851)
Beginning of year as restated	<u>10,891,928</u>	<u>7,153,378</u>	<u>18,045,306</u>
End of year	<u>\$ 10,986,418</u>	<u>\$ 7,104,803</u>	<u>\$ 18,091,221</u>

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, 2015

	MAJOR FUNDS		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
Cash flows from operating activities:			
Cash received from customers	\$ 533,383	\$ 485,612	\$ 1,018,995
Cash paid for salaries, wages, and employee benefits	(227,478)	(238,071)	(465,549)
Cash paid for services and supplies	(515,213)	(109,931)	(625,144)
Net cash provided by operating activities	(209,308)	137,610	(71,698)
Cash flows from noncapital financing activities:			
Miscellaneous revenue	21,476	-	21,476
Grants	533,544	-	533,544
Capital projects fees	-	50,077	50,077
Surcharges	193,700	-	193,700
Net cash provided by noncapital financing activities	748,720	50,077	798,797
Cash flows from capital and related financing activities:			
Purchase of capital assets	(258,940)	(5,787)	(264,727)
Principal paid	(126,945)	-	(126,945)
Interest paid	(116,999)	-	(116,999)
Net cash (used) by capital and related financing activities	(502,884)	(5,787)	(508,671)
Cash flows from investing activities:			
Investment income	9,070	6,077	15,147
Net increase in cash	45,598	187,977	233,575
Cash:			
Beginning of year	1,649,281	609,908	2,259,189
End of year	\$ 1,694,879	\$ 797,885	\$ 2,492,764
Reconciliation of operating (loss) to net cash provided by operating activities:			
Operating (loss)	\$ (263,365)	\$ (104,899)	\$ (368,264)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:			
Depreciation	324,867	260,663	585,530
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	21,048	164	21,212
(Increase) decrease in inventory	(8,315)	(197)	(8,512)
(Increase) decrease in deferred outflows - pension	(39,281)	(36,248)	(75,529)
Increase (decrease) in accounts payable	(287,627)	(31,044)	(318,671)
Increase (decrease) in accrued payroll	3,430	3,971	7,401
Increase (decrease) in customer deposits	(7,983)	-	(7,983)
Increase (decrease) in accrued compensated absences	409	409	818
Increase (decrease) in net pension liability	(28,573)	(26,651)	(55,224)
Increase (decrease) in deferred inflows - pension	63,065	58,824	121,889
Increase (decrease) in opeb obligations payable	13,017	12,618	25,635
Total adjustments	54,057	242,509	296,566
Net cash provided by operating activities	\$ (209,308)	\$ 137,610	\$ (71,698)

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, 2015

Post Retirement
Benefits Fund
Agency
Fund

Assets

Pooled cash and investments	\$ 81,216
Interest receivable	<u>124</u>
 Total assets	 <u>\$ 81,340</u>

Liabilities

Amount held for others	<u>\$ 81,340</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 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 are discussed below.

1. Reporting Entity

The accompanying financial statements include all of the activities that comprise the financial reporting entity of the Town of Tonopah ("Town"). The Town is governed by an elected five member board. The Board is legally separate and fiscally independent from other governing bodies; therefore, the Town is a primary government and the Town is not reported as a component unit by any other governmental unit.

2. Basic Financial Statements

The Town's basic financial statements consist of government-wide statements and the fund 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. The fund financial statements include financial information for the three fund types: governmental, proprietary, and fiduciary. Reconciliations between the fund statements, the Statement of Net Position, and the Statement of Activities are also included.

3. Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The Statement of Net Position presents the consolidated financial position of the Town at year-end, in separate columns, for both governmental and business-type activities.

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. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Financial Statements

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

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

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

Additionally the Town reports the following fund types:

Proprietary Fund

Enterprise Funds – Enterprise Funds are used to account for the goods or services to the public for a fee that makes the entity self-supporting. Currently, there are two Enterprise 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.

Fiduciary Funds:

Agency Funds - The Agency Funds are used to account for assets held by the Town in an agency capacity for others and cannot be used to support the Town's own operations.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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.

The 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. Revenues 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 water and sewer funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of delivering services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Budgetary Information

Nevada Revised Statutes and Town policies and regulations require that local governments legally adopt budgets for all funds. The budgets are filed as a matter of public record with the County Clerk and the State Department of Taxation. The Town staff uses the following procedures to establish, modify, and control the budgetary data reflected in the financial statements:

1. The statutes provide for the following timetable in adoption of budgets:
 - a) Before April 15, the Town submits to the Nevada State Department of Taxation a tentative budget for the upcoming year. The tentative budget includes proposed expenditures and the means to finance them.
 - b) Before the public hearing conducted on the third Thursday in May, a minimum of seven days' notice of the public hearing on the final budget must be published in a local newspaper.
 - c) On or Before June 1, the Town Board must adopt a final budget.
2. NRS 354.598005(1) provides that the Town Board may augment the budget at any time by a majority vote of the Board providing the Board publishes notice of its intention to act in a newspaper of general circulation within its county at least three days before the date set for adoption of the resolution.
3. Nevada Revised Statute 354.598005(5) allows appropriations to be transferred between functions, funds or contingency accounts if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions. The Finance Manager for the Town may transfer appropriations within any function within a fund. The Finance Manager may also transfer appropriations between functions within a fund, if the Town Board is advised of the action at the next regular meeting, and the action is recorded in the official minutes of the meeting. The Town Board may authorize the transfer of appropriations between funds or from the contingency account if the Town Board announces the transfer of appropriations at a regularly scheduled meeting sets forth the exact amounts to be transferred and the accounts, functions, programs and funds affected. The Town Board must also set forth reasons for the transfer, and the action must be recorded in the official minutes of the meeting.
4. Statutory regulations require budget control to be exercised at the function level within a fund.
5. Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments made during the year.
6. There were no budgets augmented during the year.
7. All appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. Pooled Cash and Investments

Cash includes cash in the hands of Town officers, cash in the custody of the Nye County Treasurer and cash deposited in interest-bearing accounts at banks by the Nye County Treasurer. The majority of cash and investment transactions of the Town are handled by the Nye County Treasurer's office. Cash balances are combined and invested in combination with County funds. Investments consist of investment in the Nye County Treasurer's Investment Pool. Investments are stated at fair value on the balance sheet. 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. **(See Note D1)**

The Town's cash and cash equivalents in both governmental and proprietary fund types are considered to be cash on hand, cash in custody of the Nye County Treasurer, demand deposits, non-negotiable certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

The majority of the Town's cash and cash equivalents are in the custody of the Nye County Treasurer as required by Nevada Revised Statutes.

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.
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.

The Town has not established an investment policy further limiting its investments.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Property Taxes

Taxes on real property are levied in July of each year and are due in July. They can be paid in quarterly installments in 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 and D4)

c. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. The business-type activity funds report inventory costs when consumed rather than when purchased.

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, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town 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.

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 constructed that must be capitalized.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

e. Capital Assets (Continued)

Land and construction in progress are not depreciated. The other property, plant and equipment of the Town are 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

f. 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. Deferred outflows include the Town's pension related contributions subsequent to the measurement date but before the end of the fiscal year and changes in proportion of the Town's contributions to the Town's proportionate contributions.

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.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The difference between projected and actual experience and investment earnings are related to the deferred inflows of pensions and the calculation of net pension liability reported on the statement of net position.

g. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement System of Nevada (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

h. 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. Estimated 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. (See Note D6).

In proprietary funds, compensated absences are recorded when the liabilities are incurred.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

i. Accrued Salaries and Benefits

Town salaries earned but not paid by June 30, 2015, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2015.

j. Interfund Activity

During the course of operations, the Town may have activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, balances between the funds included in the governmental activities are eliminated. Similarly, balances between the funds included in business-type activities (i.e. enterprise funds) are eliminated.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported as operating transfers in or out. While reported in fund financial statements, transfers between the funds included in governmental activities are eliminated in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated as transfers in the business-type activities column.

k. 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 as well as deferred losses and gains, 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 expenditures during the current period. Deferred charges related to the refunding of debt are reported as a deferred outflow of resources. They 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 an "other financing source." Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

l. Governmental Fund Balances

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

- (1) 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, such as inventories and prepaids.
- (2) Restricted** – Amounts that can be spent only for a specific purpose because of state or federal laws, or externally imposed conditions by grantors or creditors.
- (3) Committed** – These amounts can only be used for specific purposes as set forth by the Town Board. The Board must take formal action (vote approval by majority) in order to establish an ending fund balance commitment for any specific purpose. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

l. Governmental Fund Balances (Continued)

(4) **Assigned** –Assignments are neither restrictions nor commitments and represent the Town’s intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the Town’s ending fund balance. Intent can be expressed by the Town Board or Town Manager.

