

TOWN OF TONOPAH, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020

**TOWN OF TONOPAH, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL MATERIAL
FOR THE YEAR ENDED JUNE 30, 2020
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TOWN OF TONOPAH, NEVADA

ORGANIZATION

TOWN OFFICERS at June 30, 2020

Chairman	Don Kaminski
Vice Chairman	Jerry Elliston
Clerk	Marc Grigory
Board Member	Duane Downing
Board Member	Mike Sain

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Honorable Board Members
Town of Tonopah, Nevada
Tonopah, Nevada

Report on the Financial Statements

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, 2020, 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the 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 previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated February 11, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2019, 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 2019 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 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 for the year ended June 30, 2019.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020, 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.

A handwritten signature in black ink, appearing to be "D. M. Miller", written in a cursive style.

Las Vegas, Nevada
November 23, 2020

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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 2020 fiscal year by \$23,419,228 (net position). Total net position represents approximately \$20,183,488 in capital assets, net of related debt, \$222,311 in assets restricted for debt services, \$730,693 in assets restricted for capital projects, \$127,713 in assets restricted for culture and recreation, and \$219,886 in assets restricted for public safety. The remaining \$1,935,137 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 increased during the fiscal year 2020, from \$23,099,392 to \$23,419,228.

The Town's primary revenue sources for governmental activities were room taxes of \$552,768, ad valorem taxes (property taxes) of \$287,344, public safety sales taxes of \$190,276, and consolidated taxes (sales taxes) of \$651,363. These revenue sources comprised 28.53%, 14.83%, 9.82%, and 33.62%, respectively, or 86.80% of total governmental activities revenues.

The Town's total expenses were \$3,113,757. The greatest governmental activities expenses were \$631,800 in culture and recreation and \$287,733 in the public works function. The business-type activities contributed \$1,748,300 to the Town's total expenses.

At the end of fiscal year 2020, the Town's governmental funds reported combined fund balances of \$3,473,304, an increase of \$129,889 when compared to the previous year. Approximately 37.98% of this amount, \$1,319,305, 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, 2020**

Government-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

Governmental Funds – Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements described above. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. To provide a better understanding of the relationship between the fund financial statements and government-wide financial statements, a reconciliation is provided for a more comprehensive picture of the Town's financial position.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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 Post-Retirement Benefits Trust Fund – This fund accounts for resources that are to be held in trust for the members of the employee benefit plan.

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, 2020

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, 2020 and 2019.

Net Position

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 3,587,696	\$ 3,565,616	\$ 2,712,427	\$ 3,253,798	\$ 6,300,123	\$ 6,819,414
Net capital assets	4,774,654	4,581,620	20,448,104	20,266,480	25,222,758	24,848,100
Total assets	8,362,350	8,147,236	23,160,531	23,520,278	31,522,881	31,667,514
Deferred outflows of resources	199,636	136,453	170,171	391,915	369,807	528,368
Liabilities:						
Current liabilities	110,028	215,897	85,168	134,491	195,196	350,388
Long-term liabilities	1,248,895	1,543,597	6,451,357	6,833,719	7,700,252	8,377,316
Total liabilities	1,358,923	1,759,494	6,536,525	6,968,210	7,895,448	8,727,704
Deferred inflows of resources	320,624	213,630	257,388	155,156	578,012	368,786
Net position:						
Invested in capital assets, net of related debt	4,774,654	4,581,620	15,408,834	15,108,533	20,183,488	19,690,153
Restricted	818,083	980,652	482,520	683,625	1,300,603	1,664,277
Unrestricted	1,289,702	748,293	645,435	996,669	1,935,137	1,744,962
Total net position	\$ 6,882,439	\$ 6,310,565	\$ 16,536,789	\$ 16,788,827	\$ 23,419,228	\$ 23,099,392

The Town's assets exceeded liabilities by \$23,419,228 at the close of the current fiscal year and total net position increased by \$319,836, resulting in a 1.38% increase in net position.

The largest portion of the Town's net position, 86.18%, reflects its investment in capital assets less any related debt outstanding used to acquire those assets. The Town uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The Town's total net position of \$23,419,228 includes unrestricted net position totaling \$1,935,137. 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 \$1,300,603.

Net Position

Governmental activities increased the Town's net position by \$571,874. Business-type activities decreased the Town's net position by \$252,038.

TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Business-Type Activities		Total Primary Governmental	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 65,510	\$ 104,648	\$ 997,356	\$ 967,616	\$ 1,062,866	\$ 1,072,264
Operating grant	32,346	98,010	-	-	32,346	98,010
Capital grant	-	-	152,806	394,069	152,806	394,069
General revenues:						
Ad valorem taxes	287,344	351,146	-	-	287,344	351,146
Room tax	552,768	633,474	-	-	552,768	633,474
Fuel taxes	45,306	52,048	-	-	45,306	52,048
Consolidated tax	651,363	545,000	-	-	651,363	545,000
Public safety tax	190,276	185,220	-	-	190,276	185,220
Investment income	112,418	97,945	84,580	98,428	196,998	196,373
Miscellaneous	-	29,005	261,520	310,162	261,520	339,167
Total revenues	<u>1,937,331</u>	<u>2,096,496</u>	<u>1,496,262</u>	<u>1,770,275</u>	<u>3,433,593</u>	<u>3,866,771</u>
Expenses:						
General government	244,938	269,539	-	-	244,938	269,539
Public safety	200,986	285,898	-	-	200,986	285,898
Public works	287,733	305,797	-	-	287,733	305,797
Culture and recreation	631,800	636,655	-	-	631,800	636,655
Utility operations	-	-	1,748,300	1,670,286	1,748,300	1,670,286
Total expenses	<u>1,365,457</u>	<u>1,497,889</u>	<u>1,748,300</u>	<u>1,670,286</u>	<u>3,113,757</u>	<u>3,168,175</u>
Change in net position	571,874	598,607	(252,038)	99,989	319,836	698,596
Net position - beginning	<u>6,310,565</u>	<u>5,711,958</u>	<u>16,788,827</u>	<u>16,688,838</u>	<u>23,099,392</u>	<u>22,400,796</u>
Net position - ending	<u>\$6,882,439</u>	<u>\$6,310,565</u>	<u>\$16,536,789</u>	<u>\$16,788,827</u>	<u>\$23,419,228</u>	<u>\$23,099,392</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 consolidated tax. The second largest revenue was room tax. The business-type general revenue came from charges for services related to the water and sewer utility and grant revenues.

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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 \$3,473,304. This is an increase over the prior year of \$129,889, or 3.88%. 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 \$818,083, or 23.55%, 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 \$470,484 for capital projects, \$219,886 for public safety, and \$127,713 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 \$2,655,221, an increase of \$292,458, or 12.38%, from the prior year. The primary reason for the increase in fund balance was the reduction of transfers to other funds.

Revenues decreased by \$70,202, or 4.11%. Tax revenues decreased by \$140,409, or 15.46%, due to decreases in room taxes and ad valorem taxes. Intergovernmental revenues increased by \$86,160, or 12.94%, primarily due to consolidated taxes.

Expenditures increased by \$81,501, or 6.92%. General Government expenditures increased by \$67,783, or 24.44%, due to increases in salaries and wages, employee benefits, and services and supplies. Public Safety decreased by \$30,380 or 19.61% due to decreases in service and supplies. Culture and recreation expenditures increased by \$30,873, or 7.03%, primarily due to increased salaries and wages and employee benefits for the mining park and convention center, and increased service and supply expenditures in parks and the convention center.

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 \$645,435. Total net position in the enterprise funds decreased \$252,038.

Tonopah Public Utility Water: Operating revenues increased by \$40,211, or 8.60%. Operating expenditures increased by \$224,363, or 24.40%, primarily due to an increase in water operation and general operation costs related to the Town's OPEB liability. Nonoperating revenues/(expenses) were \$258,351, or 43.61%, lower than the prior year mainly due to receiving less grant money.

Tonopah Public Utility Sewer: Operating revenues decreased by \$10,471, or 2.09%. Operating expenditures decreased by \$132,493, or 20.64%, from the prior year. This decrease is attributed mostly to decreased administration and general operations costs related to the Town's OPEB liability. Nonoperating revenues/(expenses) were \$31,546, or 31.01%, lower than the prior year. This decrease results from receiving fewer capital projects fees.

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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 \$2,655,221 was \$1,319,305 higher than anticipated to begin the 2020-2021 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 47.97%, or \$531,446. Significant revenues in excess of budgeted amounts were \$212,712 in room taxes and \$351,363 in consolidated taxes.

A review of actual expenditures compared to the appropriations in the final budget shows that expenditures were \$558,597 lower than budgeted, or 30.74%. Expenditures were under budget for all functions of the General Fund as follows: general government by \$198,157, public safety by \$87,834, public works by \$72,273, and culture and recreation by \$185,333.

CAPITAL ASSETS

At June 30, 2020, the Town's governmental type activities had \$4,774,654 (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 \$193,034 from the previous year.

