

**TOWN OF TONOPAH, NEVADA**  
**REPORT ON FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2018**

**TOWN OF TONOPAH, NEVADA  
REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTAL MATERIAL  
FOR THE YEAR ENDED JUNE 30, 2018  
TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION:</b>	<b>PAGE</b>
Title Page	
Table of Contents	
Organization	1
<b>FINANCIAL SECTION:</b>	
Independent Auditor's Report	2-4
Management's Discussion and Analysis	5-13
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-wide financial statements:</b>	
Statement of Net Position	14
Statement of Activities	15
<b>FUND FINANCIAL STATEMENTS:</b>	
<b>Governmental Funds:</b>	
Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General Fund	20-22
Public Safety Sales Tax Fire	23
<b>Proprietary Funds:</b>	
Statement of Net Position	24
Statement of Revenues, Expenses, and Changes in Net Position	25
Statement of Cash Flows	26
<b>Statement of Fiduciary Net Position</b>	27
<b>Notes to the Basic Financial Statements</b>	28-53
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Changes in the Towns' Total OPEB Liability and Related Ratios	54
Schedule of the Town's Contributions to the Public Employees' Retirement System of the State of Nevada	55
Schedule of the Town's Proportionate Share of the Net Pension Liability of the Public Employees' Retirement System of the State of Nevada	56
<b>Notes to the Required Supplementary Information</b>	57

**TABLE OF CONTENTS (Continued)**

<b>SUPPLEMENTARY INFORMATION:</b>	<b>PAGE</b>
<b>Combining and Individual Fund Statements and Schedules:</b>	
<b>Major Governmental Funds:</b>	
<b>General Fund</b>	
Comparative Balance Sheets	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	59
Schedule of Revenues - Budget and Actual	60
Schedule of Expenditures - Budget and Actual	61-62
<b>Public Safety Sales Tax Fire Special Revenue Fund</b>	
Comparative Balance Sheets	63
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) Basis) and Actual	64
<b>Capital Projects Fund</b>	
Comparative Balance Sheets	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	66
<b>SUPPLEMENTARY INFORMATION:</b>	
<b>Combining and Individual Fund Statements and Schedules:</b>	
<b>Major Enterprise Funds:</b>	
<b>Tonopah Public Utilities Water Enterprise Fund</b>	
Comparative Statement of Net Position	67
Schedule of Revenues, Expenses, and Changes in Net Position - Budget (GAAP Basis) and Actual	68
Comparative Schedules of Cash Flows	69
<b>Tonopah Public Utilities Sewer Enterprise Fund</b>	
Comparative Statement of Net Position	70
Schedule of Revenues, Expenses, and Changes in Net Position - Budget (GAAP Basis) and Actual	71
Comparative Schedules of Cash Flows	72
<b>Nonmajor Governmental Funds:</b>	
Combining Balance Sheet	73
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	74
<b>Nonmajor Special Revenue Funds:</b>	
Combining Balance Sheet	75
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	76
<b>State Room Tax Special Revenue Fund</b>	
Comparative Balance Sheets	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) Basis) and Actual	78
<b>Tourism Special Revenue Fund</b>	
Comparative Balance Sheets	79
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) Basis) and Actual	80

**TABLE OF CONTENTS (Continued)**

	<b>PAGE</b>
<b>Nonmajor Governmental Funds (Continued):</b>	
<b>Mural Special Revenue Fund</b>	
Comparative Balance Sheets	81
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) Basis) and Actual	82
<b>Public Safety Sales Tax Sheriff Special Revenue Fund</b>	
Comparative Balance Sheets	83
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) Basis) and Actual	84
<b>Nonmajor Capital Projects Funds:</b>	
Combining Balance Sheet	85
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	86
<b>Special Ad Valorem Capital Projects Fund</b>	
Comparative Balance Sheets	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) Basis) and Actual	88
<b>Mining Capital Projects Fund</b>	
Comparative Balance Sheets	89
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) Basis) and Actual	90
<b>Agency Fund</b>	
Statement of Changes in Assets and Liabilities	91
<b>COMPLIANCE:</b>	
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 <i>Government Auditing Standards</i>	92-93
Independent Auditor's Comments	94-95



# **TOWN OF TONOPAH, NEVADA**

## **ORGANIZATION**

### **TOWN OFFICERS** at June 30, 2018

Chairman	Duane Downing
Vice Chairman	Don Kaminski
Clerk	Jerry Elliston
Board Member	Rhonda Link
Board Member	Mike Sain

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

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable Board Members  
Town of Tonopah, Nevada  
Tonopah, Nevada

**Report on the Financial Statements**

We 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, 2018, 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***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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 we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Public Safety Fire Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter – Correction of Errors***

As described in Note D-13 to the financial statements, certain errors occurred in the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of Governmental Accounting Standards Board (GASB) Statement No. 82, *Pension Issues – An Amendment of GASB No. 67, No. 68, and No. 73*. Net position as of July 1, 2017, has been restated to reflect the correction of deferred outflows of resources. Our opinions are not modified with respect to this matter.

### ***Emphasis of Matter - Change in Accounting Principle***

As described in Note D-12 to the financial statements, in 2018, the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinions are 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 5 through 13, Schedule of Changes in the Town's Total OPEB Liability and Related Ratios on page 54, Schedule of Town's Contributions to the Public Employees' Retirement System of the State of Nevada on page 55 and Schedule of the Town's Proportionate Share of the Net Pension Liability of the Public Employees' Retirement System of the State of Nevada on page 56 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our 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 our 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***

We 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, 2017, which are not presented with the accompanying financial statements and we 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, 2017, 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 2017 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 our opinion, the 2017 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*, we have also issued our report dated February 5, 2019, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the town's 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  
February 5, 2019

**TOWN OF TONOPAH, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

---

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 assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the 2018 fiscal year by \$22,400,796 (net position). Total net position represents approximately \$19,660,380 in capital assets, net of related debt, \$121,525 in assets restricted for debt services, \$794,117 in assets restricted for capital projects, \$132,499 in assets restricted for culture and recreation, and \$139,798 in assets restricted for public safety. The remaining \$1,552,477 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 2018, from \$23,901,783 to \$22,400,796 primarily due to a restatement of prior year net pension liability and other post-employment benefits totaling \$1,759,245.

The Town's primary revenue sources for governmental activities were room taxes of \$589,331, ad valorem taxes (property taxes) of \$351,158, public safety sales taxes of \$201,603, and consolidated taxes (sales taxes) of \$556,804. These revenue sources comprised 29.53%, 17.60%, 10.10%, and 27.90%, respectively, or 85.13% of total governmental activities revenues.

The Town's total expenses were \$3,044,074. The greatest governmental activities expenses were \$547,433 in culture and recreation and \$355,075 in the general government function. The business-type activities contributed \$1,633,514 to the Town's total expenses.

At the end of fiscal year 2018, the Town's governmental funds reported combined fund balances of \$2,812,467, an increase of \$161,172 when compared to the previous year. Approximately 42.23% of this amount, \$1,187,641, 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, 2018**

---

**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, Public Safety Sales Tax Fire, and Capital Projects Fund, which are considered to be major funds. 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, 2018**

---

**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, 2018**

**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, 2018 and 2017.

<b>Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Assets:</b>						
Current and other assets	\$ 3,177,227	\$ 2,871,716	\$ 3,140,841	\$ 2,903,962	\$ 6,318,068	\$ 5,775,678
Net capital assets	4,546,182	4,152,031	20,376,915	21,072,284	24,923,097	25,224,315
Total assets	7,723,409	7,023,747	23,517,756	23,976,246	31,241,165	30,999,993
<b>Deferred outflows of resources:</b>						
Deferred charge on pension	80,215	126,078	82,398	143,923	162,613	270,001
Deferred charge on OPEB	18,890	-	22,033	-	40,923	-
Total deferred outflows of res	99,105	126,078	104,431	143,923	203,536	270,001
<b>Liabilities:</b>						
Current liabilities	361,002	215,387	74,848	73,311	435,850	288,698
Long-term liabilities	1,636,930	716,905	6,729,933	6,138,577	8,366,863	6,855,482
Total liabilities	1,997,932	932,292	6,804,781	6,211,888	8,802,713	7,144,180
<b>Deferred inflows of resources:</b>						
Deferred charge on pension	112,624	104,611	128,568	119,420	241,192	224,031
<b>Net position:</b>						
Invested in capital assets, net of related debt	4,546,182	4,152,031	15,114,198	15,706,889	19,660,380	19,858,920
Restricted	591,010	590,741	596,929	555,547	1,187,939	1,146,288
Unrestricted	574,766	1,370,150	977,711	1,526,425	1,552,477	2,896,575
Total net position	\$ 5,711,958	\$ 6,112,922	\$ 16,688,838	\$ 17,788,861	\$ 22,400,796	\$ 23,901,783

The Town's assets exceeded liabilities by \$22,400,796 at the close of the current fiscal year and total net position decreased by \$1,500,987, including restatement, resulting in a 6.28% decrease in net position.

The largest portion of the Town's net position, 87.77%, 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 \$22,400,796 includes unrestricted net position totaling \$1,552,477. 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 \$1,187,939.

**Net Position**

Governmental activities increased the Town's net position by \$585,003. Business-type activities decreased the Town's net position by \$326,745.



**TOWN OF TONOPAH, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Governmental</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 104,439	\$ 124,704	\$ 1,019,634	\$ 1,071,116	\$ 1,124,073	\$ 1,195,820
Operating grant	77,198	-	-	-	77,198	-
Capital grant	77,977	3,581	-	-	77,977	3,581
General revenues:						
Ad valorem taxes	351,158	149,311	-	-	351,158	149,311
Room tax	589,331	532,570	-	-	589,331	532,570
Fuel taxes	39,009	8,686	-	-	39,009	8,686
Consolidated tax	556,804	371,087	-	-	556,804	371,087
Public safety tax	201,603	163,586	-	-	201,603	163,586
Investment income	(9,052)	5,592	(9,227)	5,640	(18,279)	11,232
Miscellaneous	7,096	425	296,362	311,056	303,458	311,481
Total revenues	<u>1,995,563</u>	<u>1,359,542</u>	<u>1,306,769</u>	<u>1,387,812</u>	<u>3,302,332</u>	<u>2,747,354</u>
<b>Expenses:</b>						
General government	355,075	283,571	-	-	355,075	283,571
Public safety	202,619	86,812	-	-	202,619	86,812
Public works	305,433	228,952	-	-	305,433	228,952
Culture and recreation	547,433	490,347	-	-	547,433	490,347
Intergovernmental	-	-	-	-	-	-
Utility operations	-	-	1,633,514	1,737,819	1,633,514	1,737,819
Total expenses	<u>1,410,560</u>	<u>1,089,682</u>	<u>1,633,514</u>	<u>1,737,819</u>	<u>3,044,074</u>	<u>2,827,501</u>
Change in net position	585,003	269,860	(326,745)	(350,007)	258,258	(80,147)
Net position - beginning	6,112,922	5,843,062	17,788,861	18,138,868	23,901,783	23,981,930
Prior period restatement	<u>(985,967)</u>	<u>-</u>	<u>(773,278)</u>	<u>-</u>	<u>(1,759,245)</u>	<u>-</u>
Net position - ending	<u>\$5,711,958</u>	<u>\$6,112,922</u>	<u>\$16,688,838</u>	<u>\$17,788,861</u>	<u>\$22,400,796</u>	<u>\$23,901,783</u>

Program revenues include operating and capital grants and charges for services including fines and forfeitures, certain licenses and permits, and water and sewer utility services.

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 charges for services related to the water and sewer utility.

**TOWN OF TONOPAH, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

---

**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 \$2,812,467. This is an increase over the prior year of \$161,172, or 6.08%. Fund balance components have been classified as nonspendable, 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 \$591,010, or 21.01%, 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 \$318,713 for capital projects, \$139,798 for public safety, and \$132,499 for culture and recreation.

**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 \$2,220,602, an increase of \$160,048, or 7.77%, from the prior year. The primary reason for the increase was an increase in revenues.

Revenues increased by \$498,358, or 44.24%. Tax revenues increased by \$250,708, or 40.65%, due to increases in both room taxes and ad valorem taxes. Intergovernmental revenues increased by \$273,886, or 66.61%, primarily due to consolidated taxes and grant revenues.

Expenditures increased by \$277,274, or 31.24%. General Government expenditures increased by \$140,724, or 59.32%, due to increases in salaries and wages, employee benefits, and services and supplies. Public works expenditures increased by \$88,159, or 40.58%, primarily due to increased services and supplies expenditures for the highways and streets.

**Public Safety Sales Tax Fire Fund:** The PSST Fire Fund had a fund balance at the end of the year of \$30,698, a decrease of \$124,717, or 80.25%, over the prior year. Intergovernmental revenues received from the public safety tax increased \$19,008, or 23.24%. Expenditures for the year were \$224,850 for a rescue vehicle resulting in an increase over the prior year of \$158,984, or 241.37%.

**Capital Projects Fund:** The Capital Projects Fund had a fund balance at the end of the year of \$237,778, an increase of \$158,409, or 199.59%, over the prior year. Revenues included a transfer from the General Fund of \$300,000, rescue runs of \$34, grant revenue of \$77,977, and a loss in investments of \$836. Expenditures for the year were \$218,766 for fencing, Visitor Center roofing, equipment, an audio visual system for the Convention Center, and playground and maintenance equipment for the parks.

**TOWN OF TONOPAH, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

---

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)**

**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 \$977,711. Total net position in the enterprise funds decreased \$326,745, not including the decrease of \$773,278 due to restating the net position.