(5) **Unassigned** – All amounts not included in other spendable classifications for the General Fund.

m. Fund Balance Flow Assumptions

When fund balance resources are available for a specific purpose in more than one classification, it is the Town’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

n. Net Position Policies

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

(1) **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.

(2) **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.

(3) **Unrestricted**

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

o. Net Position Flow Assumption

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.

p. 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.

q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 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, but they are presented as liabilities in the Statement of Net Position." The details of this difference are as follows:

Other post-employment benefits obligation payable	\$ (178,469)
Compensated absences	<u>(63,418)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position of governmental activities	<u>\$ (241,887)</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 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 details of this difference are as follows:

Capital outlay	\$ 41,114
Depreciation expense	<u>(65,232)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (24,118)</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	\$ (14,424)
Other post-employment benefits	<u>(27,431)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (41,855)</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance and Accountability

The Town conformed to significant statutory requirements regarding financial administration during the year.

NOTE D - DETAILED NOTES ON ALL FUNDS

1. Pooled Cash and Investments

The Town maintains a cash and investment pool that is available for use by all funds. The majority of cash and investments of the Town are included in the cash and investment pool of the Nye County Treasurer. At June 30, 2015, this pool is displayed on the government-wide statement of net position and on the funds financial statement balance sheet as "Pooled Cash and Investments."

Cash and investments as shown on the Statement of Net Position for the Town are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Agency</u>	<u>Totals</u>
Cash in the hands of officers	\$ 18,334	\$ 105,245	\$ 0	\$ 123,579
Carrying amount of deposits with County Treasurer	<u>2,443,160</u>	<u>2,387,519</u>	<u>81,216</u>	<u>4,911,895</u>
Total	<u>\$ 2,461,494</u>	<u>\$ 2,492,764</u>	<u>\$ 81,216</u>	<u>\$ 5,035,474</u>
Cash and cash equivalents	\$ 2,461,494	\$ 1,951,829	\$ 81,216	\$ 4,494,539
Restricted assets – cash	<u>0</u>	<u>540,935</u>	<u>0</u>	<u>540,935</u>
Total	<u>\$ 2,461,494</u>	<u>\$ 2,492,764</u>	<u>\$ 81,216</u>	<u>\$ 5,035,474</u>

Except for financial reporting purposes, the cash balance of \$81,216 in the Agency Fund is not normally considered part of the Town's pooled cash and investments. This amount represents cash held in an agency capacity by the Town and cannot be used in the Town's normal operations.

The cash and investment pool is available for use by all funds of the Town. Cash and investments under the custody of the County Treasurer are invested as a 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 A7a)** The Town has not adopted a formal investment policy that would further limit its investment choices.

Investment gain or loss is apportioned to the Town funds monthly based on the average balance invested for the month.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

1. Pooled Cash and Investments (Continued)

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 portion of pool balance as of June 30, 2015.

Cash and investments in the custody of the Town and the County are subject to the following risks:

Interest Rate Risk: Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. Nevada Revised Statutes limits bankers' acceptances to 180 days of maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. The approximate weighted average maturity of investments in the Nye County Treasurer's investment pool was 1.95 years.

As of June 30, 2015, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	>10
U.S. Treasuries	11.79%	36.95%	63.05%	0.00%	0.00%
U.S. Agencies	46.36%	24.40%	75.31%	0.29%	0.00%
Corporate Obligations	3.57%	3.33%	96.67%	0.00%	0.00%
Money market mutual fund	16.02%	100.00%	0.00%	0.00%	0.00%
Negotiable Certificates of Deposit	18.38%	6.68%	93.32%	0.00%	0.00%
NV Local Government Investment Pool	0.92%	100.00%	0.00%	0.00%	0.00%
Collateralized Mortgage Obligations	1.63%	22.88%	11.82%	8.78%	56.52%
Asset Backed Securities	1.33%	0.00%	72.97%	27.03%	0.00%
	<u>100.00%</u>				

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The Nevada Revised Statutes limits investments instruments by their credit risk (**See Note A7a**). The State of Nevada Local Government Investment Pool is an unrated external investment pool.

As of June 30, 2015, monies held in the Nye County Treasurer's cash and investment pool are categorized as follows:

Investment Type	Quality Ratings by Moody's							
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	N/A
U.S. Treasuries	100%	0%	0%	0%	0%	0%	0%	0%
U.S. Agencies	100%	0%	0%	0%	0%	0%	0%	0%
Corporate Obligations	4%	5%	13%	4%	27%	30%	17%	0%
Money market mutual fund	100%	0%	0%	0%	0%	0%	0%	0%
Negotiable Certificates of Deposit	0%	0%	0%	0%	0%	0%	0%	100%
NV Local Government Investment Pool	0%	0%	0%	0%	0%	0%	0%	100%
Collateralized Mortgage Obligations	71%	0%	0%	0%	0%	0%	0%	29% *
Asset Backed Securities	64%	0%	0%	0%	0%	0%	0%	36% *

*Securities rated AAA by Standard & Poor's

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

1. Pooled Cash and Investments (Continued)

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Town's deposits may not be returned. The Town's bank deposits are covered by FDIC insurance. Deposits in excess of FDIC insurance coverage in the custody of the Nye County Treasurer are collateralized by securities held by the Office of the State Treasurer/Nevada Collateral Pool.

Concentrations of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments with a single issuer within the Nye County Treasurer cash and investment pool that represent five percent or more of total investments as of June 30, 2015, are as follows:

Federal Home Loan Banks (FHLB)	9.43%
Federal Home Loan Mortgage Corporation (FHLMC)	14.50%
Federal National Mortgage Association (FNMA)	18.53%
US Treasury Notes	11.43%

2. Receivables

Below is the detail of receivables for each major fund and the nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Other Governmental	Enterprise	Total
Interest	\$ 3,253	\$ 1,015	\$ 4,947	\$ 9,215
Taxes	10,571	-	-	10,571
Room taxes	42,760	3,341	-	46,101
Due from other governments:				
Consolidated taxes	60,510	-	-	60,510
State	8,355	-	-	8,355
Grants	-	-	2,400	2,400
Fuel taxes	1,603	-	-	1,603
Public safety sales tax	-	25,866	-	25,866
Accounts receivable, net of allowance for uncollectible	-	-	150,622	150,622
Total receivables	<u>\$127,052</u>	<u>\$ 30,222</u>	<u>\$ 157,969</u>	<u>\$ 315,243</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Balance June 30, 2014	Additions	Dispositions	Balance June 30, 2015
Capital assets not being depreciated:				
Land	\$ 2,215,563	\$ -	\$ -	\$ 2,215,563
Construction in progress	574,838	-	-	574,838
Total capital assets not being depreciated	<u>2,790,401</u>	<u>-</u>	<u>-</u>	<u>2,790,401</u>
Capital assets being depreciated:				
Building and improvements	1,407,837	14,744	-	1,422,581
Equipment	989,961	26,370	-	1,016,331
Total capital assets being depreciated	<u>2,397,798</u>	<u>41,114</u>	<u>-</u>	<u>2,438,912</u>
Less accumulated depreciation for:				
Building and improvements	575,903	34,846	-	610,749
Equipment	833,212	30,386	-	863,598
Total accumulated depreciation	<u>1,409,115</u>	<u>65,232</u>	<u>-</u>	<u>1,474,347</u>
Total capital assets being depreciated, net	<u>988,683</u>	<u>(24,118)</u>	<u>-</u>	<u>964,565</u>
Governmental activities assets, net	<u>\$ 3,779,084</u>	<u>\$ (24,118)</u>	<u>\$ -</u>	<u>\$ 3,754,966</u>

Buildings and improvements increased due to work on the fire houses.

Equipment additions were for the mining park.

Business-type Activities:

	Balance June 30, 2014	Additions	Dispositions	Balance June 30, 2015
Capital assets not being depreciated:				
Land	\$ 55,000	\$ -	\$ -	\$ 55,000
Capital assets being depreciated:				
Systems and equipment	32,191,578	264,727	-	32,456,305
Less accumulated depreciation for:				
Systems and equipment	10,204,074	585,530	-	10,789,604
Total capital assets being depreciated, net	<u>21,987,504</u>	<u>(320,803)</u>	<u>-</u>	<u>21,666,701</u>
Business-type activities assets, net	<u>\$ 22,042,504</u>	<u>\$ (320,803)</u>	<u>\$ -</u>	<u>\$ 21,721,701</u>

The Town completed arsenic water projects during the year ending June 30, 2015. The total cost of the projects were \$250,422 for the year.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets (Continued)

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

Governmental activities:

General government	\$ 4,748
Public safety	20,517
Public works	53
Culture and recreation	39,914
	<u>\$ 65,232</u>

Business activities:

Water and sewer	<u>\$ 585,530</u>
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4. Unavailable Revenue

Delinquent taxes receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. Unavailable tax revenue in the General Fund was \$9,816 as of June 30, 2015.