At June 30, 2020, the Town's business-type activities had \$20,448,104 (net) invested in land, utility distributions systems, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of \$181,624 from the previous year.

Capital assets, net of related debt, reflect 86.18% 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, 2020

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, 2019	Additions	Transfer	Deletions	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 2,215,563	\$ -	\$ -	\$ -	\$ 2,215,563
Capital assets being depreciated:					
Land improvements	43,750	-	-	-	43,750
Building and improvements	2,356,729	158,483	-	-	2,515,212
Equipment	1,974,917	269,288	-	-	2,244,205
Total capital assets being depreciated	4,375,396	427,771	-	-	4,803,167
Less accumulated depreciation for:					
Land improvements	2,475	2,187	-	-	4,662
Building and improvements	813,984	78,571	-	-	892,555
Equipment	1,192,880	153,979	-	-	1,346,859
Total accumulated depreciation	2,009,339	234,737	-	-	2,244,076
Total capital assets being depreciated, net	2,366,057	193,034	-	-	2,559,091
Governmental activities assets, net	\$ 4,581,620	\$ 193,034	\$ -	\$ -	\$ 4,774,654

Building and improvement additions were for the convention center bathroom.

Equipment additions were for fire equipment, vehicles and other equipment.

Business-type Activities:

	Balance June 30, 2019	Additions	Transfer	Deletions	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000
Construction in progress	392,864	-	(392,864)	-	-
Total capital assets not being depreciated	447,864	-	(392,864)	-	55,000
Capital assets being depreciated:					
Systems and equipment	33,402,097	920,225	392,864	-	34,715,186
Less accumulated depreciation for:					
Systems and equipment	13,583,481	738,601	-	-	14,322,082
Total capital assets being depreciated, net	19,818,616	181,624	392,864	-	20,393,104
Business-type activities assets, net	\$ 20,266,480	\$ 181,624	\$ -	\$ -	\$ 20,448,104

Capital additions included system improvements and small equipment.

**TOWN OF TONOPAH, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

DEBT ADMINISTRATION

Changes in Long-term Debt: During the year ended June 30, 2020, the following changes occurred in long-term debt:

Governmental activities:

	Balance June 30, 2019	Net Additions	Net Deletions	Balance June 30, 2020	Due within One Year
Compensated absences	\$ 30,561	\$ 363	\$ -	\$ 30,924	\$ 21,338
Net pension obligation	420,687	25,084	-	445,771	-
OPEB obligation payable	1,092,349	-	320,149	772,200	-
Total	<u>\$ 1,543,597</u>	<u>\$ 25,447</u>	<u>\$ 320,149</u>	<u>\$ 1,248,895</u>	<u>\$ 21,338</u>

Business-type activities:

	Balance June 30, 2019	Net Additions	Net Deletions	Balance June 30, 2020	Due within One Year
Compensated absences	\$ 52,034	\$ 2,754	\$ -	\$ 54,788	\$ 33,610
Net pension obligation	496,640	24,100	-	520,740	-
OPEB obligation payable	1,127,098	-	290,539	836,559	-
Bond payable	5,157,947	-	118,677	5,039,270	109,167
Total	<u>\$ 6,833,719</u>	<u>\$ 26,854</u>	<u>\$ 409,216</u>	<u>\$ 6,451,357</u>	<u>\$ 142,777</u>

The Town's debt decreased by \$294,702 for governmental activities during the current fiscal year. The decrease was mainly due to a decrease in OPEB obligations.

The Town's debt decreased by \$382,362 for business-type activities during the current fiscal year. The decrease was mainly due to a decrease in OPEB obligations and bonds outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town approved the budget for the 2020-2021 year on May 27, 2020. 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.
- The Town, in planning for the budget year ending June 30, 2021, considered the financial impact of the Coronavirus (COVID-19) on Town operations. The Town factored into the budget for 2021 the costs of protective measures to be taken to mitigate the effects of the virus on Town operations.