**Tonopah Public Utility Water:** Operating revenues decreased by \$67,217, or 12.13%. Operating expenditures decreased by \$37,490, or 4.15%, primarily due to a decrease in administration and general operation costs. Nonoperating revenues/(expenses) were \$12,872, or 9.76%, less than the prior year mainly due to a decrease in water surcharges.

**Tonopah Public Utility Sewer:** Operating revenues increased by \$15,735, or 3.04%. Operating expenditures decreased by \$56,361, or 7.85%, from the prior year. This decrease is attributed mostly to decreased administration and general operation costs. Nonoperating revenues/(expenses) were \$6,235, or 9.26%, less than the prior year. This decrease results from a loss on investments.

**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 \$2,220,602 was \$1,187,641 higher than anticipated to begin the 2018-2019 year. This is reflected in the General Fund as unassigned fund balance.

**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 higher than budgeted by 90.62%, or \$772,442. Significant revenues in excess of budgeted amounts were \$286,627 in room taxes, \$276,804 in consolidated taxes, and \$190,853 in property taxes.

A review of actual expenditures compared to the appropriations in the final budget shows that expenditures were \$613,176 lower than budgeted, or 34.49%. Expenditures were under budget for all functions of the General Fund as follows: general government by \$283,890, public safety by \$47,878, public works by \$119,453, and culture and recreation by \$146,955.

**CAPITAL ASSETS**

At June 30, 2018, the Town's governmental type activities had \$4,546,182 (net) invested in land, land improvements, construction in progress, building and improvements, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of \$394,151 from the previous year.

At June 30, 2018, the Town's business-type activities had \$20,376,915 (net) invested in land, utility distributions systems, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of \$695,369 from the previous year.

Capital assets, net of related debt, reflect 87.77% 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, 2018**

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, 2017	Additions	Transfer	Deletions	Balance June 30, 2018
<b>Capital assets not being depreciated:</b>					
Land	\$ 2,215,563	\$ -	\$ -	\$ -	\$ 2,215,563
Construction in progress	574,838	23,652	(574,838)	-	23,652
<b>Total capital assets not being depreciated</b>	<u>2,790,401</u>	<u>23,652</u>	<u>(574,838)</u>	<u>-</u>	<u>2,239,215</u>
<b>Capital assets being depreciated:</b>					
Land Improvements	24,750	-	-	-	24,750
Building and improvements	1,422,581	161,335	574,838	-	2,158,754
Equipment	1,569,312	384,838	-	-	1,954,150
<b>Total capital assets being depreciated</b>	<u>3,016,643</u>	<u>546,173</u>	<u>574,838</u>	<u>-</u>	<u>4,137,654</u>
<b>Less accumulated depreciation for:</b>					
Land Improvements	619	619	-	-	1,238
Building and improvements	680,441	65,588	-	-	746,029
Equipment	973,953	109,467	-	-	1,083,420
<b>Total accumulated depreciation</b>	<u>1,655,013</u>	<u>175,674</u>	<u>-</u>	<u>-</u>	<u>1,830,687</u>
<b>Total capital assets being depreciated, net</b>	<u>1,361,630</u>	<u>370,499</u>	<u>574,838</u>	<u>-</u>	<u>2,306,967</u>
<b>Governmental activities assets, net</b>	<u>\$ 4,152,031</u>	<u>\$ 394,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,546,182</u>

Building and improvement additions were for the convention center and visitor center roof.

Equipment additions were for playground equipment, cameras, A/V system, fire rescue vehicle, and police equipment.

**Business-type Activities:**

	Balance June 30, 2017	Additions	Deletions	Deletions	Balance June 30, 2018
<b>Capital assets not being depreciated:</b>					
Land	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000
<b>Capital assets being depreciated:</b>					
Systems and equipment	33,153,041	41,630	-	-	33,194,671
<b>Less accumulated depreciation for:</b>					
Systems and equipment	12,135,757	736,999	-	-	12,872,756
<b>Total capital assets being depreciated, net</b>	<u>21,017,284</u>	<u>(695,369)</u>	<u>-</u>	<u>-</u>	<u>20,321,915</u>
<b>Business-type activities assets, net</b>	<u>\$21,072,284</u>	<u>\$ (695,369)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$20,376,915</u>

Capital additions included system improvements and a new vehicle.

**TOWN OF TONOPAH, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

---

**DEBT ADMINISTRATION**

**Changes in Long-term Debt:** During the year ended June 30, 2018, the following changes occurred in long-term debt:

**Governmental activities:**

	Balance June 30, 2017	Net Additions	Net Deletions	Balance June 30, 2018	Due within One Year
Compensated absences	\$ 19,587	\$ 2,817	\$ -	\$ 22,404	\$ 4,817
Net pension obligation	441,584	-	35,696	405,888	-
OPEB obligation payable (restated)	1,198,140	10,498	-	1,208,638	-
Total	<u>\$ 1,659,311</u>	<u>\$ 13,315</u>	<u>\$ 35,696</u>	<u>\$ 1,636,930</u>	<u>\$ 4,817</u>

**Business-type activities:**

	Balance June 30, 2017	Net Additions	Net Deletions	Balance June 30, 2018	Due within One Year
Compensated absences	\$ 37,692	\$ 14,755	\$ -	\$ 52,447	\$ 25,141
Net pension obligation	507,673	-	40,748	466,925	-
OPEB obligation payable (restated)	951,369	-	3,525	947,844	-
Bond payable	5,365,395	-	102,678	5,262,717	104,766
Total	<u>\$ 6,862,129</u>	<u>\$ 14,755</u>	<u>\$ 146,951</u>	<u>\$ 6,729,933</u>	<u>\$ 129,907</u>

The Town's debt decreased by \$22,381 for governmental activities during the current fiscal year. The decrease was mainly due to a decrease in net pension obligation.

The Town's debt decreased by \$132,196 for business-type activities during the current fiscal year. The decrease was mainly due to a decrease in net pension obligation and bonds payable.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Town approved the budget for the 2018-2019 year on May 23, 2018. The following factors were considered in the development of the budget.

- Assessed valuation for the Town decreased and tax rates remained unchanged. Therefore, property tax revenues will be lower.

**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  
140 S. Main Street  
PO Box 151  
Tonopah, Nevada 89049

**TOWN OF TONOPAH, NEVADA**  
**STATEMENT OF NET POSITION**  
**June 30, 2018**

	Governmental Activities 2018	Business-type Activities 2018	Total Primary Government 2018
<b><u>ASSETS:</u></b>			
Cash and cash equivalents	\$ 2,956,241	\$ 2,341,077	\$ 5,297,318
Interest receivable	4,475	4,408	8,883
Property taxes receivable	5,634	-	5,634
Room tax receivable	56,013	-	56,013
Due from other governments	154,009	-	154,009
Prepaid expense	855	-	855
Accounts receivable net of allowance for uncollectibles	-	129,272	129,272
Inventory	-	69,155	69,155
Restricted assets - cash	-	596,929	596,929
Capital assets (net of accumulated depreciation)	4,546,182	20,376,915	24,923,097
Total assets	7,723,409	23,517,756	31,241,165
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred charge on pension	80,215	82,398	162,613
Deferred charge on OPEB	18,890	22,033	40,923
Total deferred outflows of resources	99,105	104,431	203,536
<b><u>LIABILITIES:</u></b>			
Accounts payable	324,580	17,588	342,168
Accrued payroll and benefits	36,422	27,033	63,455
Accrued interest payable	-	3,652	3,652
Accrued compensated absences	4,817	25,141	29,958
Bonds payable	-	104,766	104,766
Payable from restricted assets			
Customer deposits	-	26,575	26,575
Noncurrent liabilities:			
OPEB obligation payable	1,208,638	947,844	2,156,482
Net pension obligation payable	405,888	466,925	872,813
Accrued compensated absences	17,587	27,306	44,893
Bonds payable	-	5,157,951	5,157,951
Total liabilities	1,997,932	6,804,781	8,802,713
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred charge on pension	112,624	128,568	241,192
<b><u>NET POSITION:</u></b>			
Invested in capital assets, net of related debt	4,546,182	15,114,198	19,660,380
Restricted for:			
Debt	-	121,525	121,525
Capital projects	318,713	475,404	794,117
Culture and recreation	132,499	-	132,499
Public safety	139,798	-	139,798
Unrestricted	574,766	977,711	1,552,477
Total net position	\$ 5,711,958	\$ 16,688,838	\$ 22,400,796

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, 2018**

Functions/Programs	Expenses	Program Revenues			Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-type	Total
		Services	Grants and	Grants and	Activities	Activities	
			Contributions	Contributions			
Primary governments:							
General government	\$ (355,075)	\$ 72,760	\$ 24,268	\$ -	\$ (258,047)	\$ -	\$ (258,047)
Public safety	(202,619)	40	-	-	(202,579)	-	(202,579)
Public works	(305,433)	-	-	-	(305,433)	-	(305,433)
Culture and recreation	(547,433)	31,639	52,930	77,977	(384,887)	-	(384,887)
Total governmental activities	(1,410,560)	104,439	77,198	77,977	(1,150,946)	-	(1,150,946)
Business-type activities:							
Water	(972,335)	486,748	-	-	-	(485,587)	(485,587)
Sewer	(661,179)	532,886	-	-	-	(128,293)	(128,293)
Total business-type activities	(1,633,514)	1,019,634	-	-	-	(613,880)	(613,880)
Total primary governments	<u>\$ (3,044,074)</u>	<u>\$ 1,124,073</u>	<u>\$ 77,198</u>	<u>\$ 77,977</u>	<u>(1,150,946)</u>	<u>(613,880)</u>	<u>(1,764,826)</u>
General Revenues:							
Ad valorem tax					351,158	-	351,158
Room tax					589,331	-	589,331
Fuel tax					39,009	-	39,009
Consolidated tax					556,804	-	556,804
Public safety tax					201,603	-	201,603
Capital projects fees					-	64,318	64,318
Surcharge					-	206,404	206,404
Investment income					(9,052)	(9,227)	(18,279)
Miscellaneous					7,096	25,640	32,736
Total general revenues					<u>1,735,949</u>	<u>287,135</u>	<u>2,023,084</u>
Change in net position					585,003	(326,745)	258,258
Net position - beginning of year restated					<u>5,126,955</u>	<u>17,015,583</u>	<u>22,142,538</u>
Net position - end of year					<u>\$ 5,711,958</u>	<u>\$ 16,688,838</u>	<u>\$ 22,400,796</u>

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

**TOWN OF TONOPAH, NEVADA**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**June 30, 2018**

	Major Funds			Other	Total
	General Fund	Public Safety Sales Tax Fire	Capital Projects	Governmental Funds	Governmental Funds
<b><u>ASSETS:</u></b>					
Pooled cash and investments	\$ 2,175,404	\$ 238,270	\$ 237,412	\$ 305,155	\$ 2,956,241
Interest receivable	3,316	368	366	425	4,475
Property taxes receivable	5,634	-	-	-	5,634
Room tax receivable	51,954	-	-	4,059	56,013
Due from other governments	105,452	16,910	-	31,647	154,009
Prepaid expense	-	-	-	855	855
	<u>-</u>	<u>-</u>	<u>-</u>	<u>855</u>	<u>855</u>
 Total assets	 <u>\$ 2,341,760</u>	 <u>\$ 255,548</u>	 <u>\$ 237,778</u>	 <u>\$ 342,141</u>	 <u>\$ 3,177,227</u>
 <b><u>LIABILITIES:</u></b>					
Accounts payable	\$ 84,601	\$ 224,850	\$ -	\$ 15,129	\$ 324,580
Accrued payroll	<u>32,799</u>	<u>-</u>	<u>-</u>	<u>3,623</u>	<u>36,422</u>
 Total liabilities	 <u>117,400</u>	 <u>224,850</u>	 <u>-</u>	 <u>18,752</u>	 <u>361,002</u>
 <b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>					
Unavailable revenue - property taxes	<u>3,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,758</u>
 <b><u>FUND BALANCE:</u></b>					
Nonspendable	-	-	-	855	855
Restricted for:					
Capital projects	-	-	237,778	80,935	318,713
Public safety	-	30,698	-	109,100	139,798
Culture and recreation	-	-	-	132,499	132,499
Assigned for subsequent year	1,032,961	-	-	-	1,032,961
Unassigned	<u>1,187,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187,641</u>
Total fund balance	<u>2,220,602</u>	<u>30,698</u>	<u>237,778</u>	<u>323,389</u>	<u>2,812,467</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 2,341,760</u>	 <u>\$ 255,548</u>	 <u>\$ 237,778</u>	 <u>\$ 342,141</u>	 <u>\$ 3,177,227</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, 2018**

---

---

---

<b>Total fund balance - governmental funds</b>	<b>\$ 2,812,467</b>
--	---------------------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets net of the related depreciation are not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the Statement of Net Position.	4,546,182
--	-----------

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	3,758
--	-------

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.	(22,404)
--	----------

The Town's other post-employment benefits liabilities as well as other post-employment benefits-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Net other post-employment benefits liability.	(1,208,638)
---	-------------

Deferred inflows from other post-employment benefits.	18,890
---	--------

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.	80,215
--	--------

Net pension liability	(405,888)
-----------------------	-----------

Deferred inflows from pension activity.	<u>(112,624)</u>
---	------------------

<b>Total net position - governmental activities</b>	<b>\$ <u>5,711,958</u></b>
---	----------------------------