5. Restricted Assets Accounts

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

21515	Cash – Water customer deposits	\$ 25,722
21532	Cash – Water construction arsenic	210
21554	Cash – Water revenue bond debt service	17,577
21564	Cash – Water revenue bond debt reserve	12,904
21517	Cash – Water short lived assets	37,746
21555	Cash – Water capital replacement	378,450
21561	Cash – Water arsenic debt reserve	31,503
21551	Cash – Water arsenic debt service	21,065
	Total restricted assets	<u>\$ 525,177</u>
21543	Cash – Sewer short lived assets	<u>\$ 15,758</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-term Debt

Business-Type Activities

a. Revenue Bonds Payable

1. 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. 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, 2015, was \$3,723,988. 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, 2015 is \$31,320. The balance in the reserve at June 30, 2015, was \$31,503. 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, 2015, was \$22,516. The balance in the reserve at June 30, 2015, was \$37,746. A water projects capital replacement reserve is also to be funded \$56,000 annually. The required reserve as of June 30, 2015, was \$125,500. The balance in the water replacement reserve at June 30, 2015, was \$378,450.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 70,023	\$ 69,225
2017	71,347	67,901
2018	72,697	66,551
2019	74,071	65,177
2020	75,472	63,776
2021-2025	399,319	296,921
2026-2030	438,533	257,707
2031-2035	481,600	214,640
2036-2040	528,895	167,345
2041-2045	580,835	115,405
2046-2050	637,876	58,364
2051-2053	<u>293,320</u>	<u>6,184</u>
	<u>\$ 3,723,988</u>	<u>\$1,449,196</u>

2. The Town issued bonds in the amount of \$1,873,000 that were funded by the United States Department of Agriculture (USDA) in 2013. The bonds were for the construction of an arsenic water project. The bonds are being repaid over 40 years requiring monthly payments of \$6,181 including interest at 2.5%. The outstanding balance at June 30, 2015, was \$1,840,423. 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 \$618. The required reserve at June 30, 2015 is \$8,652. The balance in the reserve at June 30, 2015, was \$17,577.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 28,480	\$ 45,692
2017	29,200	44,972
2018	29,938	44,234
2019	30,695	43,477
2020	31,472	42,700
2021-2025	169,707	201,153
2026-2030	192,278	178,582
2031-2035	217,852	153,008
2036-2040	246,826	124,034
2041-2045	279,654	91,206
2046-2050	316,849	54,011
2051-2053	<u>267,472</u>	<u>13,154</u>
	<u>\$ 1,840,423</u>	<u>\$1,036,223</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-term Debt (Continued)

b. Changes in Long-Term Debt

During the year ended June 30, 2015, the following changes occurred:

Governmental activities:

	Balance June 30, 2014	Net Additions	Net Deletions	Balance June 30, 2015	Due within One Year
Compensated absences	\$ 48,994	\$ 14,424	\$ -	\$ 63,418	\$ 23,558
Net pension obligation (restated)	458,325	-	47,903	410,422	-
OPEB obligation payable	151,038	27,431	-	178,469	-
Total	<u>\$ 658,357</u>	<u>\$ 41,855</u>	<u>\$ 47,903</u>	<u>\$ 652,309</u>	<u>\$ 23,558</u>

Business-type activities:

	Balance June 30, 2014	Net Additions	Net Deletions	Balance June 30, 2015	Due within One Year
Compensated absences	\$ 48,824	\$ 818	\$ -	\$ 49,642	\$ 20,694
Net pension obligation (restated)	527,851	-	55,224	472,627	-
OPEB obligation payable	128,995	25,635	-	154,630	-
Bond payable	5,691,356	-	126,945	5,564,411	98,503
Total	<u>\$ 6,397,026</u>	<u>\$ 26,453</u>	<u>\$ 182,169</u>	<u>\$ 6,241,310</u>	<u>\$ 119,197</u>

Governmental activity liabilities will be liquidated primarily by the General Fund.

7. Interfund Transfers

Interfund operating transfers are made from one fund to another fund to support expenditures in accordance with the authority established for the individual funds. During the year the General Fund transferred out \$35,205 of prior year public safety sales tax money to the newly created public safety sales tax funds, with each fund receiving half.

8. Interfund Receivables and Payables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Public Safety Sales Tax Sheriff	\$ 7,706

The payable to the General Fund was made to cover negative cash balances in the Public Safety Sales Tax Sheriff Fund at year-end. The amount is expected to be paid with current resources.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

9. 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 has joined together with other local governments throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for members. The Town pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 annual aggregate per member. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown and money and securities. 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.

10. 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.

Construction Commitments

There were no construction commitments as of June 30, 2015.

11. Defined Benefit Pension Plan

Plan Description. Half time and greater Town employees are provided pension benefits through 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 can be obtained at www.nvpers.org under Quick Links — Publications.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

11. Defined Benefit Pension Plan (Continued)

Benefits Provided. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions: Benefits for plan members are funded under the employer pay contribution plan. The Town is required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The Town's required contribution rate for the year ending June 30, 2015, was 25.75% for regular members and 40.50% for police and firemen. The Town has fully funded the amount due for the year ending June 30, 2015, of \$137,829.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Town reported a liability of \$883,049 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2014. At June 30, 2014, the Town's proportion was .00846 percent.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

11. Defined Benefit Pension Plan (Continued)

For the year ended June 30, 2015, the Town recognized pension expense of \$116,606. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 0	\$ 42,257
Net difference between projected and actual earnings on pension plan investments	0	185,466
Changes in proportion and differences between Town contributions and proportionate share of contributions	7,943	0
Town Contributions subsequent to measurement date	137,829	0
Total	<u>\$ 145,772</u>	<u>\$ 227,723</u>

The Town reported \$137,829 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ 52,387
2017	52,387
2018	52,387
2019	52,387
2020	6,020
2021	4,212
	<u>\$ 219,780</u>

Actuarial Assumptions: The System's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.50%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	8.00%
Productivity pay increase	0.75%
Projected Salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

11. Defined Benefit Pension Plan (Continued)

Mortality rates were based on the RP-2000 Combined Healthy Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of the experience review completed in 2013. The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the Board-adopted policy target asset allocation as of June 30, 2014:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed	30%	0.25%
Private Markets	10%	6.80%

*As of June 30, 2014, PERS' long-term inflation assumption was 3.5%

Discount Rate. The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

Sensitivity of the Town's proportionate share of the net pension liability to change in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	1.0% Decrease (7.0%)	Discount Rate (8.0%)	1.0% Increase (9.0%)
Town's proportionate share of the net pension liability	\$ 1,373,154	\$ 883,049	\$ 475,548

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Pension contributions payable. At June 30, 2015, the Town reported payables to the defined benefit pension plan of \$10,596 for legally required employer contributions which had not yet been remitted to PERS.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

12. 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 2015, the Town contributed \$50,930 to the plan. Employees hired before January 9, 2014, who vest in the State of Nevada Public Employees' 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, of which that percentage may from time to time change. Employees hired on or after January 9, 2014, 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.

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.

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:

	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Annual Required Contribution	\$ 99,983	\$ 96,068	\$ 134,119
Interest on net OPEB obligation	4,000	3,843	5,365
Adjustment to annual required contribution	13	(45,681)	0
Annual OPEB cost (expense)	103,996	54,230	139,484
Contributions made	(50,930)	(44,682)	(43,390)
Increase in net OPEB obligation	53,066	9,548	96,094
Net OPEB obligation - beginning of the year	280,033	270,485	174,391
Net OPEB obligation - end of year	<u>\$ 333,099</u>	<u>\$ 280,033</u>	<u>\$ 270,485</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

12. Postemployment Health Care Plan (Continued)

For fiscal year 2015, the Town's annual OPEB cost (expense) was \$103,996. 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</u>	<u>Employer Contributions</u>	<u>Percentages of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/2015	\$ 103,996	\$ 50,930	49%	\$ 333,099
06/30/2014	\$ 54,230	\$ 44,682	82%	\$ 280,033
06/30/2013	\$ 139,484	\$ 43,390	31%	\$ 270,485

Funded Status and Funding Progress As of June, 30, 2015, the actuarial accrued liability (AAL) for benefits was \$1,397,810, of which \$1,316,594 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$301,220 and the ratio of the UAAL to the covered payroll was 437.09%.

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 June 30, 2015, 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 7.5 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, 2015, is 30 years.