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, 2020

	Governmental Activities	Business-type Activities	Total Primary Government
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 3,309,326	\$ 1,993,629	\$ 5,302,955
Interest receivable	6,615	4,945	11,560
Property taxes receivable	5,707	-	5,707
Room tax receivable	46,228	-	46,228
Due from other governments	200,978	-	200,978
Prepaid expense	18,842	22,832	41,674
Accounts receivable net of allowance for uncollectibles	-	131,905	131,905
Inventory	-	76,596	76,596
Restricted assets - cash	-	482,520	482,520
Capital assets (net of accumulated depreciation)	4,774,654	20,448,104	25,222,758
Total assets	8,362,350	23,160,531	31,522,881
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred charge on pension	148,007	126,423	274,430
Deferred charge on OPEB	51,629	43,748	95,377
Total deferred outflows of resources	199,636	170,171	369,807
<u>LIABILITIES:</u>			
Accounts payable	63,070	21,511	84,581
Accrued payroll and benefits	46,958	36,282	83,240
Accrued interest payable	-	3,575	3,575
Accrued compensated absences	21,338	33,610	54,948
Bonds payable	-	109,167	109,167
Payable from restricted assets:			
Customer deposits	-	23,800	23,800
Noncurrent liabilities:			
OPEB obligation payable	772,200	836,559	1,608,759
Net pension obligation payable	445,771	520,740	966,511
Accrued compensated absences	9,586	21,178	30,764
Bonds payable	-	4,930,103	4,930,103
Total liabilities	1,358,923	6,536,525	7,895,448
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred charge on pension	112,133	100,265	212,398
Deferred charge on OPEB	208,491	157,123	365,614
Total deferred inflows of resources	320,624	257,388	578,012
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	4,774,654	15,408,834	20,183,488
Restricted	818,083	482,520	1,300,603
Unrestricted	1,289,702	645,435	1,935,137
Total net position	\$ 6,882,439	\$ 16,536,789	\$ 23,419,228

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, 2020

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	\$ (244,938)	\$ 42,947	\$ -	\$ -	\$ (201,991)	\$ -	\$ (201,991)
Public safety	(200,986)	-	-	-	(200,986)	-	(200,986)
Public works	(287,733)	-	-	-	(287,733)	-	(287,733)
Culture and recreation	(631,800)	22,563	32,346	-	(576,891)	-	(576,891)
Total governmental activities	(1,365,457)	65,510	32,346	-	(1,267,601)	-	(1,267,601)
Business-type activities:							
Water	(1,238,745)	507,564	-	152,806	-	(578,375)	(578,375)
Sewer	(509,555)	489,792	-	-	-	(19,763)	(19,763)
Total business-type activities	(1,748,300)	997,356	-	152,806	-	(598,138)	(598,138)
Total primary governments	<u>\$(3,113,757)</u>	<u>\$ 1,062,866</u>	<u>\$ 32,346</u>	<u>\$ 152,806</u>	<u>(1,267,601)</u>	<u>(598,138)</u>	<u>(1,865,739)</u>
General Revenues:							
Ad valorem tax					287,344	-	287,344
Room tax					552,768	-	552,768
Fuel tax					45,306	-	45,306
Consolidated tax					651,363	-	651,363
Public safety tax					190,276	-	190,276
Capital projects fees					-	34,448	34,448
Surcharge					-	224,447	224,447
Investment income					112,418	84,580	196,998
Miscellaneous					-	2,625	2,625
Total general revenues					<u>1,839,475</u>	<u>346,100</u>	<u>2,185,575</u>
Change in net position					571,874	(252,038)	319,836
Net position - beginning of year					<u>6,310,565</u>	<u>16,788,827</u>	<u>23,099,392</u>
Net position - end of year					<u>\$ 6,882,439</u>	<u>\$ 16,536,789</u>	<u>\$ 23,419,228</u>

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

TOWN OF TONOPAH, NEVADA
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2020

	Major Fund		Other	Total
	General Fund	Capital Projects	Governmental Funds	Governmental Funds
<u>ASSETS:</u>				
Pooled cash and investments	\$ 2,510,032	\$ 286,318	\$ 512,976	\$ 3,309,326
Interest receivable	5,076	573	966	6,615
Property taxes receivable	5,707	-	-	5,707
Room tax receivable	42,878	-	3,350	46,228
Prepaid expense	18,842	-	-	18,842
Due from other governments	163,548	-	37,430	200,978
Total assets	<u>\$ 2,746,083</u>	<u>\$ 286,891</u>	<u>\$ 554,722</u>	<u>\$ 3,587,696</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 44,061	\$ -	\$ 19,009	\$ 63,070
Accrued payroll	42,437	-	4,521	46,958
Total liabilities	<u>86,498</u>	<u>-</u>	<u>23,530</u>	<u>110,028</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenue - property taxes	<u>4,364</u>	<u>-</u>	<u>-</u>	<u>4,364</u>
<u>FUND BALANCE:</u>				
Nonspendable	18,842	-	-	18,842
Restricted for:				
Capital projects	-	286,891	183,593	470,484
Public safety	-	-	219,886	219,886
Culture and recreation	-	-	127,713	127,713
Assigned for subsequent year	1,317,074	-	-	1,317,074
Unassigned	<u>1,319,305</u>	<u>-</u>	<u>-</u>	<u>1,319,305</u>
Total fund balance	<u>2,655,221</u>	<u>286,891</u>	<u>531,192</u>	<u>3,473,304</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,746,083</u>	<u>\$ 286,891</u>	<u>\$ 554,722</u>	<u>\$ 3,587,696</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, 2020