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

**TOWN OF TONOPAH, NEVADA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2018**

	Major Funds			Other	Total
	General Fund	Public Safety Sales Tax Fire	Capital Projects	Governmental Funds	Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 867,480	\$ -	\$ -	\$ 42,704	\$ 910,184
Licenses and permits	20,741	-	-	-	20,741
Intergovernmental	685,061	100,801	-	147,120	932,982
Charges for services	31,645	-	34	-	31,679
Fines and forfeitures	19,039	-	-	-	19,039
Miscellaneous	<u>872</u>	<u>(668)</u>	<u>77,141</u>	<u>4,869</u>	<u>82,214</u>
 Total revenues	 <u>1,624,838</u>	 <u>100,133</u>	 <u>77,175</u>	 <u>194,693</u>	 <u>1,996,839</u>
<b>Expenditures:</b>					
Current:					
General government	377,948	-	-	-	377,948
Public safety	94,080	224,850	-	83,155	402,085
Public works	305,380	-	-	-	305,380
Culture and recreation	387,382	-	-	63,251	450,633
Capital projects	<u>-</u>	<u>-</u>	<u>218,766</u>	<u>80,855</u>	<u>299,621</u>
 Total expenditures	 <u>1,164,790</u>	 <u>224,850</u>	 <u>218,766</u>	 <u>227,261</u>	 <u>1,835,667</u>
 Excess (deficiency) of revenues over expenditures	 <u>460,048</u>	 <u>(124,717)</u>	 <u>(141,591)</u>	 <u>(32,568)</u>	 <u>161,172</u>
<b>Other financing sources (uses):</b>					
Operating transfers in	-	-	300,000	-	300,000
Operating transfers out	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>
Total other financing sources (uses)	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
 Net change in fund balance	 160,048	 (124,717)	 158,409	 (32,568)	 161,172
<b>Fund balance:</b>					
Beginning of year	<u>2,060,554</u>	<u>155,415</u>	<u>79,369</u>	<u>355,957</u>	<u>2,651,295</u>
 End of year	 <u>\$ 2,220,602</u>	 <u>\$ 30,698</u>	 <u>\$ 237,778</u>	 <u>\$ 323,389</u>	 <u>\$ 2,812,467</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, 2018**

---

---

---

<b>Net change in fund balance - governmental funds</b>	<b>\$ 161,172</b>
--	-------------------

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. 394,151

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. (1,276)

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. (2,817)

Net differences between other post-employment benefits contributions recognized in the fund statement of revenues, expenditures, and changes in fund balances and the statement of activities: 8,392

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures, and changes in fund balances and the Statement of Activities.

Pension contributions made after measurement date (2018 contributions). 44,282

Net pension expense. (18,901)

<b>Change in net position of governmental activities</b>	<b><u>\$ 585,003</u></b>
--	--------------------------

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, 2018**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 130,000	\$ 130,000	\$ 320,853	\$ 190,853
Room taxes	260,000	260,000	546,627	286,627
Total taxes	390,000	390,000	867,480	477,480
 <b>Licenses and permits:</b>	16,500	16,500	20,741	4,241
 <b>Intergovernmental:</b>				
County liquor license	1,800	1,800	3,640	1,840
County gaming license	16,000	16,000	29,340	13,340
Consolidated tax	280,000	280,000	556,804	276,804
Gas tax \$1.75	64,046	64,046	39,009	(25,037)
Grants	32,000	32,000	56,268	24,268
Total intergovernmental	393,846	393,846	685,061	291,215
 <b>Charges for services:</b>				
Rescue runs	200	200	6	(194)
Swimming pool fees	6,000	6,000	4,416	(1,584)
Convention Center rental	10,000	10,000	12,760	2,760
Sports complex fees	2,400	2,400	2,400	-
Mining park entrance	5,000	5,000	10,943	5,943
Fairgrounds rental	450	450	1,120	670
Total charges for services	24,050	24,050	31,645	7,595
 <b>Fines and forfeitures:</b>	20,000	20,000	19,039	(961)
 <b>Miscellaneous:</b>				
Investment income	6,000	6,000	(6,224)	(12,224)
Insurance settlement	-	-	6,070	6,070
Other	2,000	2,000	1,026	(974)
Total miscellaneous	8,000	8,000	872	(7,128)
 Total revenues	852,396	852,396	1,624,838	772,442

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, 2018**

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Expenditures:</b>				
<b>General government:</b>				
Salaries and wages	\$ 250,952	\$ 250,952	\$ 108,609	\$ 142,343
Employee benefits	191,836	191,836	73,724	118,112
Services and supplies	219,050	219,050	171,963	47,087
Capital outlay	-	-	23,652	(23,652)
Total general government	<u>661,838</u>	<u>661,838</u>	<u>377,948</u>	<u>283,890</u>
<b>Public safety:</b>				
<b>Fire:</b>				
Salaries and wages	15,000	15,000	-	15,000
Employee benefits	20,058	20,058	10,048	10,010
Services and supplies	<u>106,900</u>	<u>106,900</u>	<u>84,032</u>	<u>22,868</u>
Total public safety	<u>141,958</u>	<u>141,958</u>	<u>94,080</u>	<u>47,878</u>
<b>Public works:</b>				
<b>Highways and streets:</b>				
Salaries and wages	94,068	94,068	90,033	4,035
Employee benefits	73,019	73,019	56,383	16,636
Services and supplies	<u>257,746</u>	<u>257,746</u>	<u>158,964</u>	<u>98,782</u>
Total public works	<u>424,833</u>	<u>424,833</u>	<u>305,380</u>	<u>119,453</u>
<b>Culture and recreation:</b>				
<b>Parks:</b>				
Services and supplies	<u>54,500</u>	<u>54,500</u>	<u>16,428</u>	<u>38,072</u>
<b>Mining parks:</b>				
Salaries and wages	68,230	68,230	59,788	8,442
Employee benefits	39,300	39,300	31,620	7,680
Services and supplies	<u>41,600</u>	<u>41,600</u>	<u>30,281</u>	<u>11,319</u>
Total mining parks	<u>149,130</u>	<u>149,130</u>	<u>121,689</u>	<u>27,441</u>
<b>Swimming pool:</b>				
Salaries and wages	28,000	28,000	17,143	10,857
Employee benefits	6,558	6,558	2,295	4,263
Services and supplies	<u>29,600</u>	<u>29,600</u>	<u>18,758</u>	<u>10,842</u>
Total swimming pool	<u>64,158</u>	<u>64,158</u>	<u>38,196</u>	<u>25,962</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, 2018**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Culture and recreation (continued):</b>				
Services and supplies	\$ 6,800	\$ 6,800	\$ 2,986	\$ 3,814
<b>Ball fields:</b>				
Services and supplies	42,500	42,500	38,211	4,289
<b>Convention center:</b>				
Salaries and wages	73,187	73,187	61,482	11,705
Employee benefits	42,362	42,362	35,343	7,019
Services and supplies	101,700	101,700	73,047	28,653
Total convention center	217,249	217,249	169,872	47,377
Total culture and recreation	534,337	534,337	387,382	146,955
<b>Contingency</b>	15,000	15,000	-	15,000
Total expenditures	1,777,966	1,777,966	1,164,790	613,176
Excess (deficiency) of revenues over expenditures	(925,570)	(925,570)	460,048	1,385,618
<b>Other financing sources (uses):</b>				
Operating transfers out	(300,000)	(300,000)	(300,000)	-
Net change in fund balance	(1,225,570)	(1,225,570)	160,048	1,385,618
<b>Fund balance:</b>				
Beginning of year	1,303,354	1,303,354	2,060,554	757,200
End of year	\$ 77,784	\$ 77,784	\$ 2,220,602	\$ 2,142,818

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

**TOWN OF TONOPAH, NEVADA**  
**MAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2018**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Public safety tax	\$ 72,000	\$ 72,000	\$ 100,801	\$ 28,801
<b>Miscellaneous:</b>				
Investment income	<u>-</u>	<u>-</u>	<u>(668)</u>	<u>(668)</u>
Total revenues	72,000	72,000	100,133	28,133
<b>Expenditures:</b>				
<b>Public safety:</b>				
Capital outlay	<u>233,179</u>	<u>233,179</u>	<u>224,850</u>	<u>8,329</u>
Excess (deficiency) of revenues over expenditures	(161,179)	(161,179)	(124,717)	36,462
<b>Fund balance:</b>				
Beginning of year	<u>161,179</u>	<u>161,179</u>	<u>155,415</u>	<u>(5,764)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,698</u>	<u>\$ 30,698</u>

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, 2018**

	<b>MAJOR FUNDS</b>		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<b><u>ASSETS:</u></b>			
Current assets:			
Pooled cash and investments	\$ 1,249,257	\$ 1,091,820	\$ 2,341,077
Interest receivable	2,797	1,611	4,408
Accounts receivable, net of allowance for doubtful accounts	61,696	67,576	129,272
Inventory	62,305	6,850	69,155
Restricted assets - cash	580,857	16,072	596,929
Total current assets	1,956,912	1,183,929	3,140,841
Property, plant and equipment, net of accumulated depreciation	14,369,444	6,007,471	20,376,915
Total assets	16,326,356	7,191,400	23,517,756
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred charge on pension	36,628	45,770	82,398
Deferred charge on OPEB	2,777	19,256	22,033
Total deferred outflows of resources	39,405	65,026	104,431
<b><u>LIABILITIES:</u></b>			
Current liabilities, payable from unrestricted assets:			
Accounts payable	13,489	4,099	17,588
Accrued payroll	11,738	15,295	27,033
Accrued interest payable	3,652	-	3,652
Accrued compensated absences	12,603	12,538	25,141
Current portion of bonds payable	104,766	-	104,766
Total current liabilities-unrestricted	146,248	31,932	178,180
Current liabilities, payable from restricted assets:			
Customer deposits	26,575	-	26,575
Total current liabilities	172,823	31,932	204,755
Non-current liabilities			
OPEB obligation payable	32,457	915,387	947,844
Net pension obligation payable	250,714	216,211	466,925
Accrued compensated absences	13,653	13,653	27,306
Bonds payable	5,157,951	-	5,157,951
Total non-current liabilities	5,454,775	1,145,251	6,600,026
Total liabilities	5,627,598	1,177,183	6,804,781
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred charge on pension	57,423	71,145	128,568
<b><u>NET POSITION:</u></b>			
Invested in capital assets, net of related debt	9,106,727	6,007,471	15,114,198
Restricted for debt	121,525	-	121,525
Restricted for capital projects	459,332	16,072	475,404
Unrestricted	993,156	(15,445)	977,711
Total net position	\$ 10,680,740	\$ 6,008,098	\$ 16,688,838

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, 2018**

	<b>MAJOR FUNDS</b>		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<b>Operating revenues:</b>			
<b>Charges for services:</b>			
Water fees	\$ 486,748	\$ -	\$ 486,748
Sewer fees	-	532,886	532,886
Total operating revenues	<u>486,748</u>	<u>532,886</u>	<u>1,019,634</u>
<b>Operating expenses:</b>			
<b>Water Department:</b>			
Administration	82,235	-	82,235
General operations	212,714	-	212,714
Water operations	102,352	-	102,352
Depreciation	<u>467,974</u>	<u>-</u>	<u>467,974</u>
Total water department	<u>865,275</u>	<u>-</u>	<u>865,275</u>
<b>Sewer Department:</b>			
Administration	-	162,274	162,274
General operations	-	201,043	201,043
Sewer operations	-	28,837	28,837
Depreciation	<u>-</u>	<u>269,025</u>	<u>269,025</u>
Total sewer department	<u>-</u>	<u>661,179</u>	<u>661,179</u>
Total operating expenses	<u>865,275</u>	<u>661,179</u>	<u>1,526,454</u>
Operating (loss)	<u>(378,527)</u>	<u>(128,293)</u>	<u>(506,820)</u>
<b>Nonoperating revenue (expense):</b>			
Investment income	(6,014)	(3,213)	(9,227)
Miscellaneous	25,640	-	25,640
Interest expense	(107,060)	-	(107,060)
Capital projects fees	-	64,318	64,318
Surcharge	<u>206,404</u>	<u>-</u>	<u>206,404</u>
Total nonoperating revenue	<u>118,970</u>	<u>61,105</u>	<u>180,075</u>
Net income (loss)	<u>(259,557)</u>	<u>(67,188)</u>	<u>(326,745)</u>
<b>Net Position:</b>			
Beginning of year	10,892,253	6,896,608	17,788,861
Restatement - GASB 68	<u>48,044</u>	<u>(821,322)</u>	<u>(773,278)</u>
Beginning of year as restated	<u>10,940,297</u>	<u>6,075,286</u>	<u>17,015,583</u>
End of year	<u>\$ 10,680,740</u>	<u>\$ 6,008,098</u>	<u>\$ 16,688,838</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, 2018**

	<b>MAJOR FUNDS</b>		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 489,821	\$ 516,832	\$ 1,006,653
Cash paid for salaries, wages, and employee benefits	(217,113)	(297,268)	(514,381)
Cash paid for services and supplies	(197,281)	(101,171)	(298,452)
Net cash provided by operating activities	75,427	118,393	193,820
<b>Cash flows from noncapital financing activities:</b>			
Miscellaneous revenue	25,640	-	25,640
Capital projects fees	-	64,318	64,318
Surcharges	206,404	-	206,404
Net cash provided by noncapital financing activities	232,044	64,318	296,362
<b>Cash flows from capital and related financing activities:</b>			
Purchase of capital assets	(41,630)	-	(41,630)
Principal paid	(102,678)	-	(102,678)
Interest paid	(110,742)	-	(110,742)
Net cash (used) by capital and related financing activities	(255,050)	-	(255,050)
<b>Cash flows from investing activities:</b>			
Investment income	(6,237)	(3,596)	(9,833)
Net increase in cash	46,184	179,115	225,299
<b>Cash:</b>			
Beginning of year	1,783,930	928,777	2,712,707
End of year	\$ 1,830,114	\$ 1,107,892	\$ 2,938,006
<b>Reconciliation of operating (loss) to net cash provided by operating activities:</b>			
Operating (loss)	\$ (378,527)	\$ (128,293)	\$ (506,820)
<b>Adjustments to reconcile operating (loss) to net cash provided by operating activities:</b>			
Depreciation	467,974	269,025	736,999
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	3,223	(16,054)	(12,831)
(Increase) decrease in prepaid expenses	-	4,467	4,467
(Increase) decrease in inventory	(2,872)	262	(2,610)
(Increase) decrease in deferred outflows	24,876	14,616	39,492
Increase (decrease) in accounts payable	(1,958)	662	(1,296)
Increase (decrease) in accrued payroll	2,673	3,992	6,665
Increase (decrease) in customer deposits	(150)	-	(150)
Increase (decrease) in accrued compensated absences	7,410	7,345	14,755
Increase (decrease) in net pension liability	52,052	(50,064)	1,988
Increase (decrease) in deferred inflows	4,086	5,062	9,148
Increase (decrease) in opeb obligations payable	(103,360)	7,373	(95,987)
Total adjustments	453,954	246,686	700,640
<b>Net cash provided by operating activities</b>	<b>\$ 75,427</b>	<b>\$ 118,393</b>	<b>\$ 193,820</b>

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, 2018**

---

---

Post Retirement  
Benefits Fund  
Agency  
Fund

---

**Assets**

Pooled cash and investments	\$ 192,541
Interest receivable	<u>297</u>
Total assets	<u><u>\$ 192,838</u></u>

**Liabilities**

Amount held for others	<u><u>\$ 192,838</u></u>
------------------------	--------------------------

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

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**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 BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**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.