The Town has begun to fund benefits for employees who are presently working. During the current year, \$20,100 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.

TOWN OF TONOPAH, NEVADA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

13. Change in Accounting Principle

Effective July 1, 2014, the Town adopted GASB 68, *Accounting and Financial Reporting for Pensions* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements address accounting and financial reporting for pensions provided to the Town employees that are administered by the Public Employees' Retirement System of the State of Nevada (PERS). The statements also require various note disclosures and required supplementary information. As a result, beginning of year net position has been restated as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Net position previously reported, July 1, 2014	\$ 5,854,488	\$ 18,573,157
Net pension liability	(517,786)	(596,332)
Deferred outflows of resources for contributions made subsequent to the measurement date	<u>59,461</u>	<u>68,481</u>
Net position as restated	<u>\$ 5,396,163</u>	<u>\$ 18,045,306</u>

TOWN OF TONOPAH, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
June 30, 2015

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)
6/30/2015	\$ 81,216	\$ 1,397,810	\$ 1,316,594	5.81%	\$ 301,220	437.09%
6/30/2014	\$ 60,743	\$ 1,329,433	\$ 1,268,690	4.57%	\$ 283,284	447.85%
6/30/2013	\$ 40,200	\$ 1,290,182	\$ 1,249,982	3.12%	\$ 642,401	194.58%

TOWN OF TONOPAH, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
JUNE 30, 2015

June 30,	2015	2014	2013
Contractually required contribution	\$ 137,829	\$ 127,942	\$ 107,472
Contributions in relation to the contractually required contribution	<u>137,829</u>	<u>127,942</u>	<u>107,472</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 532,810	\$ 498,896	\$ 451,528
Contributions as a percentage of covered-employee payroll	25.87%	25.65%	23.80%

Information for 2006 through 2012 is not available.

TOWN OF TONOPAH, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
JUNE 30, 2015

Reporting Year Ended June 30:	2015
Measurement Date June 30:	2014
Town's proportion of the net pension liability	0.8460%
Town's proportionate share of the net pension liability	883,049
Town's covered-employee payroll	498,896
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	177.00%
Plan fiduciary net position as a percentage of the total pension liability	76.31%

Information for 2006 through 2014 is not available.

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2015 and 2014

	2015	2014
<u>ASSETS:</u>		
Pooled cash and investments	\$ 1,866,090	\$ 1,597,944
Interest receivable	3,253	2,670
Property taxes receivable	10,571	8,623
Room tax receivable	42,760	105,120
Due from other governments	70,468	80,837
Due from others	-	1,473
Due from other funds	<u>7,706</u>	<u>-</u>
 Total assets	 <u><u>\$ 2,000,848</u></u>	 <u><u>\$ 1,796,667</u></u>
 <u>LIABILITIES:</u>		
Accounts payable	\$ 35,612	\$ 56,423
Accrued payroll	<u>27,835</u>	<u>17,361</u>
 Total liabilities	 <u>63,447</u>	 <u>73,784</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>		
Unavailable revenue - property taxes	<u>9,816</u>	<u>7,055</u>
 <u>FUND BALANCE:</u>		
Restricted for public safety	-	35,205
Assigned for subsequent year	931,768	1,055,362
Unassigned	<u>995,817</u>	<u>625,261</u>
Total fund balance	<u>1,927,585</u>	<u>1,715,828</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u><u>\$ 2,000,848</u></u>	 <u><u>\$ 1,796,667</u></u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND (GAAP BASIS)
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance-	2014
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Taxes	\$ 417,581	\$ 623,784	\$ 206,203	\$ 730,830
Licenses and permits	16,500	20,173	3,673	21,604
Intergovernmental	306,308	358,907	52,599	378,840
Charges for services	31,210	46,133	14,923	44,132
Fines and forfeitures	20,000	42,512	22,512	52,443
Miscellaneous	<u>8,000</u>	<u>12,326</u>	<u>4,326</u>	<u>13,134</u>
Total revenues	<u>799,599</u>	<u>1,103,835</u>	<u>304,236</u>	<u>1,240,983</u>
Expenditures:				
General government	601,105	323,894	277,211	260,524
Public safety	139,358	49,364	89,994	52,934
Public works	264,624	189,995	74,629	179,768
Culture and recreation	417,572	293,620	123,952	293,871
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>1,437,659</u>	<u>856,873</u>	<u>580,786</u>	<u>787,097</u>
Excess (deficiency) of revenues over expenditures	(638,060)	246,962	885,022	453,886
Other financing sources (uses):				
Operating transfers out	<u>(290,000)</u>	<u>(35,205)</u>	<u>254,795</u>	<u>(650,000)</u>
Net change in fund balance	(928,060)	211,757	1,139,817	(196,114)
Fund balance:				
Beginning of year	<u>1,055,362</u>	<u>1,715,828</u>	<u>660,466</u>	<u>1,911,942</u>
End of year	<u>\$ 127,302</u>	<u>\$ 1,927,585</u>	<u>\$ 1,800,283</u>	<u>\$ 1,715,828</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND (GAAP BASIS)
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance-	2014
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Taxes:				
Property taxes	\$ 157,581	\$ 162,337	\$ 4,756	\$ 159,263
Room taxes	260,000	461,447	201,447	571,567
Total taxes	<u>417,581</u>	<u>623,784</u>	<u>206,203</u>	<u>730,830</u>
 Licenses and permits	 <u>16,500</u>	 <u>20,173</u>	 <u>3,673</u>	 <u>21,604</u>
 Intergovernmental:				
County liquor license	1,800	2,440	640	2,480
County gaming license	16,000	23,737	7,737	18,832
Consolidated tax	280,000	323,690	43,690	308,265
Gas tax \$1.75	8,508	9,040	532	14,058
Sales Tax 0.0025 Public Safety	-	-	-	35,205
Total intergovernmental	<u>306,308</u>	<u>358,907</u>	<u>52,599</u>	<u>378,840</u>
 Charges for services:				
Rescue runs	200	127	(73)	256
Swimming pool fees	6,000	11,815	5,815	12,181
Old fire house rental	7,560	7,560	-	7,560
Convention Center rental	10,000	15,020	5,020	12,125
Sports complex fees	2,000	3,239	1,239	2,421
Mining park entrance	5,000	8,024	3,024	9,364
Fairgrounds rental	450	348	(102)	225
Total charges for services	<u>31,210</u>	<u>46,133</u>	<u>14,923</u>	<u>44,132</u>
 Fines and forfeitures	 <u>20,000</u>	 <u>42,512</u>	 <u>22,512</u>	 <u>52,443</u>
 Miscellaneous:				
Investment income	6,000	10,349	4,349	13,028
Other	2,000	1,977	(23)	106
Total miscellaneous	<u>8,000</u>	<u>12,326</u>	<u>4,326</u>	<u>13,134</u>
 Total revenues	 <u>\$ 799,599</u>	 <u>\$ 1,103,835</u>	 <u>\$ 304,236</u>	 <u>\$ 1,240,983</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND (GAAP BASIS)
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance-	2014
	Budget	Actual	Positive (Negative)	Actual
Expenditures:				
General government:				
Salaries and wages	\$ 228,321	\$ 115,860	\$ 112,461	\$ 116,330
Employee benefits	155,784	66,974	88,810	61,834
Services and supplies	217,000	141,060	75,940	81,504
Capital outlay	-	-	-	856
Total general government	<u>601,105</u>	<u>323,894</u>	<u>277,211</u>	<u>260,524</u>
Public safety:				
Fire:				
Salaries and wages	15,000	15,000	-	15,000
Employee benefits	20,058	6,122	13,936	5,624
Services and supplies	<u>104,300</u>	<u>28,242</u>	<u>76,058</u>	<u>32,310</u>
Total public safety	<u>139,358</u>	<u>49,364</u>	<u>89,994</u>	<u>52,934</u>
Public works:				
Highways and streets:				
Salaries and wages	81,738	71,269	10,469	66,219
Employee benefits	61,468	47,993	13,475	39,966
Services and supplies	<u>121,418</u>	<u>70,733</u>	<u>50,685</u>	<u>73,583</u>
Total public works	<u>264,624</u>	<u>189,995</u>	<u>74,629</u>	<u>179,768</u>
Culture and recreation:				
Parks:				
Services and supplies	<u>49,460</u>	<u>33,721</u>	<u>15,739</u>	<u>36,145</u>
Mining parks:				
Salaries and wages	50,545	47,194	3,351	46,770
Employee benefits	24,253	22,511	1,742	14,895
Services and supplies	<u>38,186</u>	<u>15,346</u>	<u>22,840</u>	<u>14,726</u>
Total mining parks	<u>112,984</u>	<u>85,051</u>	<u>27,933</u>	<u>76,391</u>
Swimming pool:				
Salaries and wages	24,000	17,627	6,373	20,961
Employee benefits	4,253	2,175	2,078	2,517
Services and supplies	<u>27,315</u>	<u>16,432</u>	<u>10,883</u>	<u>18,354</u>
Total swimming pool	<u>55,568</u>	<u>36,234</u>	<u>19,334</u>	<u>41,832</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND (GAAP BASIS)
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance-	2014
	Budget	Actual	Positive (Negative)	Actual
Culture and recreation (continued):				
Fair:				
Services and supplies	\$ 4,800	\$ 1,717	\$ 3,083	\$ 1,544
Ball fields:				
Services and supplies	40,475	25,731	14,744	23,781
Convention Center:				
Salaries and wages	50,322	49,934	388	39,897
Employee benefits	25,843	21,822	4,021	21,105
Services and supplies	78,120	39,410	38,710	40,146
Capital outlay	-	-	-	13,030
Total convention center	154,285	111,166	43,119	114,178
Total culture and recreation	417,572	293,620	123,952	293,871
Contingency	15,000	-	15,000	-
Total expenditures	\$ 1,437,659	\$ 856,873	\$ 580,786	\$ 787,097