Total fund balance - governmental funds	\$ 3,473,304
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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.	4,774,654
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,364
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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 and include:	
Compensated absences	(30,924)

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:	
Deferred outflows from other post-employment benefits.	51,629
Net other post-employment benefits liability.	(772,200)
Deferred inflows from other post-employment benefits.	(208,491)

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.	148,007
Net pension liability	(445,771)
Deferred inflows from pension activity.	<u>(112,133)</u>

Total net position - governmental activities	<u>\$ 6,882,439</u>
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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, 2020

	Major Funds		Other	Total
	General Fund	Capital Projects	Governmental Funds	Governmental Funds
Revenues:				
Taxes	\$ 767,973	\$ -	\$ 40,056	\$ 808,029
Licenses and permits	1,380	-	-	1,380
Intergovernmental	751,780	-	224,299	976,079
Charges for services	22,563	-	-	22,563
Fines and forfeitures	17,114	-	-	17,114
Miscellaneous	<u>78,453</u>	<u>12,978</u>	<u>22,675</u>	<u>114,106</u>
 Total revenues	 <u>1,639,263</u>	 <u>12,978</u>	 <u>287,030</u>	 <u>1,939,271</u>
Expenditures:				
Current:				
General government	345,142	-	-	345,142
Public safety	124,524	-	202,597	327,121
Public works	318,969	-	-	318,969
Culture and recreation	470,170	-	102,932	573,102
Capital projects	<u>-</u>	<u>245,048</u>	<u>-</u>	<u>245,048</u>
 Total expenditures	 <u>1,258,805</u>	 <u>245,048</u>	 <u>305,529</u>	 <u>1,809,382</u>
 Excess (deficiency) of revenues over expenditures	 <u>380,458</u>	 <u>(232,070)</u>	 <u>(18,499)</u>	 <u>129,889</u>
Other financing sources (uses):				
Operating transfers in	-	-	88,000	88,000
Operating transfers out	<u>(88,000)</u>	<u>-</u>	<u>-</u>	<u>(88,000)</u>
Total other financing sources (uses)	<u>(88,000)</u>	<u>-</u>	<u>88,000</u>	<u>-</u>
 Net change in fund balance	 292,458	 (232,070)	 69,501	 129,889
Fund balance:				
Beginning of year	<u>2,362,763</u>	<u>518,961</u>	<u>461,691</u>	<u>3,343,415</u>
 End of year	 <u>\$ 2,655,221</u>	 <u>\$ 286,891</u>	 <u>\$ 531,192</u>	 <u>\$ 3,473,304</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, 2020

Net change in fund balance - governmental funds	\$ 129,889
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. The is the amount by which depreciation exceeds capital outlay in the current period. 193,034

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. (1,940)

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 and include:
Compensated absences. (363)

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: 249,309

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 (2020 contributions). 59,301

Net pension expense. (57,356)

Change in net position of governmental activities	<u>\$ 571,874</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 360,536	\$ 360,536	\$ 255,261	\$ (105,275)
Room taxes	<u>300,000</u>	<u>300,000</u>	<u>512,712</u>	<u>212,712</u>
Total taxes	<u>660,536</u>	<u>660,536</u>	<u>767,973</u>	<u>107,437</u>
Licenses and permits:	<u>2,500</u>	<u>2,500</u>	<u>1,380</u>	<u>(1,120)</u>
Intergovernmental:				
County liquor license	1,800	1,800	2,200	400
County gaming license	16,000	16,000	22,253	6,253
Consolidated tax	300,000	300,000	651,363	351,363
Gas tax \$1.75	51,931	51,931	45,306	(6,625)
Grants	<u>28,000</u>	<u>28,000</u>	<u>30,658</u>	<u>2,658</u>
Total intergovernmental	<u>397,731</u>	<u>397,731</u>	<u>751,780</u>	<u>354,049</u>
Charges for services:				
Rescue runs	200	200	-	(200)
Swimming pool fees	6,000	6,000	2,045	(3,955)
Convention Center rental	10,000	10,000	6,371	(3,629)
Sports complex fees	2,400	2,400	2,400	-
Mining park entrance	5,000	5,000	10,257	5,257
Fairgrounds rental	<u>450</u>	<u>450</u>	<u>1,490</u>	<u>1,040</u>
Total charges for services	<u>24,050</u>	<u>24,050</u>	<u>22,563</u>	<u>(1,487)</u>
Fines and forfeitures:	<u>15,000</u>	<u>15,000</u>	<u>17,114</u>	<u>2,114</u>
Miscellaneous:				
Investment income	6,000	6,000	78,453	72,453
Other	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total miscellaneous	<u>8,000</u>	<u>8,000</u>	<u>78,453</u>	<u>70,453</u>
Total revenues	<u>1,107,817</u>	<u>1,107,817</u>	<u>1,639,263</u>	<u>531,446</u>