**Public Safety Sales Tax Fire Fund** – The Public Safety Sales Tax Sheriff Fund is used to account for public safety sales tax collected for public safety fire expenses.

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

Additionally the Town reports the following fund types:

**Proprietary Funds**

**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 BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**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 BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**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) A public hearing must be held by the Board of Trustees no sooner than the third Monday in May and no later than the last day in May. Notice of the public hearing must be published in the local newspaper not more than 14 nor less than 7 days before the hearing.
  - 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 of any fund that receives ad valorem tax 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. If it is desired to augment a fund that does not receive ad valorem tax or an enterprise or internal service fund, the Board may do so by adopting a resolution by majority vote authorizing the augmentation.
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 BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**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 BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**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 BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**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 net 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 net 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. Changes of assumptions are related to the deferred inflows of other post-employment benefits and the calculation of the total other post-employment benefits 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. Other Post-Employment Benefits**

For purposes of measuring the total other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**i. 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.

**j. Accrued Salaries and Benefits**

Town salaries earned but not paid by June 30, 2018, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2018.

**k. 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.

**l. 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.

**m. 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.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**m. Governmental Fund Balances (Continued)**

- (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.
- (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.

**n. 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.

**o. 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. Currently, the Town restricts assets as follow:
  - a) NRS 354.59815 Special Ad Valorem Capital Projects
  - b) NRS 354.6113 Capital Projects Fund
  - c) NRS 365.190 Road Improvements
  - d) Special Acts - NRS 545 - Public Safety Tax for Sheriff and Fire
- (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.

**p. 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.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**q. 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.

**r. 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.

**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 a 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:

Compensated absences	<u>\$ ( 22,404)</u>
----------------------	---------------------

**2. Explanation of certain differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

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

Capital outlay	\$ 569,825
Depreciation expense	<u>(175,674)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 394,151</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	<u>\$ ( 2,817)</u>
----------------------	--------------------

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**1. Compliance and Accountability**

The Town is required to report expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue Funds, and Capital Project Funds. Enterprise funds may not exceed budget appropriations at the fund level. For the year ending June 30, 2018, there were no exceeded budget appropriations.

**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, 2018, 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	\$ 16,395	\$ 106,737	\$ 0	\$ 123,132
Carrying amount of deposits with Treasurer	<u>2,939,846</u>	<u>2,831,269</u>	<u>192,541</u>	<u>5,963,656</u>
Total	<u>\$ 2,956,241</u>	<u>\$ 2,938,006</u>	<u>\$192,541</u>	<u>\$ 6,086,788</u>
Cash and cash equivalents	\$ 2,956,241	\$ 2,341,077	\$192,541	\$ 5,489,859
Restricted assets – cash	<u>0</u>	<u>596,929</u>	<u>0</u>	<u>596,929</u>
Total	<u>\$ 2,956,241</u>	<u>\$ 2,938,006</u>	<u>\$192,541</u>	<u>\$ 6,086,788</u>

Except for financial reporting purposes, the cash balance of \$192,541 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.

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, 2018.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

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

**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 1.82 years. As of June 30, 2018, Town investments held in the Nye County Treasurer's cash and investment pool are categorized as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	> 10
U.S. Agencies	29.87%	7.53%	92.27%	0.20%	0.00%
Money Market Mutual Funds	19.94%	100.00%	0.00%	0.00%	0.00%
Negotiable Certificates of Deposit	48.95%	12.60%	87.40%	0.00%	0.00%
NV Local Government Investment Pool	0.86%	100.00%	0.00%	0.00%	0.00%
Asset Backed Securities	0.38%	70.51%	29.49%	0.00%	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 Nye County Treasurer investment pool includes instruments which have been authorized by Nevada Revised Statutes. (See Note A7a) At June 30, 2018, the Nye County Treasurer's investment pool ratings were as follows:

Investment Type	Quality Ratings by Moody's							
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	N/A
U.S. Agencies	100%	0%	0%	0%	0%	0%	0%	0%
Money Market Mutual Funds	0%	0%	0%	0%	0%	0%	0%	100%
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%
Asset Backed Securities	0%	0%	0%	0%	0%	0%	0%	100% *

\* Securities rated AAA by Standard & Poor's

**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.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

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

**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, 2018, are as follows:

Federal Farm Credit Bank	11.83%
Fannie Mae	6.66%
Federal Home Loan Bank	5.80%

The Town implemented GASB Statement No. 72, Fair Value Measurement and Application, in 2016 to categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2018:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>N/A</b>
U.S. Agencies	29.87%	100.00%	0.00%	0.00%	0.00%
Money Market Mutual Funds	19.94%	0.00%	0.00%	0.00%	100.00%
Negotiable Certificates of Deposit	48.95%	0.00%	0.00%	0.00%	100.00%
NV Local Government Investment Pool	0.86%	27.52%	72.48%	0.00%	0.00%
Asset Backed Securities	0.38%	0.00%	100.00%	0.00%	0.00%
	<u>100.00%</u>				

**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:

	<b>General</b>	<b>Capital Projects</b>	<b>Public Safety Fire</b>	<b>Other Governmental</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
Interest	\$ 3,316	\$ 366	\$ 368	\$ 425	\$ 2,797	\$ 1,611	\$ 8,883
Property Taxes	5,634	-	-	-	-	-	5,634
Room taxes	51,954	-	-	4,059	-	-	56,013
Due from other governments:							
Consolidated taxes	92,849	-	-	-	-	-	92,849
Fuel taxes	6,769	-	-	-	-	-	6,769
Grant	5,834	-	-	-	-	-	5,834
Public safety sales tax	-	-	16,910	31,647	-	-	48,557
Accounts receivable, net of allowance for uncollectible	-	-	-	-	61,696	67,576	129,272
Total receivables	<u>\$ 166,356</u>	<u>\$ 366</u>	<u>\$ 17,278</u>	<u>\$ 36,131</u>	<u>\$ 64,493</u>	<u>\$ 69,187</u>	<u>\$ 353,811</u>



**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**3. Capital Assets**

Capital assets activity for the year ended June 30, 2018, was as follows:

**Governmental Activities:**

	Balance June 30, 2017	Additions	Transfer	Deletions	Balance June 30, 2018
<b>Capital assets not being depreciated:</b>					
Land	\$ 2,215,563	\$ -	\$ -	\$ -	\$ 2,215,563
Construction in progress	574,838	23,652	(574,838)	-	23,652
<b>Total capital assets not being depreciated</b>	<u>2,790,401</u>	<u>23,652</u>	<u>(574,838)</u>	<u>-</u>	<u>2,239,215</u>
<b>Capital assets being depreciated:</b>					
Land Improvements	24,750	-	-	-	24,750
Building and improvements	1,422,581	161,335	574,838	-	2,158,754
Equipment	1,569,312	384,838	-	-	1,954,150
<b>Total capital assets being depreciated</b>	<u>3,016,643</u>	<u>546,173</u>	<u>574,838</u>	<u>-</u>	<u>4,137,654</u>
<b>Less accumulated depreciation for:</b>					
Land Improvements	619	619	-	-	1,238
Building and improvements	680,441	65,588	-	-	746,029
Equipment	973,953	109,467	-	-	1,083,420
<b>Total accumulated depreciation</b>	<u>1,655,013</u>	<u>175,674</u>	<u>-</u>	<u>-</u>	<u>1,830,687</u>
<b>Total capital assets being depreciated, net</b>	<u>1,361,630</u>	<u>370,499</u>	<u>574,838</u>	<u>-</u>	<u>2,306,967</u>
<b>Governmental activities assets, net</b>	<u>\$ 4,152,031</u>	<u>\$ 394,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,546,182</u>

Building and improvement additions were for the convention center and visitor center roof.

Equipment additions were for playground equipment, cameras, A/V system, fire rescue vehicle, and police equipment.

**Business-type Activities:**

	Balance June 30, 2017	Additions	Deletions	Deletions	Balance June 30, 2018
<b>Capital assets not being depreciated:</b>					
Land	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000
<b>Capital assets being depreciated:</b>					
Systems and equipment	33,153,041	41,630	-	-	33,194,671
<b>Less accumulated depreciation for:</b>					
Systems and equipment	12,135,757	736,999	-	-	12,872,756
<b>Total capital assets being depreciated, net</b>	<u>21,017,284</u>	<u>(695,369)</u>	<u>-</u>	<u>-</u>	<u>20,321,915</u>
<b>Business-type activities assets, net</b>	<u>\$ 21,072,284</u>	<u>\$ (695,369)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,376,915</u>

Capital additions included system improvements and a new vehicle.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**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	\$ 11,295
Public safety	49,684
Public works	53
Culture and recreation	<u>114,642</u>
	<u>\$ 175,674</u>

**Business activities:**

Water	\$ 467,974
Sewer	<u>269,025</u>
	<u>\$ 736,999</u>

**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 \$3,758 as of June 30, 2018.

**5. Restricted Assets Accounts**

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

21515 Cash – Water customer deposits	\$ 14,614
21517 Cash – Water short lived assets	45,780
21551 Cash – Water arsenic debt service	3,108
21555 Cash – Water capital replacement	398,938
21561 Cash – Water arsenic debt reserve	73,693
21554 Cash – Water revenue bond debt service	20,014
21564 Cash – Water revenue bond debt reserve	<u>24,710</u>
Total restricted assets	<u>\$ 580,857</u>
21543 Cash – Sewer short lived assets	<u>\$ 16,072</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**6. Long-term Debt**

**a. Revenue Bonds Payable - Business-Type Activities**

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, 2018, was \$3,509,928. 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, 2018 is \$73,080. The balance in the reserve at June 30, 2018, was \$73,693. 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, 2018, was \$42,937. The balance in the reserve at June 30, 2018, was \$45,780. A water projects capital replacement reserve is also to be funded \$56,000 annually. The required reserve as of June 30, 2018, was \$293,500. The balance in the water replacement reserve at June 30, 2018, was \$398,938.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 74,071	\$ 65,177
2020	75,472	63,776
2021	76,900	62,348
2022	78,354	60,894
2023	79,836	59,412
2023-2027	422,405	273,835
2028-2032	463,888	232,352
2033-2037	509,444	186,796
2038-2042	559,473	136,767
2043-2047	614,416	81,824
2048-2052	<u>555,669</u>	<u>22,339</u>
	<u>\$ 3,509,928</u>	<u>\$1,245,520</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, 2018, was \$1,752,789. 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, 2018, is \$30,900. The balance in the reserve at June 30, 2018, was \$44,724.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 30,695	\$ 43,477
2020	31,472	42,700
2021	32,268	41,904
2022	33,084	41,088
2023	33,920	40,252
2022-2026	182,910	187,950
2027-2031	207,238	163,622
2032-2036	234,801	136,059
2037-2041	266,029	104,831
2042-2046	301,411	69,449
2047-2051	341,499	29,361
2052-2053	<u>57,462</u>	<u>633</u>
	<u>\$ 1,752,789</u>	<u>\$ 901,326</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**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, 2018, the following changes occurred:

**Governmental activities:**

	Balance <u>June 30, 2017</u>	Net <u>Additions</u>	Net <u>Deletions</u>	Balance <u>June 30, 2018</u>	Due within <u>One Year</u>
Compensated absences	\$ 19,587	\$ 2,817	\$ -	\$ 22,404	\$ 4,817
Net pension obligation	441,584	-	35,696	405,888	-
OPEB obligation payable (restated)	1,198,140	10,498	-	1,208,638	-
Total	<u>\$ 1,659,311</u>	<u>\$ 13,315</u>	<u>\$ 35,696</u>	<u>\$ 1,636,930</u>	<u>\$ 4,817</u>

**Business-type activities:**

	Balance <u>June 30, 2017</u>	Net <u>Additions</u>	Net <u>Deletions</u>	Balance <u>June 30, 2018</u>	Due within <u>One Year</u>
Compensated absences	\$ 37,692	\$ 14,755	\$ -	\$ 52,447	\$ 25,141
Net pension obligation	507,673	-	40,748	466,925	-
OPEB obligation payable (restated)	951,369	-	3,525	947,844	-
Bond payable	5,365,395	-	102,678	5,262,717	104,766
Total	<u>\$ 6,862,129</u>	<u>\$ 14,755</u>	<u>\$ 146,951</u>	<u>\$ 6,729,933</u>	<u>\$ 129,907</u>

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

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**7. 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.