TOWN OF TONOPAH, NEVADA
MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
June 30, 2015 and 2014

	2015	2014
<u>ASSETS:</u>		
Current assets:		
Pooled cash and investments	\$ 1,169,702	\$ 1,095,161
Interest receivable	2,986	2,544
Due from other governments	2,400	285,859
Accounts receivable, net of allowance for doubtful accounts	84,168	105,216
Inventory	71,326	63,011
Restricted assets - cash	525,177	554,120
Total current assets	1,855,759	2,105,911
Property, plant and equipment, net of accumulated depreciation	15,125,725	15,191,652
Total assets	16,981,484	17,297,563
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
Deferred charge on pension	39,281	-
<u>LIABILITIES:</u>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	15,980	303,607
Accrued payroll	11,378	7,948
Accrued compensated absences	10,347	6,913
Accrued interest payable	2,882	2,963
Current portion of bonds payable	98,503	95,915
Total current liabilities-unrestricted	139,090	417,346
Current liabilities, payable from restricted assets:		
Customer deposits	26,325	34,308
Total current liabilities	165,415	451,654
Non-current liabilities:		
OPEB obligation payable	80,948	67,931
Net pension obligation payable	244,537	-
Accrued compensated absences	14,474	17,499
Bonds payable	5,465,908	5,595,441
Total non-current liabilities	5,805,867	5,680,871
Total liabilities	5,971,282	6,132,525
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Deferred charge on pension	63,065	-
<u>NET POSITION:</u>		
Invested in capital assets, net of related debt	9,561,314	9,500,296
Restricted for debt	82,645	156,640
Restricted for capital projects	415,311	363,802
Unrestricted	927,148	1,144,300
Total net position	\$ 10,986,418	\$ 11,165,038

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, 2015
(with Comparative Amounts for the Year Ended June 30, 2014)

	2015		Variance-	2014
	Budget	Actual	Positive (Negative)	Actuals
Operating revenues:				
Charges for services:				
Water fees	\$ 515,200	\$ 520,318	\$ 5,118	\$ 607,065
Operating expenses:				
Water department:				
Administration	77,371	72,183	5,188	50,757
General operations	295,325	267,439	27,886	242,725
Water operations	191,207	119,194	72,013	152,301
Depreciation	220,000	324,867	(104,867)	327,407
Total water department	783,903	783,683	220	773,190
Operating income (loss)	(268,703)	(263,365)	5,338	(166,125)
Nonoperating revenue (expense):				
Investment income	6,000	9,512	3,512	11,621
Miscellaneous	23,000	21,476	(1,524)	29,763
Grant	-	250,085	250,085	2,926,699
Interest expense	(117,446)	(116,918)	528	(98,278)
Water surcharge	193,700	193,700	-	177,171
Total nonoperating revenue (expense)	105,254	357,855	252,601	3,046,976
Net income (loss)	\$ (163,449)	94,490	\$ 257,939	2,880,851
Net Position:				
Beginning of year		11,165,038		8,284,187
Restatement - GASB 68		(273,110)		-
Beginning of year as restated		10,891,928		8,284,187
End of year		\$ 10,986,418		\$ 11,165,038

TOWN OF TONOPAH, NEVADA
MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND
COMPARATIVE SCHEDULES OF CASH FLOWS
For the Year Ended June 30, 2015
(With comparative Amounts for the Year Ended June 30, 2014)

	2015	2014
Cash flows from operating activities:		
Cash received from customers	\$ 533,383	\$ 587,548
Cash paid for salaries, wages and employee benefits	(227,478)	(221,675)
Cash paid for services and supplies	(515,213)	(218,366)
Net cash provided by operating activities	<u>(209,308)</u>	<u>147,507</u>
Cash flows from noncapital financing activities:		
Miscellaneous revenue	21,476	29,763
Grants	533,544	3,058,773
Surcharges	193,700	177,171
Net cash provided by noncapital financing activities	<u>748,720</u>	<u>3,265,707</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(258,940)	(4,396,862)
Principal paid	(126,945)	(2,211,783)
Interest paid	(116,999)	(95,315)
Debt proceeds	-	3,498,278
Net cash (used) by capital and related financing activities	<u>(502,884)</u>	<u>(3,205,682)</u>
Cash flows from investing activities:		
Investment income	9,070	10,956
Net increase in cash	45,598	218,488
Cash:		
Beginning of year	1,649,281	1,430,793
End of year	<u>\$ 1,694,879</u>	<u>\$ 1,649,281</u>
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	<u>\$ (263,365)</u>	<u>\$ (166,125)</u>
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	324,867	327,407
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	21,048	(28,452)
(Increase) decrease in prepaid expenses	-	7,425
(Increase) decrease in inventory	(8,315)	5,729
(Increase) decrease in deferred outflows - pension	(39,281)	-
Increase (decrease) in accounts payable	(287,627)	(3,186)
Increase (decrease) in accrued payroll	3,430	(4,226)
Increase (decrease) in customer deposits	(7,983)	8,935
Increase (decrease) in accrued compensated absences	409	-
Increase (decrease) in net pension liability	(28,573)	-
Increase (decrease) in deferred inflows - pension	63,065	-
Increase (decrease) in opeb obligations payable	13,017	-
Total adjustments	<u>54,057</u>	<u>313,632</u>
Net cash provided by operating activities	<u>\$ (209,308)</u>	<u>\$ 147,507</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
June 30, 2015 and 2014

	2015	2014
<u>ASSETS:</u>		
Current assets:		
Pooled cash and investments	\$ 782,127	\$ 594,163
Interest receivable	1,961	1,791
Accounts receivable, net of allowance for doubtful accounts	66,454	66,618
Inventory	6,684	6,487
Restricted assets - cash	<u>15,758</u>	<u>15,745</u>
Total current assets	872,984	684,804
Property, plant and equipment, net of accumulated depreciation	<u>6,595,976</u>	<u>6,850,852</u>
 Total assets	 <u>7,468,960</u>	 <u>7,535,656</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
Deferred charge on pension	<u>36,248</u>	<u>-</u>
<u>LIABILITIES:</u>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	2,602	33,646
Accrued payroll	12,386	8,415
Accrued compensated absences	<u>10,347</u>	<u>6,913</u>
Total current liabilities - unrestricted	<u>25,335</u>	<u>48,974</u>
Non-current liabilities:		
OPEB obligation payable	73,682	61,064
Net pension obligation payable	228,090	-
Accrued compensated absences	<u>14,474</u>	<u>17,499</u>
Total non-current liabilities	<u>316,246</u>	<u>78,563</u>
Total liabilities	<u>341,581</u>	<u>127,537</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Deferred charge on pension	<u>58,824</u>	<u>-</u>
<u>NET POSITION:</u>		
Invested in capital assets, net of related debt	6,595,976	6,850,852
Restricted for capital projects	15,749	15,745
Unrestricted	<u>493,078</u>	<u>541,522</u>
Total net position	<u>\$ 7,104,803</u>	<u>\$ 7,408,119</u>

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, 2015
(with Comparative Amounts for the Year Ended June 30, 2014)