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, 2020

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures:				
General government:				
Salaries and wages	\$ 144,177	\$ 140,633	\$ 120,168	\$ 20,465
Employee benefits	139,292	142,836	74,510	68,326
Services and supplies	259,830	259,830	144,291	115,539
Capital outlay	-	-	6,173	(6,173)
Total general government	<u>543,299</u>	<u>543,299</u>	<u>345,142</u>	<u>198,157</u>
Public safety:				
Fire:				
Salaries and wages	12,000	12,000	-	12,000
Employee benefits	20,058	20,058	9,276	10,782
Services and supplies	180,300	180,300	59,434	120,866
Capital outlay	-	-	55,814	(55,814)
Total public safety	<u>212,358</u>	<u>212,358</u>	<u>124,524</u>	<u>87,834</u>
Public works:				
Highways and streets:				
Salaries and wages	114,973	114,973	106,875	8,098
Employee benefits	84,838	84,838	63,597	21,241
Services and supplies	191,431	191,431	136,383	55,048
Capital outlay	-	-	12,114	(12,114)
Total public works	<u>391,242</u>	<u>391,242</u>	<u>318,969</u>	<u>72,273</u>
Culture and recreation:				
Parks:				
Services and supplies	<u>55,200</u>	<u>55,200</u>	<u>45,235</u>	<u>9,965</u>
Mining parks:				
Salaries and wages	90,635	89,685	82,183	7,502
Employee benefits	48,870	49,820	36,285	13,535
Services and supplies	<u>50,400</u>	<u>50,400</u>	<u>26,095</u>	<u>24,305</u>
Total mining parks	<u>189,905</u>	<u>189,905</u>	<u>144,563</u>	<u>45,342</u>
Swimming pool:				
Salaries and wages	33,600	33,600	9,986	23,614
Employee benefits	6,621	6,621	825	5,796
Services and supplies	<u>29,600</u>	<u>29,600</u>	<u>10,667</u>	<u>18,933</u>
Total swimming pool	<u>69,821</u>	<u>69,821</u>	<u>21,478</u>	<u>48,343</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, 2020

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Culture and recreation (continued):				
Fairgrounds:				
Services and supplies	\$ 7,300	\$ 7,300	\$ 2,482	\$ 4,818
Ball fields:				
Services and supplies	42,500	42,500	27,347	15,153
Convention center:				
Salaries and wages	122,592	122,592	96,872	25,720
Employee benefits	74,185	74,185	54,760	19,425
Services and supplies	94,000	94,000	77,433	16,567
Total convention center	290,777	290,777	229,065	61,712
Total culture and recreation	655,503	655,503	470,170	185,333
Contingency	15,000	15,000	-	15,000
Total expenditures	1,817,402	1,817,402	1,258,805	558,597
Excess (deficiency) of revenues over expenditures	(709,585)	(709,585)	380,458	1,090,043
Other financing sources (uses):				
Operating transfers out	(338,000)	(338,000)	(88,000)	250,000
Net change in fund balance	(1,047,585)	(1,047,585)	292,458	1,340,043
Fund balance:				
Beginning of year	1,277,379	1,277,379	2,362,763	1,085,384
End of year	\$ 229,794	\$ 229,794	\$ 2,655,221	\$ 2,425,427