**8. 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, 2018.

**9. 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](http://www.nvpers.org) under Quick Links — Publications.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**9. 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. Vested members are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member's years of service to a maximum of 30 years. The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows:

**Eligibility for Regular Members:**

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 12/31/09-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	60	2.50%	60	2.67%	62	2.50%	62	2.25%
30 years	Any	2.50%	Any	2.67%	Any	2.50%	55	2.25%
33 1/3 years							Any	2.25%

**Eligibility for Police and Fire Members:**

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 12/31/09-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	66	2.50%	66	2.67%	65	2.50%	65	2.50%
10 years	55	2.50%	55	2.67%	60	2.50%	60	2.50%
20 years	50	2.50%	50	2.67%	50	2.50%	50	2.50%
25 years	Any	2.50%	Any	2.67%				
30 years					Any	2.50%		

\* Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. 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.

The normal ceiling limitation on monthly benefits 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, 2018, was 28.00% for regular members and 40.50% for police and firemen. The Town has fully funded the amounts due for the year ending June 30, 2018. For purposes of GASB No. 82, the Town recognized only the employer portion as a deferred outflow.

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.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**9. Defined Benefit Pension Plan (Continued)**

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

At June 30, 2018, the Town reported a liability of \$872,813 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017. At June 30, 2017, the Town's proportion was .00656 percent.

For the year ended June 30, 2018, the Town recognized pension expense of \$40,478. At June 30, 2018, 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	\$ 69,332
Net difference between projected and actual earnings on pension plan investments	6,860	0
Changes in proportion and differences between Town contributions and proportionate share of contributions	0	171,860
Changes of assumptions	70,093	
Town Contributions subsequent to measurement date	85,660	0
Total	<u>\$ 162,613</u>	<u>\$ 241,192</u>

The Town reported \$85,660 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:	
2019	\$ 58,443
2020	12,148
2021	28,669
2022	52,129
2023	12,063
2024	787
	<u>\$ 164,239</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**9. Defined Benefit Pension Plan (Continued)**

**Actuarial Assumptions:** The System's net pension liability was measured as of June 30, 2017, 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	2.75%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	7.50%
Productivity pay increase	0.50%
Projected Salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%

Changes of assumptions and other inputs reflect a change in the discount rate from 8.00% as of June 30, 2016, to 7.50% as of June 30, 2017.

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, 2017, valuation were based on the results of the experience review completed in 2017. 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, 2017:**

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

\*As of June 30, 2017, PERS' long-term inflation assumption was 2.75%

**Discount Rate.** The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. 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, 2017, 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, 2017.



**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**9. Defined Benefit Pension Plan (Continued)**

**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 7.50 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.

	<b>1.0% Decrease (6.5%)</b>	<b>Discount Rate (7.5%)</b>	<b>1.0% Increase (8.5%)</b>
Town's proportionate share of the net pension liability	\$ 1,319,438	\$ 872,813	\$ 501,870

**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, 2018, the Town reported payables to the defined benefit pension plan of \$19,549 for legally required employer contributions which had not yet been remitted to PERS.

**10. 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.

Employees covered by benefit terms. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>4</u>
	<u>11</u>

**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 2018, the Town contributed \$101,596 to the plan. Employees hired before January 9, 2015, 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, 2015, who vest in PERS by or through their employment with the Town, and who have worked not less than twenty (20) continuous years for the Town, and who, when they leave Town employment collect PERS retirement, will have fifty percent (50%) of their post-retirement health insurance premiums paid by the Town. Employees who retire from the Town who do not meet these qualifications may choose to participate in the plan and would be required to fully pay their costs of health insurance coverage.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

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

**Important Dates used in the Valuation:**

Valuation Date:	July 1, 2018
Measurement Date:	June 30, 2018
Measurement Period:	June 30, 2017 to June 30, 2018
Fiscal Year End:	June 30, 2018

**Significant Results and Differences from the Prior Valuation:**

This is the first report reflecting the requirements of Governmental Accounting Standards Board Statement No. 75. The assumptions used to develop the information in this report are similar to those used for the June 30, 2016, valuation. The only difference is the discount rate applied to develop the liability at the beginning of the measurement period, as required by Governmental Accounting Standards Board Statement No. 75. The beginning of the period liability is based on the July 1, 2018, valuation, actuarially rolled-back to June 30, 2017, on a “no gain/loss” basis.

**Net Other Post-Employment Benefits (OPEB) Liability**

The Town’s net OPEB liability of \$2,156,482 was measured as of June 30, 2018, and determined by actuarial valuation as of July 1, 2018.

Tonopah Town has elected to calculate the net OPEB liability and related information using the alternative measurement method permitted by Governmental Accounting Standards Board Statement No. 75 for employers in plans with fewer than one hundred total plan members.

*Actuarial Assumptions and Other Inputs:* The net OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

	<u>Tonopah Town</u>
Inflation rate	3.50%
Salary Increase	Varies from 22.0% to 6.9%
Discount Rate	
Prior Measurement Date	3.13%
Measurement Date	2.98 %
Healthcare Cost Trend Rates	6.00% for 2019 decreasing to an ultimate rate of 5.00% by 2023
Mortality Rates	Social security administration’s actuarial life tables.
Retirees’ share of benefit-related costs	0%-50% depending on total costs exceeding \$4,000.

Actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period of June 30, 2017, to June 30, 2018.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

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

The discount rate was based on the S&P Municipal Bond 20 year high grade index. The discount rate used to measure the total OPEB liability was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Service cost	\$ 0	\$ 0	\$ 0
Interest	67,280	0	67,280
Changes in assumptions or other inputs	40,923	0	40,923
Contributions – employer	0	101,596	(101,596)
Net investment income	0	( 366)	366
Benefit payments	( 56,596)	( 56,596)	0
Net changes	<u>51,607</u>	<u>44,634</u>	<u>6,973</u>
Net OPEB obligation - beginning of the year	483,551	148,204	335,347
Restated for GASB 75	<u>1,814,162</u>	<u>0</u>	<u>1,814,162</u>
Net OPEB obligation - beginning of the year	<u>2,297,713</u>	<u>148,204</u>	<u>2,149,509</u>
Net OPEB obligation - end of year	<u>\$ 2,349,320</u>	<u>\$ 192,838</u>	<u>\$ 2,156,482</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% as of June 30, 2017, to 2.98% as of June 30, 2018.

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

	<b>1.0% Decrease (1.98%)</b>	<b>Discount Rate (2.98%)</b>	<b>1.0% Increase (3.98%)</b>
Net OPEB liability (asset)	\$ 2,473,312	\$ 2,156,482	\$ 1,888,903

**Sensitivity of the Town's net OPEB liability to changes in the healthcare cost trend rates.** The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent higher or lower than the current healthcare cost trend rates:

	<b>1.0% Decrease</b>	<b>Discount Rate</b>	<b>1.0% Increase</b>
Net OPEB liability (asset)	\$ 1,881,634	\$ 2,156,482	\$ 2,475,855

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

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

**OPEB Expense and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the Town recognized OPEB changes which increased the net position by \$33,951. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to net OPEB liabilities from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 0	\$ 0
Changes of assumptions or other inputs	40,923	0
Town Contributions subsequent to measurement date	0	0
Total	<u>\$ 40,923</u>	<u>\$ 0</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2019	\$( 5,523)
2020	( 5,523)
2021	( 5,523)
2022	( 5,523)
2023	( 5,523)
Thereafter	<u>( 13,308)</u>
	<u><u>\$(40,923)</u></u>

**11. TAX ABATEMENT**

For the year ended June 30, 2018, the amount of tax abatements are \$393,058. The tax revenues abated were property tax revenues under agreements with the State of Nevada.

**12. CHANGE IN ACCOUNTING PRINCIPLE**

Effective July 1, 2017, the Town adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Governmental Accounting Standards Board Statement No.75 addresses accounting and financial reporting for other postemployment benefits provided to the Town's employees through the Tonopah Town Employee Health Benefits Plan. The statement also requires various note disclosures and required supplementary information. The effect of the implementation of this standard on beginning net position is disclosed in Note D-14.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)**

**13. CORRECTION OF ERRORS**

Governmental Accounting Standards Board (GASB) Statement No. 82, *Pension Issues – An Amendment of GASB No. 67, No. 68, and No. 73*, was effective for periods beginning after June 15, 2016. GASB No. 82 addresses some issues raised with previous GASB statements including No. 68. More specifically, GASB No. 82 addressed the following issues: (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Certain errors occurred in the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An Amendment of GASB No. 67, No. 68, and No. 73* resulting in the overstatement of amounts previously reported for deferred outflows of resources, net pension liability-related amounts for the year ended June 30, 2017. Corrections of the amounts for deferred outflows of resources have resulted in a restatement of net position as of July 1, 2017.

Because PERS is a state-wide multi-employer plan that covers substantially all employees of the State, its agencies, and its political subdivisions, including the employees of the Town, it is the responsibility of the State Controller's office to perform the GASB calculations according to the applicable pension related statements and disseminate that information to the applicable agencies and political subdivisions for inclusion in their audited financial statements. The eventual dissemination of the GASB No. 82 information occurred after most of the State's political subdivisions had already issued and filed their audited financial statements.

The Town did not receive the GASB No. 82 information in time to include it in its fiscal year 2017 audited financial statements; accordingly the Town implemented GASB No. 82 in fiscal year 2018. The effect of the implementation of these standards on beginning net position is disclosed in Note D-14.

**14. Change in Net Position**

As of July 1, 2017, the Town adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* and Governmental Accounting Standards Board Statement No. 82, *Pension Issues*. The effect of the implementation of these standards results in a restatement of beginning net position as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Net position previously reported, July 1, 2017	\$ 6,112,922	\$ 17,788,861
Change in net OPEB liability (GASB 75-OPEB)	( 942,406)	( 723,552)
Deferred outflows of resources for contributions made subsequent to the measurement date (GASB 82-Pension)	( 33,334)	( 38,052)
Deferred outflows of resources for differences between employer contributions and proportionate share of contributions (GASB 82-Pension)	<u>( 10,227)</u>	<u>( 11,674)</u>
Net position as restated	<u>\$ 5,126,955</u>	<u>\$ 17,015,583</u>

**TOWN OF TONOPAH, NEVADA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**JUNE 30, 2018**

	<b>6/30/2018</b>
<b>Total OPEB Liability</b>	
Service cost	\$ -
Interest	67,280
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	40,923
Benefit Payments	<u>(56,596)</u>
<b>Net Change in total OPEB liability</b>	51,607
<b>Total OPEB liability - beginning</b>	<u>2,297,713</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 2,349,320</u></u>

<b>Plan fiduciary net position</b>	
Contributions - employer	101,596
Net investment income	(366)
Benefit payments	<u>(56,596)</u>
<b>Net Change in plan fiduciary net position</b>	44,634
<b>Plan fiduciary net - beginning</b>	<u>148,204</u>
<b>Plan fiduciary net - ending (b)</b>	<u><u>\$ 192,838</u></u>

<b>Town's net OPEB liability - ending (a)-(b)</b>	<u><u>\$ 2,156,482</u></u>
---	----------------------------

<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	8.21%
--	-------

<b>Covered-employee payroll</b>	\$ 211,362
---------------------------------	------------

<b>Town's net OPEB liability as a percentage of covered-employee payroll</b>	1020.28%
--	----------

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

6/30/2018	2.98
6/30/2017	3.13

**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, 2018**

Year Ended June 30	Contractually Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2013	\$ 107,472	\$ 107,472	\$ -	\$ 451,528	23.80%
2014	127,942	127,942	-	498,896	25.65%
2015	137,829	137,829	-	532,810	25.87%
2016	148,882	148,882	-	530,773	28.05%
2017	142,773	142,773	-	529,693	26.95%
2018	85,660	85,660	-	593,854	14.42%

*Information previous to 2014 is not available.*

Beginning with the year-ended 2018, all contributions shown reflect employer-paid contributions only, and employer-paid member contributions are excluded. Actuarially determined contributions above are based on actuarially determined contribution rates (employer portion only) from the most recent rate-setting year prior to the year shown, applied to covered payroll for year shown.

**TOWN OF TONOPAH, NEVADA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA**  
**JUNE 30, 2018**

Reporting Year Ended June 30:	Town's proportion of the net pension liability	Town's proportionate share of the net pension liability	Town's covered- employee payroll	Town's proportionate share of the net pension liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.00846%	883,049	498,896	177.00%	76.31%
2016	0.00767%	878,789	532,810	164.93%	75.10%
2017	0.00705%	949,257	530,773	178.84%	72.20%
2018	0.00656%	872,813	529,693	164.78%	74.40%

*Fiscal year 2015 was the first year of implementation. Therefore, only four years are shown.*

*The Town's proportionate share of the net pension liability is based upon the measurement taken on June 30th of the prior year.*



**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**Note 1 – Net Pension Liability**

*Changes in benefit terms.* Legislation passed in the 2015 Legislative session made changes to a number of plan provisions. These changes were effective July 1, 2015, and apply only to members whose effective date of membership is on or after July 1, 2015. Changes to certain survivor benefit provisions were made effective for survivors of members killed in the line of duty or in the course of employment on or after July 1, 2013, for payments on or after July 1, 2015. The July 1, 2015, sunset on the critical labor shortage exception to the reemployment restriction was repealed. There have been no changes in benefit terms since the last valuation.