	2015		Variance- Positive (Negative)	2014 Actuals
	Budget	Actual		
Operating revenues:				
Charges for services:				
Sewer fees	\$ 431,496	\$ 485,448	\$ 53,952	\$ 516,999
Operating expenses:				
Sewer department:				
Administration	136,822	128,262	8,560	120,032
General operations	219,965	183,346	36,619	168,138
Sewer operations	39,000	18,076	20,924	24,637
Depreciation	200,000	260,663	(60,663)	258,256
Total operating expenses	595,787	590,347	5,440	571,063
Operating income (loss)	(164,291)	(104,899)	59,392	(54,064)
Nonoperating revenue (expense):				
Investment income	6,000	6,247	247	4,577
Interest expense	-	-	-	(1,964)
Capital projects fees	46,000	50,077	4,077	52,889
Total nonoperating revenue (expense)	52,000	56,324	4,324	55,502
Net income (loss)	\$ (112,291)	(48,575)	\$ 63,716	1,438
Net Position:				
Beginning of year		7,408,119		7,406,681
Restatement - GASB 68		(254,741)		-
Beginning of year as restated		7,153,378		7,406,681
End of year		\$ 7,104,803		\$ 7,408,119

TOWN OF TONOPAH, NEVADA
MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND
COMPARATIVE SCHEDULES OF CASH FLOWS
For the Year Ended June 30, 2015
(With comparative Amounts for the Year Ended June 30, 2014)

	2015	2014
Cash flows from operating activities:		
Cash received from customers	\$ 485,612	\$ 496,882
Cash paid for salaries, wages and employee benefits	(238,071)	(233,010)
Cash paid for services and supplies	(109,931)	(108,009)
Net cash provided by operating activities	<u>137,610</u>	<u>155,863</u>
Cash flows from noncapital financing activities:		
Capital projects fees	<u>50,077</u>	<u>52,889</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(5,787)	(111,451)
Principal paid	-	(561,452)
Interest paid	-	(1,964)
Net cash (used) by capital and related financing activities	<u>(5,787)</u>	<u>(674,867)</u>
Cash flows from investing activities:		
Investment income/(loss)	<u>6,077</u>	<u>4,208</u>
Net increase/(decrease) in cash	187,977	(461,907)
Cash:		
Beginning of year	<u>609,908</u>	<u>1,071,815</u>
End of year	<u>\$ 797,885</u>	<u>\$ 609,908</u>
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	<u>\$ (104,899)</u>	<u>\$ (54,064)</u>
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	260,663	258,256
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	164	(20,117)
(Increase) decrease in prepaid expenses	-	11,891
(Increase) decrease in inventory	(197)	157
(Increase) decrease in deferred outflows - pension	(36,248)	-
Increase (decrease) in accounts payable	(31,044)	(37,658)
Increase (decrease) in accrued payroll	3,971	(2,602)
Increase (decrease) in accrued compensated absences	409	-
Increase (decrease) in net pension liability	(26,651)	-
Increase (decrease) in deferred inflows - pension	58,824	-
Increase (decrease) in opeb obligations payable	12,618	-
Total adjustments	<u>242,509</u>	<u>209,927</u>
Net cash provided by operating activities	<u>\$ 137,610</u>	<u>\$ 155,863</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2015
(With Comparative Totals for June 30, 2014)

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2015 Totals	2014 Totals
<u>ASSETS:</u>				
Pooled cash and investments	\$ 218,457	\$ 376,947	\$ 595,404	\$ 545,982
Interest receivable	374	641	1,015	1,059
Room tax receivable	3,341	-	3,341	8,213
Due from other governments	<u>25,866</u>	<u>-</u>	<u>25,866</u>	<u>-</u>
Total assets	<u>\$ 248,038</u>	<u>\$ 377,588</u>	<u>\$ 625,626</u>	<u>\$ 555,254</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 300	\$ -	\$ 300	\$ 2,701
Due to other funds	<u>7,706</u>	<u>-</u>	<u>7,706</u>	<u>-</u>
Total liabilities	<u>8,006</u>	<u>-</u>	<u>8,006</u>	<u>2,701</u>
<u>FUND BALANCE:</u>				
Restricted for capital projects	-	377,588	377,588	390,659
Restricted for public safety	95,574	-	95,574	-
Restricted for culture & recreation	<u>144,458</u>	<u>-</u>	<u>144,458</u>	<u>161,894</u>
Total fund balance	<u>240,032</u>	<u>377,588</u>	<u>617,620</u>	<u>552,553</u>
Total liabilities and fund balance	<u>\$ 248,038</u>	<u>\$ 377,588</u>	<u>\$ 625,626</u>	<u>\$ 555,254</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2015

(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Nonmajor Special Revenue Funds	Nonmajor Mining Park Museum Permanent Fund	Nonmajor Capital Projects Funds	2015 Totals	2014 Totals
Revenues:					
Taxes	\$ 36,050	\$ -	\$ -	\$ 36,050	\$ 44,654
Intergovernmental	145,020	-	25,516	170,536	22,788
Charges for services	-	-	485	485	1,023
Miscellaneous	1,212	-	2,042	3,254	4,486
	<u>182,282</u>	<u>-</u>	<u>28,043</u>	<u>210,325</u>	<u>72,951</u>
Total revenues					
Expenditures:					
Current:					
Culture and recreation	29,543	24,799	-	54,342	26,038
Intergovernmental	85,007	-	-	85,007	-
Capital projects	-	-	41,114	41,114	326,951
	<u>114,550</u>	<u>24,799</u>	<u>41,114</u>	<u>180,463</u>	<u>352,989</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	67,732	(24,799)	(13,071)	29,862	(280,038)
Other financing sources (uses):					
Operating transfers in	35,205	-	-	35,205	650,000
	<u>102,937</u>	<u>(24,799)</u>	<u>(13,071)</u>	<u>65,067</u>	<u>369,962</u>
Net change in fund balance					
Fund balance:					
Beginning of year	137,095	24,799	390,659	552,553	182,591
	<u>240,032</u>	<u>-</u>	<u>377,588</u>	<u>617,620</u>	<u>552,553</u>
End of year					

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2015
(With Comparative Totals for June 30, 2014)

	State Room Tax	Mural Fund	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire	Totals 2015	Totals 2014
<u>ASSETS:</u>						
Pooled cash and investments	\$ 121,332	\$ 19,823	\$ -	\$ 77,302	\$ 218,457	\$ 131,452
Interest receivable	226	36	56	56	374	131
Room tax receivable	3,341	-	-	-	3,341	8,213
Due from other governments	-	-	12,933	12,933	25,866	-
Total assets	<u>\$ 124,899</u>	<u>\$ 19,859</u>	<u>\$ 12,989</u>	<u>\$ 90,291</u>	<u>\$ 248,038</u>	<u>\$ 139,796</u>
<u>LIABILITIES:</u>						
Accounts payable	\$ 300	\$ -	\$ -	\$ -	\$ 300	\$ 2,701
Due to other funds	-	-	7,706	-	7,706	-
Total liabilities	<u>300</u>	<u>-</u>	<u>7,706</u>	<u>-</u>	<u>8,006</u>	<u>2,701</u>
<u>FUND BALANCE:</u>						
Restricted for public safety	-	-	5,283	90,291	95,574	-
Restricted for culture and recreation	<u>124,599</u>	<u>19,859</u>	<u>-</u>	<u>-</u>	<u>144,458</u>	<u>137,095</u>
Total fund balance	<u>124,599</u>	<u>19,859</u>	<u>5,283</u>	<u>90,291</u>	<u>240,032</u>	<u>137,095</u>
Total liabilities and fund balance	<u>\$ 124,899</u>	<u>\$ 19,859</u>	<u>\$ 12,989</u>	<u>\$ 90,291</u>	<u>\$ 248,038</u>	<u>\$ 139,796</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, 2015

(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	State	Mural	Public Safety	Public Safety	Totals	
	Room Tax	Fund	Sales Tax Sheriff	Sales Tax Fire	2015	2014
Revenues:						
Taxes	\$ 36,050	\$ -	\$ -	\$ -	\$ 36,050	\$ 44,654
Intergovernmental	-	-	72,509	72,511	145,020	-
Miscellaneous	<u>737</u>	<u>119</u>	<u>178</u>	<u>178</u>	<u>1,212</u>	<u>921</u>
Total revenues	<u>36,787</u>	<u>119</u>	<u>72,687</u>	<u>72,689</u>	<u>182,282</u>	<u>45,575</u>
Expenditures:						
Culture and recreation	29,543	-	-	-	29,543	25,837
Intergovernmental	<u>-</u>	<u>-</u>	<u>85,007</u>	<u>-</u>	<u>85,007</u>	<u>-</u>
Total expenditures	<u>29,543</u>	<u>-</u>	<u>85,007</u>	<u>-</u>	<u>114,550</u>	<u>25,837</u>
Excess (deficiency) of revenues over expenditures	7,244	119	(12,320)	72,689	67,732	19,738
Other financing sources (uses):						
Operating transfers in	<u>-</u>	<u>-</u>	<u>17,603</u>	<u>17,602</u>	<u>35,205</u>	<u>-</u>
Net change in fund balance	7,244	119	5,283	90,291	102,937	19,738
Fund balance:						
Beginning of year	<u>117,355</u>	<u>19,740</u>	<u>-</u>	<u>-</u>	<u>137,095</u>	<u>117,357</u>
End of year	<u>\$ 124,599</u>	<u>\$ 19,859</u>	<u>\$ 5,283</u>	<u>\$ 90,291</u>	<u>\$ 240,032</u>	<u>\$ 137,095</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - STATE ROOM TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2015 and 2014