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, 2020

	MAJOR FUNDS		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<u>ASSETS:</u>			
Current assets:			
Pooled cash and investments	\$ 888,491	\$ 1,105,138	\$ 1,993,629
Interest receivable	2,709	2,236	4,945
Accounts receivable, net of allowance for doubtful accounts	66,871	65,034	131,905
Inventory	70,101	6,495	76,596
Prepaid expense	9,105	13,727	22,832
Restricted assets - cash	465,373	17,147	482,520
Total current assets	1,502,650	1,209,777	2,712,427
Property, plant and equipment, net of accumulated depreciation	14,624,160	5,823,944	20,448,104
Total assets	16,126,810	7,033,721	23,160,531
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred charge on pension	56,576	69,847	126,423
Deferred charge on OPEB	22,042	21,706	43,748
Total deferred outflows of resources	78,618	91,553	170,171
<u>LIABILITIES:</u>			
Current liabilities, payable from unrestricted assets:			
Accounts payable	13,780	7,731	21,511
Accrued payroll	16,236	20,046	36,282
Accrued interest payable	3,575	-	3,575
Accrued compensated absences	16,805	16,805	33,610
Current portion of bonds payable	109,167	-	109,167
Total current liabilities-unrestricted	159,563	44,582	204,145
Current liabilities, payable from restricted assets:			
Customer deposits	23,800	-	23,800
Total current liabilities	183,363	44,582	227,945
Non-current liabilities			
OPEB obligation payable	171,239	665,320	836,559
Net pension obligation payable	274,742	245,998	520,740
Accrued compensated absences	10,589	10,589	21,178
Bonds payable	4,930,103	-	4,930,103
Total non-current liabilities	5,386,673	921,907	6,308,580
Total liabilities	5,570,036	966,489	6,536,525
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred charge on pension	45,388	54,877	100,265
Deferred charge on OPEB	71,655	85,468	157,123
Total deferred inflows of resources	117,043	140,345	257,388
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	9,584,890	5,823,944	15,408,834
Restricted for debt	222,311	-	222,311
Restricted for capital projects	243,062	17,147	260,209
Unrestricted	468,086	177,349	645,435
Total net position	\$ 10,518,349	\$ 6,018,440	\$ 16,536,789

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, 2020

	MAJOR FUNDS		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
Operating revenues:			
Charges for services:			
Water fees	\$ 507,564	\$ -	\$ 507,564
Sewer fees	-	489,792	489,792
Total operating revenues	507,564	489,792	997,356
Operating expenses:			
Water Department:			
Administration	227,929	-	227,929
General operations	315,611	-	315,611
Water operations	103,069	-	103,069
Depreciation	497,406	-	497,406
Total water department	1,144,015	-	1,144,015
Sewer Department:			
Administration	-	95,311	95,311
General operations	-	152,023	152,023
Sewer operations	-	21,026	21,026
Depreciation	-	241,195	241,195
Total sewer department	-	509,555	509,555
Total operating expenses	1,144,015	509,555	1,653,570
Operating (loss)	(636,451)	(19,763)	(656,214)
Nonoperating revenue (expense):			
Investment income	48,856	35,724	84,580
Miscellaneous	2,625	-	2,625
Grants	152,806	-	152,806
Interest expense	(94,730)	-	(94,730)
Capital projects fees	-	34,448	34,448
Surcharge	224,447	-	224,447
Total nonoperating revenue	334,004	70,172	404,176
Net income (loss)	(302,447)	50,409	(252,038)
Net Position:			
Beginning of year	10,820,796	5,968,031	16,788,827
End of year	\$ 10,518,349	\$ 6,018,440	\$ 16,536,789

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, 2020

	MAJOR FUNDS		Total Enterprise Funds
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	
Cash flows from operating activities:			
Cash received from customers	\$ 543,087	\$ 491,523	\$ 1,034,610
Cash paid for salaries, wages, and employee benefits	(211,020)	(316,741)	(527,761)
Cash paid for services and supplies	(288,766)	(113,882)	(402,648)
Net cash provided by operating activities	43,301	60,900	104,201
Cash flows from noncapital financing activities:			
Miscellaneous revenue	2,625	-	2,625
Grants	152,806	-	152,806
Capital projects fees	-	34,448	34,448
Surcharges	224,447	-	224,447
Net cash provided by noncapital financing activities	379,878	34,448	414,326
Cash flows from capital and related financing activities:			
Purchase of capital assets	(780,437)	(139,788)	(920,225)
Principal paid	(118,677)	-	(118,677)
Interest paid	(94,743)	-	(94,743)
Net cash (used) by capital and related financing activities	(993,857)	(139,788)	(1,133,645)
Cash flows from investing activities:			
Investment income	49,433	35,417	84,850
Net increase in cash	(521,245)	(9,023)	(530,268)
Cash:			
Beginning of year	1,875,109	1,131,308	3,006,417
End of year	<u>\$ 1,353,864</u>	<u>\$ 1,122,285</u>	<u>\$ 2,476,149</u>
Reconciliation of operating (loss) to net cash provided by operating activities:			
Operating (loss)	<u>\$ (636,451)</u>	<u>\$ (19,763)</u>	<u>\$ (656,214)</u>
Adjustments to reconcile operating (loss) to net cash provided by operating activities:			
Depreciation	497,406	241,195	738,601
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	38,298	1,731	40,029
(Increase) decrease in prepaid expenses	(9,105)	(13,727)	(22,832)
(Increase) decrease in inventory	(6,553)	189	(6,364)
(Increase) decrease in deferred outflows	236,102	(14,358)	221,744
Increase (decrease) in accounts payable	(47,212)	(1,603)	(48,815)
Increase (decrease) in accrued payroll	(1,142)	3,422	2,280
Increase (decrease) in customer deposits	(2,775)	-	(2,775)
Increase (decrease) in accrued compensated absences	1,377	1,377	2,754
Increase (decrease) in net pension liability	10,513	13,587	24,100
Increase (decrease) in deferred inflows	(612)	31,189	30,577
Increase (decrease) in opeb obligations payable	(36,545)	(182,339)	(218,884)
Total adjustments	679,752	80,663	760,415
Net cash provided by operating activities	<u>\$ 43,301</u>	<u>\$ 60,900</u>	<u>\$ 104,201</u>