*Changes in assumptions.* Based on the June 30, 2016, Actuarial Experience Study, the following assumptions were changed. Previously, these assumptions were as follows:

<i>Net Investment Return:</i>	8.00% (including 3.50% for inflation).
<i>Consumer Price Index:</i>	Increase of 3.50% per year.
<i>Salary Increases:</i>	<i>Inflation:</i> 3.50% Plus
	<i>Productive pay increases:</i> 0.75% Plus

**Note 2 – Other Post-Employment Benefits Liability**

*Changes in benefit terms.* There have been no changes in benefit terms since the last valuation.

*Changes in assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2018 and 2017**

	2018	2017
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 2,175,404	\$ 2,039,532
Interest receivable	3,316	3,025
Property taxes receivable	5,634	5,570
Room tax receivable	51,954	35,730
Due from other governments	<u>105,452</u>	<u>69,188</u>
 Total assets	 <u>\$ 2,341,760</u>	 <u>\$ 2,153,045</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ 84,601	\$ 62,551
Accrued payroll	<u>32,799</u>	<u>24,906</u>
 Total liabilities	 <u>117,400</u>	 <u>87,457</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>		
Unavailable revenue - property taxes	<u>3,758</u>	<u>5,034</u>
<b><u>FUND BALANCE:</u></b>		
Assigned for subsequent year	1,032,961	1,303,354
Unassigned	<u>1,187,641</u>	<u>757,200</u>
Total fund balance	<u>2,220,602</u>	<u>2,060,554</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 2,341,760</u>	 <u>\$ 2,153,045</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, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	2018		Variance- Positive (Negative)	2017 Actual
	Budget	Actual		
<b>Revenues:</b>				
Taxes	\$ 390,000	\$ 867,480	\$ 477,480	\$ 616,772
Licenses and permits	16,500	20,741	4,241	19,667
Intergovernmental	393,846	685,061	291,215	411,175
Charges for services	24,050	31,645	7,595	43,081
Fines and forfeitures	20,000	19,039	(961)	30,490
Miscellaneous	8,000	872	(7,128)	5,295
Total revenues	<u>852,396</u>	<u>1,624,838</u>	<u>772,442</u>	<u>1,126,480</u>
<b>Expenditures:</b>				
General government	661,838	377,948	283,890	237,224
Public safety	141,958	94,080	47,878	65,601
Public works	424,833	305,380	119,453	217,221
Culture and recreation	534,337	387,382	146,955	367,470
Contingency	15,000	-	15,000	-
Total expenditures	<u>1,777,966</u>	<u>1,164,790</u>	<u>613,176</u>	<u>887,516</u>
Excess (deficiency) of revenues over expenditures	(925,570)	460,048	1,385,618	238,964
<b>Other financing sources (uses):</b>				
Operating transfers out	<u>(300,000)</u>	<u>(300,000)</u>	-	<u>(325,000)</u>
Net change in fund balance	(1,225,570)	160,048	1,385,618	(86,036)
<b>Fund balance:</b>				
Beginning of year	<u>1,303,354</u>	<u>2,060,554</u>	<u>757,200</u>	<u>2,146,590</u>
End of year	<u>\$ 77,784</u>	<u>\$ 2,220,602</u>	<u>\$ 2,142,818</u>	<u>\$ 2,060,554</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND (GAAP BASIS)**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2018**

(With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018		Variance-	2017
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 130,000	\$ 320,853	\$ 190,853	\$ 124,980
Room taxes	260,000	546,627	286,627	491,792
Total taxes	<u>390,000</u>	<u>867,480</u>	<u>477,480</u>	<u>616,772</u>
 <b>Licenses and permits</b>	 <u>16,500</u>	 <u>20,741</u>	 <u>4,241</u>	 <u>19,667</u>
 <b>Intergovernmental:</b>				
County liquor license	1,800	3,640	1,840	2,760
County gaming license	16,000	29,340	13,340	28,642
Consolidated tax	280,000	556,804	276,804	371,087
Gas tax \$1.75	64,046	39,009	(25,037)	8,686
Grants	<u>32,000</u>	<u>56,268</u>	<u>24,268</u>	<u>-</u>
Total intergovernmental	<u>393,846</u>	<u>685,061</u>	<u>291,215</u>	<u>411,175</u>
 <b>Charges for services:</b>				
Rescue runs	200	6	(194)	16
Swimming pool fees	6,000	4,416	(1,584)	15,570
Convention Center rental	10,000	12,760	2,760	12,037
Sports complex fees	2,400	2,400	-	2,400
Mining park entrance	5,000	10,943	5,943	11,923
Fairgrounds rental	<u>450</u>	<u>1,120</u>	<u>670</u>	<u>1,135</u>
Total charges for services	<u>24,050</u>	<u>31,645</u>	<u>7,595</u>	<u>43,081</u>
 <b>Fines and forfeitures</b>	 <u>20,000</u>	 <u>19,039</u>	 <u>(961)</u>	 <u>30,490</u>
 <b>Miscellaneous:</b>				
Investment income	6,000	(6,224)	(12,224)	4,870
Insurance settlement	-	6,070	6,070	-
Other	<u>2,000</u>	<u>1,026</u>	<u>(974)</u>	<u>425</u>
Total miscellaneous	<u>8,000</u>	<u>872</u>	<u>(7,128)</u>	<u>5,295</u>
 Total revenues	 <u>\$ 852,396</u>	 <u>\$ 1,624,838</u>	 <u>\$ 772,442</u>	 <u>\$ 1,126,480</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND (GAAP BASIS)**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	2018		Variance-	2017
	Budget	Actual	Positive (Negative)	Actual
<b>Expenditures:</b>				
<b>General government:</b>				
Salaries and wages	\$ 250,952	\$ 108,609	\$ 142,343	\$ 80,798
Employee benefits	191,836	73,724	118,112	68,137
Services and supplies	219,050	171,963	47,087	88,289
Capital outlay	-	23,652	(23,652)	-
Total general government	<u>661,838</u>	<u>377,948</u>	<u>283,890</u>	<u>237,224</u>
<b>Public safety:</b>				
<b>Fire:</b>				
Salaries and wages	15,000	-	15,000	-
Employee benefits	20,058	10,048	10,010	8,617
Services and supplies	<u>106,900</u>	<u>84,032</u>	<u>22,868</u>	<u>56,984</u>
Total public safety	<u>141,958</u>	<u>94,080</u>	<u>47,878</u>	<u>65,601</u>
<b>Public works:</b>				
<b>Highways and streets:</b>				
Salaries and wages	94,068	90,033	4,035	80,207
Employee benefits	73,019	56,383	16,636	47,485
Services and supplies	<u>257,746</u>	<u>158,964</u>	<u>98,782</u>	<u>89,529</u>
Total public works	<u>424,833</u>	<u>305,380</u>	<u>119,453</u>	<u>217,221</u>
<b>Culture and recreation:</b>				
<b>Parks:</b>				
Services and supplies	<u>54,500</u>	<u>16,428</u>	<u>38,072</u>	<u>39,967</u>
<b>Mining parks:</b>				
Salaries and wages	68,230	59,788	8,442	57,518
Employee benefits	39,300	31,620	7,680	33,258
Services and supplies	<u>41,600</u>	<u>30,281</u>	<u>11,319</u>	<u>29,288</u>
Total mining parks	<u>149,130</u>	<u>121,689</u>	<u>27,441</u>	<u>120,064</u>
<b>Swimming pool:</b>				
Salaries and wages	28,000	17,143	10,857	21,038
Employee benefits	6,558	2,295	4,263	2,726
Services and supplies	<u>29,600</u>	<u>18,758</u>	<u>10,842</u>	<u>21,593</u>
Total swimming pool	<u>64,158</u>	<u>38,196</u>	<u>25,962</u>	<u>45,357</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND (GAAP BASIS)**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	2018		Variance-	2017
	Budget	Actual	Positive (Negative)	Actual
<b>Culture and recreation (continued):</b>				
<b>Fairgrounds:</b>				
Services and supplies	\$ 6,800	\$ 2,986	\$ 3,814	\$ 4,567
<b>Ball fields:</b>				
Services and supplies	42,500	38,211	4,289	34,025
<b>Convention Center:</b>				
Salaries and wages	73,187	61,482	11,705	43,447
Employee benefits	42,362	35,343	7,019	24,534
Services and supplies	101,700	73,047	28,653	55,509
Total convention center	217,249	169,872	47,377	123,490
Total culture and recreation	534,337	387,382	146,955	367,470
<b>Contingency</b>	15,000	-	15,000	-
Total expenditures	\$ 1,777,966	\$ 1,164,790	\$ 613,176	\$ 887,516

**TONOPAH TOWN, NEVADA**  
**MAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2018 and 2017**

	2018	2017
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 238,270	\$ 140,243
Interest receivable	368	175
Due from other governments	<u>16,910</u>	<u>14,997</u>
 Total assets	 <u>\$ 255,548</u>	 <u>\$ 155,415</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 224,850	\$ -
<b><u>FUND BALANCE</u></b>		
Restricted for public safety	<u>30,698</u>	<u>155,415</u>
 Total liabilities and fund balance	 <u>\$ 255,548</u>	 <u>\$ 155,415</u>

**TONOPAH TOWN, NEVADA**  
**MAJOR - 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, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	Budget	2018 Actual	Variance- Positive (Negative)	2017 Actual
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Public safety tax - Nye County	\$ 72,000	\$ 100,801	\$ 28,801	\$ 81,793
<b>Miscellaneous:</b>				
Investment income	<u>-</u>	<u>(668)</u>	<u>(668)</u>	<u>309</u>
Total revenues	72,000	100,133	28,133	82,102
<b>Expenditures:</b>				
<b>Public safety:</b>				
Capital outlay	<u>233,179</u>	<u>224,850</u>	<u>8,329</u>	<u>65,866</u>
Excess (deficiency) of revenues over expenditures	(161,179)	(124,717)	36,462	16,236
<b>Fund balance:</b>				
Beginning of year	<u>161,179</u>	<u>155,415</u>	<u>(5,764)</u>	<u>139,179</u>
End of year	<u>\$ -</u>	<u>\$ 30,698</u>	<u>\$ 30,698</u>	<u>\$ 155,415</u>



**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2018 and 2017**

---

---

	2018	2017
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 237,412	\$ 197,857
Interest receivable	<u>366</u>	<u>253</u>
Total assets	<u>\$ 237,778</u>	<u>\$ 198,110</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ -	\$ 118,741
<b><u>FUND BALANCE:</u></b>		
Restricted for capital projects	<u>237,778</u>	<u>79,369</u>
Total liabilities and fund balance	<u>\$ 237,778</u>	<u>\$ 198,110</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	2018		Variance-	2017
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Charges for services:</b>				
Rescue runs	\$ 500	\$ 34	\$ (466)	\$ 64
<b>Miscellaneous:</b>				
Investment income	-	(836)	(836)	(130)
Grants	-	77,977	77,977	-
Total other revenues	-	77,141	77,141	(130)
Total revenues	500	77,175	76,675	(66)
<b>Expenditures:</b>				
Capital projects	374,091	218,766	155,325	293,656
Excess (deficiency) of revenues over expenditures	(373,591)	(141,591)	232,000	(293,722)
<b>Other financing sources (uses):</b>				
Operating transfers in	300,000	300,000	-	321,000
Net change in fund balance	(73,591)	158,409	232,000	27,278
<b>Fund balance:</b>				
Beginning of year	73,591	79,369	5,778	52,091
End of year	\$ -	\$ 237,778	\$ 237,778	\$ 79,369

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**June 30, 2018 and 2017**

	2018	2017
<b><u>ASSETS:</u></b>		
Current assets:		
Pooled cash and investments	\$ 1,249,257	\$ 1,244,455
Interest receivable	2,797	2,574
Accounts receivable, net of allowance for doubtful accounts	61,696	64,919
Inventory	62,305	59,433
Restricted assets - cash	580,857	539,475
Total current assets	1,956,912	1,910,856
Property, plant and equipment, net of accumulated depreciation	14,369,444	14,795,788
Total assets	16,326,356	16,706,644
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>		
Deferred charge on pension	36,628	64,281
Deferred charge on OPEB	2,777	-
Total deferred outflows of resources	39,405	64,281
<b><u>LIABILITIES:</u></b>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	13,489	15,447
Accrued payroll	11,738	9,065
Accrued interest payable	3,652	7,334
Accrued compensated absences	12,603	9,471
Current portion of bonds payable	104,766	102,635
Total current liabilities-unrestricted	146,248	143,952
Current liabilities, payable from restricted assets:		
Customer deposits	26,575	26,725
Total current liabilities	172,823	170,677
Non-current liabilities:		
OPEB obligation payable	32,457	113,608
Net pension obligation payable	250,714	268,915
Accrued compensated absences	13,653	9,375
Bonds payable	5,157,951	5,262,760
Total non-current liabilities	5,454,775	5,654,658
Total liabilities	5,627,598	5,825,335
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>		
Deferred charge on pension	57,423	53,337
<b><u>NET POSITION:</u></b>		
Invested in capital assets, net of related debt	9,106,727	9,430,393
Restricted for debt	121,525	92,915
Restricted for capital projects	459,332	446,560
Unrestricted	993,156	922,385
Total net position	\$ 10,680,740	\$ 10,892,253

**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, 2018**  
**(with Comparative Amounts for the Year Ended June 30, 2017)**