	2015	2014
<u>ASSETS:</u>		
Pooled cash and investments	\$ 121,332	\$ 111,744
Interest receivable	226	99
Room tax receivable	<u>3,341</u>	<u>8,213</u>
Total assets	<u><u>\$ 124,899</u></u>	<u><u>\$ 120,056</u></u>
<u>LIABILITIES:</u>		
Accounts payable	\$ 300	\$ 2,701
<u>FUND BALANCE:</u>		
Restricted for culture and recreation	<u>124,599</u>	<u>117,355</u>
Total liabilities and fund balance	<u><u>\$ 124,899</u></u>	<u><u>\$ 120,056</u></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, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance-	2014
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Taxes:				
Room tax	\$ 20,000	\$ 36,050	\$ 16,050	\$ 44,654
Miscellaneous:				
Investment income	<u>-</u>	<u>737</u>	<u>737</u>	<u>771</u>
Total revenues	20,000	36,787	16,787	45,425
Expenditures:				
Culture and recreation:				
Services and supplies	<u>107,283</u>	<u>29,543</u>	<u>77,740</u>	<u>25,837</u>
Excess (deficiency) of revenues over expenditures	(87,283)	7,244	94,527	19,588
Fund balance:				
Beginning of year	<u>87,283</u>	<u>117,355</u>	<u>30,072</u>	<u>97,767</u>
End of year	<u>\$ -</u>	<u>\$ 124,599</u>	<u>\$ 124,599</u>	<u>\$ 117,355</u>

**TOWN OF TONOPAH, NEVADA
MURAL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2015 and 2014**

	2015	2014
<u>ASSETS:</u>		
Pooled cash and investments	\$ 19,823	\$ 19,708
Interest receivable	<u>36</u>	<u>32</u>
Total assets	<u>\$ 19,859</u>	<u>\$ 19,740</u>
<u>LIABILITIES:</u>		
Accounts payable	\$ -	\$ -
<u>FUND BALANCE:</u>		
Restricted for culture and recreation	<u>19,859</u>	<u>19,740</u>
Total liabilities and fund balance	<u>\$ 19,859</u>	<u>\$ 19,740</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - MURAL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance-	2014
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Miscellaneous:				
Investment income	\$ 150	\$ 119	\$ (31)	\$ 150
Expenditures:				
Culture and recreation:				
Capital outlay	<u>19,890</u>	<u>-</u>	<u>19,890</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(19,740)	119	19,859	150
Fund balance:				
Beginning of year	<u>19,740</u>	<u>19,740</u>	<u>-</u>	<u>19,590</u>
End of year	<u>\$ -</u>	<u>\$ 19,859</u>	<u>\$ 19,859</u>	<u>\$ 19,740</u>

TONOPAH TOWN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2015

	2015
<u>ASSETS</u>	
Interest receivable	\$ 56
Due from other governments	<u>12,933</u>
 Total assets	 <u>\$ 12,989</u>
 <u>LIABILITIES</u>	
Due to other funds	\$ 7,706
 <u>FUND BALANCE</u>	
Restricted for public safety	 <u>5,283</u>
 Total liabilities and fund balance	 <u>\$ 12,989</u>

TONOPAH TOWN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2015

	Budget	2015 Actual	Variance- Positive (Negative)
Revenues:			
Intergovernmental:			
Public safety tax - Nye County	\$ -	\$ 72,509	\$ 72,509
Miscellaneous:			
Investment income	<u>-</u>	<u>178</u>	<u>178</u>
Total revenues	-	72,687	72,687
Expenditures:			
Intergovernmental:			
Nye County	<u>-</u>	<u>85,007</u>	<u>(85,007)</u>
Excess (deficiency) of revenues over expenditures	-	(12,320)	(12,320)
Other financing sources (uses):			
Operating transfers in - General Fund	<u>-</u>	<u>17,603</u>	<u>17,603</u>
Net change in fund balance	-	5,283	5,283
Fund balance:			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 5,283</u>	<u>\$ 5,283</u>

TONOPAH TOWN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2015

	2015
<hr/>	
<u>ASSETS</u>	
Pooled cash and investments	\$ 77,302
Interest receivable	56
Due from other governments	<u>12,933</u>
 Total assets	 <u><u>\$ 90,291</u></u>
 <u>LIABILITIES</u>	
Accounts payable	\$ -
 <u>FUND BALANCE</u>	
Restricted for public safety	<u>90,291</u>
 Total liabilities and fund balance	 <u><u>\$ 90,291</u></u>

TONOPAH TOWN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2015

	Budget	2015 Actual	Variance- Positive (Negative)
Revenues:			
Intergovernmental:			
Public safety tax - Nye County	\$ 72,000	\$ 72,511	\$ 511
Miscellaneous:			
Investment income	<u>-</u>	<u>178</u>	<u>178</u>
Total revenues	72,000	72,689	689
Expenditures:			
Public safety:			
Capital outlay	<u>72,000</u>	<u>-</u>	<u>72,000</u>
Excess (deficiency) of revenues over expenditures	-	72,689	72,689
Other financing sources (uses):			
Operating transfers in - General Fund	<u>-</u>	<u>17,602</u>	<u>17,602</u>
Net change in fund balance	-	90,291	90,291
Fund balance:			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 90,291</u>	<u>\$ 90,291</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2015
(With Comparative Totals for June 30, 2014)

	Capital Projects	Special Ad Valorem	Mining	Totals 2015	2014
<u>ASSETS:</u>					
Pooled cash and investments	\$ 301,472	\$ 42,750	\$ 32,725	\$ 376,947	\$ 389,731
Interest receivable	<u>581</u>	<u>-</u>	<u>60</u>	<u>641</u>	<u>928</u>
Total assets	<u>\$ 302,053</u>	<u>\$ 42,750</u>	<u>\$ 32,785</u>	<u>\$ 377,588</u>	<u>\$ 390,659</u>
<u>LIABILITIES:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
<u>FUND BALANCE:</u>					
Restricted for capital projects	<u>302,053</u>	<u>42,750</u>	<u>32,785</u>	<u>377,588</u>	<u>390,659</u>
Total liabilities and fund balance	<u>\$ 302,053</u>	<u>\$ 42,750</u>	<u>\$ 32,785</u>	<u>\$ 377,588</u>	<u>\$ 390,659</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, 2015

(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Capital Projects	Special Ad Valorem	Mining	Totals 2015	2014
Revenues:					
Intergovernmental	\$ -	\$ 25,516	\$ -	\$ 25,516	\$ 22,788
Charges for services	485	-	-	485	1,023
Miscellaneous	<u>1,851</u>	<u>-</u>	<u>191</u>	<u>2,042</u>	<u>3,565</u>
Total revenues	2,336	25,516	191	28,043	27,376
Expenditures:					
Capital projects	<u>41,114</u>	<u>-</u>	<u>-</u>	<u>41,114</u>	<u>326,951</u>
Excess (deficiency) of revenues over expenditures	(38,778)	25,516	191	(13,071)	(299,575)
Other financing sources (uses):					
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650,000</u>
Net change in fund balance	(38,778)	25,516	191	(13,071)	350,425
Fund balance:					
Beginning of year	<u>340,831</u>	<u>17,234</u>	<u>32,594</u>	<u>390,659</u>	<u>40,234</u>
End of year	<u>\$ 302,053</u>	<u>\$ 42,750</u>	<u>\$ 32,785</u>	<u>\$ 377,588</u>	<u>\$ 390,659</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2015 and 2014

	2015	2014
<u>ASSETS:</u>		
Pooled cash and investments	\$ 301,472	\$ 339,956
Interest receivable	<u>581</u>	<u>875</u>
Total assets	<u>\$ 302,053</u>	<u>\$ 340,831</u>
<u>LIABILITIES:</u>		
Accounts payable	\$ -	\$ -
<u>FUND BALANCE:</u>		
Restricted for capital projects	<u>302,053</u>	<u>340,831</u>
Total liabilities and fund balance	<u>\$ 302,053</u>	<u>\$ 340,831</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance- Positive (Negative)	2014 Actual
	Budget	Actual		
Revenues:				
Charges for services:				
Rescue runs	\$ 1,000	\$ 485	\$ (515)	\$ 1,023
Miscellaneous:				
Investment income	<u>-</u>	<u>1,851</u>	<u>1,851</u>	<u>3,317</u>
Total revenues	1,000	2,336	1,336	4,340
Expenditures:				
Capital projects	<u>305,442</u>	<u>41,114</u>	<u>264,328</u>	<u>326,951</u>
Excess (deficiency) of revenues over expenditures	(304,442)	(38,778)	265,664	(322,611)
Other financing sources (uses):				
Operating transfers in	<u>290,000</u>	<u>-</u>	<u>(290,000)</u>	<u>650,000</u>
Net change in fund balance	(14,442)	(38,778)	(24,336)	327,389
Fund balance:				
Beginning of year	<u>14,442</u>	<u>340,831</u>	<u>326,389</u>	<u>13,442</u>
End of year	<u>\$ -</u>	<u>\$ 302,053</u>	<u>\$ 302,053</u>	<u>\$ 340,831</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2015 and 2014

	2015	2014
<u>ASSETS:</u>		
Pooled cash and investments	<u>\$ 42,750</u>	<u>\$ 17,234</u>
<u>LIABILITIES:</u>		
Accounts payable	\$ -	\$ -
<u>FUND BALANCE:</u>		
Restricted for capital projects	<u>42,750</u>	<u>17,234</u>
Total liabilities and fund balance	<u>\$ 42,750</u>	<u>\$ 17,234</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	2015		Variance- Positive (Negative)	2014 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:	\$ 25,000	\$ 25,516	\$ 516	\$ 22,788
Expenditures:				
Capital projects	<u>44,446</u>	<u>-</u>	<u>44,446</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(19,446)	25,516	44,962	22,788
Fund balance:				
Beginning of year	<u>19,446</u>	<u>17,234</u>	<u>(2,212)</u>	<u>(5,554)</u>
End of year	<u>\$ -</u>	<u>\$ 42,750</u>	<u>\$ 42,750</u>	<u>\$ 17,234</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - MINING CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2015 and 2014

	2015	2014
<u>ASSETS:</u>		
Pooled cash and investments	\$ 32,725	\$ 32,541
Interest receivable	<u>60</u>	<u>53</u>
Total assets	<u>\$ 32,785</u>	<u>\$ 32,594</u>
<u>LIABILITIES:</u>		
Accounts payable	\$ -	\$ -
<u>FUND BALANCE:</u>		
Restricted for capital projects	<u>32,785</u>	<u>32,594</u>
Total liabilities and fund balance	<u>\$ 32,785</u>	<u>\$ 32,594</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, 2015
(With Comparative Amounts for the Year Ended June 30, 2014)

		2015		Variance- Positive (Negative)	2014 Actual
	Budget	Actual			
Revenues:					
Miscellaneous:					
Investment income	\$ 150	\$ 191	\$ 41	\$ 248	
Expenditures:					
Capital projects	<u>32,646</u>	<u>-</u>	<u>32,646</u>	<u>-</u>	
Excess (deficiency) of revenues over expenditures	(32,496)	191	32,687	248	
Fund balance:					
Beginning of year	<u>32,496</u>	<u>32,594</u>	<u>98</u>	<u>32,346</u>	
End of year	<u>\$ -</u>	<u>\$ 32,785</u>	<u>\$ 32,785</u>	<u>\$ 32,594</u>	

TOWN OF TONOPAH, NEVADA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Post Retirement Benefits Fund				
ASSETS				
Pooled cash and investments	\$ 60,743	\$ 20,473	\$ -	\$ 81,216
Interest receivable	99	124	99	124
	<u>\$ 60,842</u>	<u>\$ 20,597</u>	<u>\$ 99</u>	<u>\$ 81,340</u>
LIABILITIES				
Amounts held for others	<u>\$ 60,842</u>	<u>\$ 20,597</u>	<u>\$ 99</u>	<u>\$ 81,340</u>

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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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 Board Members
Town of Tonopah, Nevada
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 the Town of Tonopah, Nevada (the Town), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated January 15, 2016.

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.

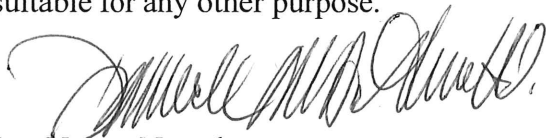
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify 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 "Michael M. D. Hunt", is written over the text "Las Vegas, Nevada".

Las Vegas, Nevada
January 15, 2016

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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AUDITOR'S COMMENTS

Honorable Board Members
Town of Tonopah, Nevada
Tonopah, Nevada

In connection with my audit of the financial statements of the Town of Tonopah, Nevada, (the Town) as of and for the year ended June 30, 2015, nothing came to my attention that caused me to believe that the Town failed to comply with the requirements of the Nevada Revised Statutes noted below. However, my audit was not directed primarily toward obtaining knowledge of such compliance. Accordingly, had I performed additional procedures, other matters may have come to my attention regarding the Town's noncompliance with the Nevada Revised Statutes referenced below, insofar as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

The Town conformed to all significant statutory constraints on its financial administration during the year as identified in Note C1 of the accompanying financial statements.

Public Safety Tax

Nye County adopted ordinance 443 on October 28, 2013, implementing the Nye County Sales and Use Tax Act of 2007 (the Act), increasing sales and use tax by one-half of one percent. The tax is to be used for public safety. The tax became effective April 1, 2014. Questions concerning the administration of the tax were posed to the Nevada Attorney General's office by the Nye County District Attorney. The opinion from the Attorney General's office dated November 12, 2015, caused changes in the administering of the tax. Special Revenue funds for each town within Nye County are to be used to account for the tax, rather than one County fund, to demonstrate compliance with the Act. Special Revenue funds have been presented in the financial statements the Town. However, formal resolutions creating the funds and budget authorization have not been approved by the Town Board as of the release of the financial statements. Resolutions for fund creation and budget augmentations/authorizations should be drafted and presented to the Town Board for approval to formalize compliance with the Act and the Attorney General's opinion.

Expenditures in Excess of Budget

A budget for the Public Safety Sales Tax Sheriff Special Revenue Fund was not approved by the Town Board for the year ending June 30, 2015. Because of the lack of an approved budget, expenditures exceeded authorized budget by \$85,007. Prior to the opinion received from the Nevada Attorney General's office, it was understood that the activity of this fund would be reported by Nye County, Nevada. Nye County had adopted a budget for expenditure of public safety sales tax related to the Sheriff. NRS 354.626 requires that the Town report expenditures that exceed budgeted appropriations at the function level for the General Fund, Special Revenue Funds, and Capital Projects Funds. Although the expenditures in the Town's Public Safety Sales Tax Sheriff Special Revenue Fund exceeded an authorized budget, this may not be deemed to be a violation of NRS 354.626 due to the changes required by the Nevada Attorney General's opinion and the Town's lack of control over the funds at the time of expenditure.

Expenditure Compliance

The Attorney General's opinion changed the approval process for expenditures of the public safety tax. The governing body of each town within Nye County is to approve a spending plan for the public safety tax, not the Nye County Commission. Expenditures were incurred by the County during the year following procedures that were understood to be proper at that time. The governing body of the Town did not approve the spending plans for expenditure of the Public Safety Sales Tax Sheriff Special Revenue Fund. Therefore, expenditures may not have been in compliance with the Act.

Expenditures of the tax cannot replace existing funding. Expenditures may only be used to supplement existing spending. Expenditures of the Public Safety Sales Tax Sheriff Special Revenue Fund may not have been in compliance with this provision of the Act.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The Town had one compliance item from prior year: timely filing of annual audit report due to legal differences on accounting for Public Safety Tax. This compliance issue has been resolved.

PRIOR YEAR RECOMMENDATIONS

I noted no material weakness and no significant deficiency in internal controls.

CURRENT YEAR RECOMMENDATIONS

I noted no material weakness and no significant deficiency in internal controls.

NEVADA REVISED STATUTE 354.59815 – SPECIAL AD VALOREM CAPITAL PROJECTS FUND

Special Ad Valorem Capital Projects Fund

The Town established the Special Ad Valorem Capital Projects Fund in accordance with Nevada Revised Statutes 354.59815. There were no projects funded during the year. The Town does not plan to accumulate money in the fund.

BUSINESS LICENSE COMPLIANCE NRS 354.624

Nevada Revised Statutes 354.624 Sec 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, 2015, 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, 2015.

A handwritten signature in dark ink, appearing to read "M. A. G. 13", written in a cursive style.

Las Vegas, Nevada
January 15, 2016