	2018		Variance-	2017
	Budget	Actual	Positive (Negative)	Actuals
<b>Operating revenues:</b>				
<b>Charges for services:</b>				
Water fees	\$ 515,200	\$ 486,748	\$ (28,452)	\$ 553,965
<b>Operating expenses:</b>				
<b>Water department:</b>				
Administration	162,964	82,235	80,729	105,080
General operations	651,640	212,714	438,926	242,123
Water operations	181,200	102,352	78,848	93,957
Depreciation	325,000	467,974	(142,974)	461,605
Total operating expenses	1,320,804	865,275	455,529	902,765
Operating income (loss)	(805,604)	(378,527)	427,077	(348,800)
<b>Nonoperating revenue (expense):</b>				
Investment income	5,000	(6,014)	(11,014)	3,747
Miscellaneous	23,000	25,640	2,640	28,110
Interest expense	(110,785)	(107,060)	3,725	(117,514)
Water surcharge	210,000	206,404	(3,596)	217,499
Total nonoperating revenue (expense)	127,215	118,970	(8,245)	131,842
Net income (loss)	\$ (678,389)	(259,557)	\$ 418,832	(216,958)
<b>Net Position:</b>				
Beginning of year		10,892,253		11,109,211
Prior period restatement		48,044		-
Beginning of year as restated		10,940,297		11,109,211
End of year		\$ 10,680,740		\$ 10,892,253

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND**  
**COMPARATIVE SCHEDULES OF CASH FLOWS**  
**For the Year Ended June 30, 2018**  
**(With comparative Amounts for the Year Ended June 30, 2017)**

	2018	2017
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 489,821	\$ 580,549
Cash paid for salaries, wages, and employee benefits	(217,113)	(210,089)
Cash paid for services and supplies	(197,281)	(205,797)
Net cash provided by operating activities	<u>75,427</u>	<u>164,663</u>
<b>Cash flows from noncapital financing activities:</b>		
Miscellaneous revenue	25,640	28,110
Surcharges	<u>206,404</u>	<u>217,499</u>
Net cash provided by noncapital financing activities	<u>232,044</u>	<u>245,609</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchase of capital assets	(41,630)	(103,300)
Principal paid	(102,678)	(100,510)
Interest paid	(110,742)	(112,910)
Net cash (used) by capital and related financing activities	<u>(255,050)</u>	<u>(316,720)</u>
<b>Cash flows from investing activities:</b>		
Investment income	(6,237)	2,721
Net increase in cash	46,184	96,273
<b>Cash:</b>		
Beginning of year	<u>1,783,930</u>	<u>1,687,657</u>
End of year	<u>\$ 1,830,114</u>	<u>\$ 1,783,930</u>
<b>Reconciliation of operating (loss) to net cash provided by operating activities:</b>		
Operating (loss)	<u>\$ (378,527)</u>	<u>\$ (348,800)</u>
<b>Adjustments to reconcile operating (loss) to net cash provided by operating activities:</b>		
Depreciation	467,974	461,605
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	3,223	29,379
(Increase) decrease in inventory	(2,872)	(1,178)
(Increase) decrease in deferred outflows	24,876	(23,488)
Increase (decrease) in accounts payable	(1,958)	2,026
Increase (decrease) in accrued payroll	2,673	(1,535)
Increase (decrease) in customer deposits	(150)	(2,795)
Increase (decrease) in accrued compensated absences	7,410	3,451
Increase (decrease) in net pension liability	52,052	18,546
Increase (decrease) in deferred inflows	4,086	2,675
Increase (decrease) in opeb obligations payable	(103,360)	24,777
Total adjustments	<u>453,954</u>	<u>513,463</u>
<b>Net cash provided by operating activities</b>	<u>\$ 75,427</u>	<u>\$ 164,663</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**June 30, 2018 and 2017**

	2018	2017
<b><u>ASSETS:</u></b>		
Current assets:		
Pooled cash and investments	\$ 1,091,820	\$ 912,705
Interest receivable	1,611	1,228
Accounts receivable, net of allowance for doubtful accounts	67,576	51,522
Inventory	6,850	7,112
Prepaid expense	-	4,467
Restricted assets - cash	<u>16,072</u>	<u>16,072</u>
Total current assets	1,183,929	993,106
Property, plant and equipment, net of accumulated depreciation	<u>6,007,471</u>	<u>6,276,496</u>
Total assets	<u>7,191,400</u>	<u>7,269,602</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>		
Deferred charge on pension	45,770	79,642
Deferred charge on OPEB	<u>19,256</u>	<u>-</u>
Total deferred outflows of resources	<u>65,026</u>	<u>79,642</u>
<b><u>LIABILITIES:</u></b>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	4,099	3,437
Accrued payroll	15,295	11,303
Accrued compensated absences	<u>12,538</u>	<u>9,471</u>
Total current liabilities - unrestricted	<u>31,932</u>	<u>24,211</u>
Non-current liabilities:		
OPEB obligation payable	915,387	114,209
Net pension obligation payable	216,211	238,758
Accrued compensated absences	<u>13,653</u>	<u>9,375</u>
Total non-current liabilities	<u>1,145,251</u>	<u>362,342</u>
Total liabilities	<u>1,177,183</u>	<u>386,553</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>		
Deferred charge on pension	<u>71,145</u>	<u>66,083</u>
<b><u>NET POSITION:</u></b>		
Invested in capital assets, net of related debt	6,007,471	6,276,496
Restricted for capital projects	16,072	16,072
Unrestricted	<u>(15,445)</u>	<u>604,040</u>
Total net position	<u>\$ 6,008,098</u>	<u>\$ 6,896,608</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, 2018**  
**(with Comparative Amounts for the Year Ended June 30, 2017)**

	2018		Variance- Positive (Negative)	2017 Actuals
	Budget	Actual		
<b>Operating revenues:</b>				
<b>Charges for services:</b>				
Sewer fees	\$ 481,351	\$ 532,886	\$ 51,535	\$ 517,151
<b>Operating expenses:</b>				
<b>Sewer department:</b>				
Administration	245,454	162,274	83,180	204,458
General operations	549,424	201,043	348,381	222,633
Sewer operations	39,000	28,837	10,163	20,729
Depreciation	260,000	269,025	(9,025)	269,720
 Total operating expenses	 1,093,878	 661,179	 432,699	 717,540
 Operating income (loss)	 (612,527)	 (128,293)	 484,234	 (200,389)
<b>Nonoperating revenue (expense):</b>				
Investment income	6,000	(3,213)	(9,213)	1,893
Capital projects fees	46,000	64,318	18,318	65,447
 Total nonoperating revenue (expense)	 52,000	 61,105	 9,105	 67,340
 Net income (loss)	 \$ (560,527)	 (67,188)	 \$ 493,339	 (133,049)
<b>Net Position:</b>				
Beginning of year		6,896,608		7,029,657
Prior period restatement		(821,322)		-
Beginning of year as restated		6,075,286		7,029,657
 End of year		 \$ 6,008,098		 \$ 6,896,608

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND**  
**COMPARATIVE SCHEDULES OF CASH FLOWS**  
**For the Year Ended June 30, 2018**  
**(With comparative Amounts for the Year Ended June 30, 2017)**

	2018	2017
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 516,832	\$ 539,084
Cash paid for salaries, wages, and employee benefits	(297,268)	(276,022)
Cash paid for services and supplies	(101,171)	(142,945)
Net cash provided by operating activities	118,393	120,117
<b>Cash flows from noncapital financing activities:</b>		
Capital projects fees	64,318	65,447
<b>Cash flows from capital and related financing activities:</b>		
Purchase of capital assets	-	(17,572)
<b>Cash flows from investing activities:</b>		
Investment income/(loss)	(3,596)	1,364
Net increase/(decrease) in cash	179,115	169,356
<b>Cash:</b>		
Beginning of year	928,777	759,421
End of year	\$ 1,107,892	\$ 928,777
<b>Reconciliation of operating (loss) to net cash provided by operating activities:</b>		
Operating (loss)	\$ (128,293)	\$ (200,389)
<b>Adjustments to reconcile operating (loss) to net cash provided by operating activities:</b>		
Depreciation	269,025	269,720
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(16,054)	21,933
(Increase) decrease in prepaid expenses	4,467	(4,467)
(Increase) decrease in inventory	262	234
(Increase) decrease in deferred outflows	14,616	(24,809)
Increase (decrease) in accounts payable	662	1,076
Increase (decrease) in accrued payroll	3,992	(2,249)
Increase (decrease) in accrued compensated absences	7,345	3,451
Increase (decrease) in net pension liability	(50,064)	27,876
Increase (decrease) in deferred inflows	5,062	(2,020)
Increase (decrease) in opeb obligations payable	7,373	29,761
Total adjustments	246,686	320,506
<b>Net cash provided by operating activities</b>	<b>\$ 118,393</b>	<b>\$ 120,117</b>



**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2018**  
**(With Comparative Totals for June 30, 2017)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2018 Totals	2017 Totals
<b><u>ASSETS:</u></b>				
Pooled cash and investments	\$ 224,296	\$ 80,859	\$ 305,155	\$ 346,961
Interest receivable	349	76	425	396
Room tax receivable	4,059	-	4,059	2,792
Due from other governments	31,647	-	31,647	14,997
Prepaid expense	<u>855</u>	<u>-</u>	<u>855</u>	<u>-</u>
Total assets	<u>\$ 261,206</u>	<u>\$ 80,935</u>	<u>\$ 342,141</u>	<u>\$ 365,146</u>
<b><u>LIABILITIES:</u></b>				
Accounts payable	\$ 15,129	\$ -	\$ 15,129	\$ 9,189
Accrued payroll and benefits	<u>3,623</u>	<u>-</u>	<u>3,623</u>	<u>-</u>
Total liabilities	<u>18,752</u>	<u>-</u>	<u>18,752</u>	<u>9,189</u>
<b><u>FUND BALANCE:</u></b>				
Nonspendable	855	-	855	-
Restricted for capital projects	-	80,935	80,935	130,370
Restricted for public safety	109,100	-	109,100	93,006
Restricted for culture & recreation	<u>132,499</u>	<u>-</u>	<u>132,499</u>	<u>132,581</u>
Total fund balance	<u>242,454</u>	<u>80,935</u>	<u>323,389</u>	<u>355,957</u>
Total liabilities and fund balance	<u>\$ 261,206</u>	<u>\$ 80,935</u>	<u>\$ 342,141</u>	<u>\$ 365,146</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Year Ended June 30, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2018 Totals	2017 Totals
<b>Revenues:</b>				
Taxes	\$ 42,704	\$ -	\$ 42,704	\$ 40,778
Intergovernmental	115,539	31,581	147,120	107,673
Miscellaneous	<u>5,030</u>	<u>(161)</u>	<u>4,869</u>	<u>4,124</u>
Total revenues	<u>163,273</u>	<u>31,420</u>	<u>194,693</u>	<u>152,575</u>
<b>Expenditures:</b>				
Current:				
Public safety	83,155	-	83,155	-
Culture and recreation	63,251	-	63,251	41,415
Capital projects	<u>-</u>	<u>80,855</u>	<u>80,855</u>	<u>-</u>
Total expenditures	<u>146,406</u>	<u>80,855</u>	<u>227,261</u>	<u>41,415</u>
Excess (deficiency) of revenues over expenditures	16,867	(49,435)	(32,568)	111,160
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Net change in fund balance	16,867	(49,435)	(32,568)	115,160
<b>Fund balance:</b>				
Beginning of year	<u>225,587</u>	<u>130,370</u>	<u>355,957</u>	<u>240,797</u>
End of year	<u>\$ 242,454</u>	<u>\$ 80,935</u>	<u>\$ 323,389</u>	<u>\$ 355,957</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2018**  
**(With Comparative Totals for June 30, 2017)**

	State Room Tax	Tourism	Mural Fund	Public Safety Sales Tax Sheriff	Totals 2018	2017
<b><u>ASSETS:</u></b>						
Pooled cash and investments	\$ 101,874	\$ 6,589	\$ 20,162	\$ 95,671	\$ 224,296	\$ 216,737
Interest receivable	126	50	31	142	349	250
Room tax receivable	4,059	-	-	-	4,059	2,792
Due from other governments	14,737	-	-	16,910	31,647	14,997
Prepaid expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>855</u>	<u>855</u>	<u>-</u>
Total assets	<u>\$ 120,796</u>	<u>\$ 6,639</u>	<u>\$ 20,193</u>	<u>\$ 113,578</u>	<u>\$ 261,206</u>	<u>\$ 234,776</u>
<b><u>LIABILITIES:</u></b>						
Accounts payable	\$ 15,087	\$ 42	\$ -	\$ -	\$ 15,129	\$ 9,189
Accrued payroll and benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,623</u>	<u>3,623</u>	<u>-</u>
Total liabilities	<u>15,087</u>	<u>42</u>	<u>-</u>	<u>3,623</u>	<u>18,752</u>	<u>9,189</u>
<b><u>FUND BALANCE:</u></b>						
Nonspendable	-	-	-	855	855	-
Restricted for public safety	-	-	-	109,100	109,100	93,006
Restricted for culture and recreation	<u>105,709</u>	<u>6,597</u>	<u>20,193</u>	<u>-</u>	<u>132,499</u>	<u>132,581</u>
Total fund balance	<u>105,709</u>	<u>6,597</u>	<u>20,193</u>	<u>109,955</u>	<u>242,454</u>	<u>225,587</u>
Total liabilities and fund balance	<u>\$ 120,796</u>	<u>\$ 6,639</u>	<u>\$ 20,193</u>	<u>\$ 113,578</u>	<u>\$ 261,206</u>	<u>\$ 234,776</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Year Ended June 30, 2018**

**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	State Room Tax	Tourism	Mural Fund	Public Safety Sales Tax Sheriff	Totals 2018	2017
<b>Revenues:</b>						
Taxes	\$ 42,704	\$ -	\$ -	\$ -	\$ 42,704	\$ 40,778
Intergovernmental	14,737	-	-	100,802	115,539	81,793
Miscellaneous	<u>(330)</u>	<u>6,119</u>	<u>(61)</u>	<u>(698)</u>	<u>5,030</u>	<u>3,728</u>
Total revenues	<u>57,111</u>	<u>6,119</u>	<u>(61)</u>	<u>100,104</u>	<u>163,273</u>	<u>126,299</u>
<b>Expenditures:</b>						
Public safety	-	-	-	83,155	83,155	-
Culture and recreation	<u>56,719</u>	<u>6,532</u>	<u>-</u>	<u>-</u>	<u>63,251</u>	<u>41,415</u>
Total expenditures	<u>56,719</u>	<u>6,532</u>	<u>-</u>	<u>83,155</u>	<u>146,406</u>	<u>41,415</u>
Excess (deficiency) of revenues over expenditures	392	(413)	(61)	16,949	16,867	84,884
<b>Other financing sources (uses):</b>						
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Net change in fund balance	392	(413)	(61)	16,949	16,867	88,884
<b>Fund balance:</b>						
Beginning of year	<u>105,317</u>	<u>7,010</u>	<u>20,254</u>	<u>93,006</u>	<u>225,587</u>	<u>136,703</u>
End of year	<u>\$ 105,709</u>	<u>\$ 6,597</u>	<u>\$ 20,193</u>	<u>\$ 109,955</u>	<u>\$ 242,454</u>	<u>\$ 225,587</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - STATE ROOM TAX SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2018 and 2017**

	2018	2017
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 101,874	\$ 111,531
Interest receivable	126	157
Room tax receivable	4,059	2,792
Due from other government	<u>14,737</u>	<u>-</u>
Total assets	<u>\$ 120,796</u>	<u>\$ 114,480</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ 15,087	\$ 9,163
<b><u>FUND BALANCE:</u></b>		
Restricted for culture and recreation	<u>105,709</u>	<u>105,317</u>
Total liabilities and fund balance	<u>\$ 120,796</u>	<u>\$ 114,480</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, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	2018		Variance-	2017
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
Room tax	\$ 20,000	\$ 42,704	\$ 22,704	\$ 40,778
<b>Intergovernmental:</b>				
Grants	-	14,737	14,737	-
<b>Miscellaneous:</b>				
Investment income	<u>-</u>	<u>(330)</u>	<u>(330)</u>	<u>184</u>
Total revenues	20,000	57,111	37,111	40,962
<b>Expenditures:</b>				
<b>Culture and recreation:</b>				
Services and supplies	<u>109,320</u>	<u>56,719</u>	<u>52,601</u>	<u>39,965</u>
Excess (deficiency) of revenues over expenditures	(89,320)	392	89,712	997
<b>Fund balance:</b>				
Beginning of year	<u>89,320</u>	<u>105,317</u>	<u>15,997</u>	<u>104,320</u>
End of year	<u>\$ -</u>	<u>\$ 105,709</u>	<u>\$ 105,709</u>	<u>\$ 105,317</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - TOURISM SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2018 and 2017**

	2018	2017
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 6,589	\$ 7,031
Interest receivable	<u>50</u>	<u>5</u>
Total assets	<u>\$ 6,639</u>	<u>\$ 7,036</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ 42	\$ 26
<b><u>FUND BALANCE:</u></b>		
Restricted for culture and recreation	<u>6,597</u>	<u>7,010</u>
Total liabilities and fund balance	<u>\$ 6,639</u>	<u>\$ 7,036</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - TOURISM SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	2018		Variance-	2017
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Grant	\$ 32,000	\$ -	\$ (32,000)	\$ -
<b>Miscellaneous:</b>				
Investment income	-	(74)	(74)	36
Donations	1,400	6,193	4,793	3,581
Total other revenues	1,400	6,119	4,719	3,617
Total revenues	33,400	6,119	(27,281)	3,617
<b>Expenditures:</b>				
<b>Culture and recreation:</b>				
Services and supplies	37,143	6,532	30,611	1,450
Excess (deficiency) of revenues over expenditures	(3,743)	(413)	3,330	2,167
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	4,000
Net change in fund balance	(3,743)	(413)	3,330	6,167
<b>Fund balance:</b>				
Beginning of year	3,743	7,010	3,267	843
End of year	\$ -	\$ 6,597	\$ 6,597	\$ 7,010



**TOWN OF TONOPAH, NEVADA  
MURAL SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2018 and 2017**

	2018	2017
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 20,162	\$ 20,224
Interest receivable	<u>31</u>	<u>30</u>
Total assets	<u>\$ 20,193</u>	<u>\$ 20,254</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE:</u></b>		
Restricted for culture and recreation	<u>20,193</u>	<u>20,254</u>
Total liabilities and fund balance	<u>\$ 20,193</u>	<u>\$ 20,254</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, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	2018		Variance-	2017
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ 150	\$ (61)	\$ (211)	\$ 45
<b>Expenditures:</b>				
<b>Culture and recreation:</b>				
Capital outlay	<u>20,509</u>	<u>-</u>	<u>20,509</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(20,359)	(61)	20,298	45
<b>Fund balance:</b>				
Beginning of year	<u>20,359</u>	<u>20,254</u>	<u>(105)</u>	<u>20,209</u>
End of year	<u>\$ -</u>	<u>\$ 20,193</u>	<u>\$ 20,193</u>	<u>\$ 20,254</u>

**TONOPAH TOWN, NEVADA**  
**NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2018 and 2017**

	2018	2017
<b><u>ASSETS</u></b>		
Pooled cash and investments	\$ 95,671	\$ 77,951
Interest receivable	142	58
Due from other governments	16,910	14,997
Prepaid expense	<u>855</u>	<u>-</u>
 Total assets	 <u>\$ 113,578</u>	 <u>\$ 93,006</u>
 <b><u>LIABILITIES</u></b>		
Accrued payroll and benefits	<u>3,623</u>	<u>-</u>
 <b><u>FUND BALANCE:</u></b>		
Nonspendable	855	-
Restricted for public safety	<u>109,100</u>	<u>93,006</u>
Total fund balance	<u>109,955</u>	<u>93,006</u>
 Total liabilities and fund balance	 <u>\$ 113,578</u>	 <u>\$ 93,006</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, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	Budget	2018 Actual	Variance- Positive (Negative)	2017 Actual
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Public safety tax - Nye County	\$ 72,000	\$ 100,802	\$ 28,802	\$ 81,793
<b>Miscellaneous:</b>				
Investment income	-	(698)	(698)	(118)
Total revenues	<u>72,000</u>	<u>100,104</u>	<u>28,104</u>	<u>81,675</u>
<b>Expenditures:</b>				
<b>Public safety:</b>				
Salaries and wages	40,285	40,285	-	-
Employee benefits	21,168	21,168	-	-
Capital outlay	<u>21,878</u>	<u>21,702</u>	<u>176</u>	<u>-</u>
Total expenses	<u>83,331</u>	<u>83,155</u>	<u>176</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(11,331)	16,949	28,280	81,675
<b>Fund balance:</b>				
Beginning of year	<u>11,331</u>	<u>93,006</u>	<u>81,675</u>	<u>11,331</u>
End of year	<u>\$ -</u>	<u>\$ 109,955</u>	<u>\$ 109,955</u>	<u>\$ 93,006</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2018**  
**(With Comparative Totals for June 30, 2017)**

	Special Ad Valorem	Mining	2018	Totals 2017
<b><u>ASSETS:</u></b>				
Pooled cash and investments	\$ 47,574	\$ 33,285	\$ 80,859	\$ 130,224
Interest receivable	<u>25</u>	<u>51</u>	<u>76</u>	<u>146</u>
Total assets	<u>\$ 47,599</u>	<u>\$ 33,336</u>	<u>\$ 80,935</u>	<u>\$ 130,370</u>
<b><u>LIABILITIES:</u></b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
<b><u>FUND BALANCE:</u></b>				
Restricted for capital projects	<u>47,599</u>	<u>33,336</u>	<u>80,935</u>	<u>130,370</u>
Total liabilities and fund balance	<u>\$ 47,599</u>	<u>\$ 33,336</u>	<u>\$ 80,935</u>	<u>\$ 130,370</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Year Ended June 30, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	Special Ad Valorem	Mining	Totals 2018	2017
<b>Revenues:</b>				
Intergovernmental	\$ 31,581	\$ -	\$ 31,581	\$ 25,880
Miscellaneous	<u>(60)</u>	<u>(101)</u>	<u>(161)</u>	<u>396</u>
Total revenues	31,521	(101)	31,420	26,276
<b>Expenditures:</b>				
Capital projects	<u>80,855</u>	<u>-</u>	<u>80,855</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(49,334)	(101)	(49,435)	26,276
<b>Fund Balance:</b>				
Beginning of year	<u>96,933</u>	<u>33,437</u>	<u>130,370</u>	<u>104,094</u>
End of year	<u>\$ 47,599</u>	<u>\$ 33,336</u>	<u>\$ 80,935</u>	<u>\$ 130,370</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2018 and 2017**

	2018	2017
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 47,574	\$ 96,837
Interest receivable	<u>25</u>	<u>96</u>
Total assets	<u>\$ 47,599</u>	<u>\$ 96,933</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE:</u></b>		
Restricted for capital projects	<u>47,599</u>	<u>96,933</u>
Total liabilities and fund balance	<u>\$ 47,599</u>	<u>\$ 96,933</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, 2018**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2017)**

	2018		Variance- Positive (Negative)	2017 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>	\$ 20,000	\$ 31,581	\$ 11,581	\$ 25,880
<b>Miscellaneous:</b>				
Investment income	<u>-</u>	<u>(60)</u>	<u>(60)</u>	<u>320</u>
Total revenues	20,000	31,521	11,521	26,200
<b>Expenditures:</b>				
Capital projects	<u>110,733</u>	<u>80,855</u>	<u>29,878</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(90,733)	(49,334)	41,399	26,200
<b>Fund balance:</b>				
Beginning of year	<u>90,733</u>	<u>96,933</u>	<u>6,200</u>	<u>70,733</u>
End of year	<u>\$ -</u>	<u>\$ 47,599</u>	<u>\$ 47,599</u>	<u>\$ 96,933</u>



**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - MINING CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2018 and 2017**

	2018	2017
<b><u>ASSETS:</u></b>		
Pooled cash and investments	\$ 33,285	\$ 33,387
Interest receivable	<u>51</u>	<u>50</u>
Total assets	<u>\$ 33,336</u>	<u>\$ 33,437</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE:</u></b>		
Restricted for capital projects	<u>33,336</u>	<u>33,437</u>
Total liabilities and fund balance	<u>\$ 33,336</u>	<u>\$ 33,437</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, 2018**  
**(With Comparative Amounts for the Year Ended June 30, 2018)**

	2018		Variance- Positive (Negative)	2017 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ 150	\$ (101)	\$ (251)	\$ 76
<b>Expenditures:</b>				
Capital projects	<u>33,661</u>	<u>-</u>	<u>33,661</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(33,511)	(101)	33,410	76
<b>Fund balance:</b>				
Beginning of year	<u>33,511</u>	<u>33,437</u>	<u>(74)</u>	<u>33,361</u>
End of year	<u>\$ -</u>	<u>\$ 33,336</u>	<u>\$ 33,336</u>	<u>\$ 33,437</u>

**TOWN OF TONOPAH, NEVADA**  
**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**Year Ended June 30, 2018**

	<b>Balance</b> <b>June 30, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b> <b>June 30, 2018</b>
<b>Post Retirement Benefits Fund</b>				
<b>ASSETS</b>				
Pooled cash and investments	\$ 148,065	\$ 44,476	\$ -	\$ 192,541
Interest receivable	<u>139</u>	<u>297</u>	<u>139</u>	<u>297</u>
Total assets	<u>\$ 148,204</u>	<u>\$ 44,773</u>	<u>\$ 139</u>	<u>\$ 192,838</u>
<b>LIABILITIES</b>				
Amount held for others	<u>\$ 148,204</u>	<u>\$ 44,773</u>	<u>\$ 139</u>	<u>\$ 192,838</u>

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

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL 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, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 5, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we 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.

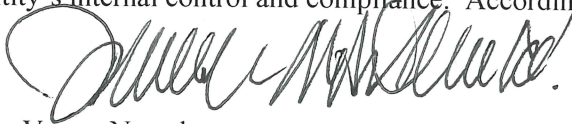
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we 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, we 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our 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 black ink, appearing to read "M. Williams", is written over the text of the paragraph.

Las Vegas, Nevada  
February 5, 2019

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

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

**INDEPENDENT AUDITOR'S COMMENTS**

Honorable Board Members  
Town of Tonopah, Nevada  
Tonopah, Nevada

In connection with our audit of the financial statements of the Town of Tonopah, Nevada, (the Town) as of and for the year ended June 30, 2018, nothing came to our attention that caused us to believe that the Town failed to comply with the requirements of the Nevada Revised Statutes except as noted below. However, our audit was not directed primarily toward obtaining knowledge of such compliance. Accordingly, had we performed additional procedures, other matters may have come to our 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 of Tonopah, Nevada conformed to all significant statutory constraints on its financial administration during the year as identified in Note C1 of the accompanying financial statements.

**PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE**

There were no compliance issues in the prior year.

**CURRENT YEAR RECOMMENDATIONS**

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

**PRIOR YEAR RECOMMENDATIONS**

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

## **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, 2018, 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, 2018.

On October 10, 2018 the Town Board voted to not enforce Tonopah Town Ordinance Chapter 22.04, Business License Tax and Regulations for all businesses other than hotels and motels, for calendar years 2019 and 2020.

## **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. Activity of the fund is reported on page 88 of the financial Statements. Projects funded during the year included \$80,855 for the convention center roof and floor. The Town does not plan to accumulate money in the fund.



Las Vegas, Nevada  
February 5, 2019