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

TOWN OF TONOPAH, NEVADA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

Post Retirement
Benefits
Trust
Fund

Assets

Pooled cash and investments	\$ 297,127
Interest receivable	<u>550</u>
Total assets	<u>297,677</u>

Liabilities

Accounts payable	<u>984</u>
Total liabilities	<u>984</u>

Net Position

Restricted for other employee benefits	<u><u>\$ 296,693</u></u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF TONOPAH, NEVADA
STATEMENT CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Post Retirement
Benefits
Trust
Fund

Additions

Contributions	
Contributions from employer	\$ 97,706
Contributions from employees	489
Total contributions	<u>98,195</u>

Investment earnings	
Interest	4,192
Net change in fair value	<u>3,830</u>
Total investment earnings	<u>8,022</u>

Total additions	<u>106,217</u>
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Deductions	
General and administrative	-
Benefit payments	<u>54,179</u>

Total deductions	<u>54,179</u>
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Change in net position	<u>52,038</u>
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Net Position

Beginning of the year	<u>244,655</u>
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End of the year	<u><u>\$ 296,693</u></u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020

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 fund:

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

Capital Projects Fund – The Capital Projects Fund is to account for general acquisitions of the Town as well as purchase of 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

Post-Retirement Benefits Trust Fund – This fund accounts for resources that are to be held in trust for the members of the employee benefit plan.

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020

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, 2020

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.
9. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development or obligations publicly issued in the United States by a foreign financial entity registered with the Securities and Exchange Commission, denominated in dollars with a maturity of 5 years or less with a rating of "AA" or better.

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, 2020

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, 2020

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

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 Town'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, 2020

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, 2020, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2020.

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, 2020

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, 2020

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 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	\$ 427,771
Depreciation expense	<u>(234,737)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 193,034</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance and Accountability

In accordance with NRS 354.626.2(e), 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, 2020, the Tonopah Public Utilities Water Enterprise Fund exceeded budget appropriations by \$44,916. The Nevada Department of Taxation has indicated that exceptions to the statute include items that the Town does not have control over. The expenses exceeded budget appropriations due to the projected costs of Other Post-Employment Benefits (retiree health insurance) that are determined by actuarial valuation. The expenses in excess of budget are the result of estimated Other Post-Employment Benefits cost.

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, 2020, 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:

	Governmental Activities	Business-type Activities	Trust	Totals
Cash in the hands of officers	\$ 4,419	\$ 102,558	\$ -	\$ 106,977
Carrying amount of deposits with Treasurer	3,304,907	2,373,591	297,127	5,975,625
Total	<u>\$ 3,309,326</u>	<u>\$ 2,476,149</u>	<u>\$ 297,127</u>	<u>\$ 6,082,602</u>
Cash and cash equivalents	\$ 3,309,326	\$ 1,993,629	\$ 297,127	\$ 5,600,082
Restricted assets - cash	-	482,520	-	482,520
Total	<u>\$ 3,309,326</u>	<u>\$ 2,476,149</u>	<u>\$ 297,127</u>	<u>\$ 6,082,602</u>

Except for financial reporting purposes, the cash balance of \$297,127 in the Trust Fund is not considered part of the Town's pooled cash and investments. It is resources that are held in trust for the members of the employee benefit plan.

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, 2020.

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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 2.09 years. As of June 30, 2020, 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
Corporate Commercial Paper	2.91%	100.00%	0.00%	0.00%	0.00%
Negotiable Certificates of Deposit	38.92%	41.87%	58.13%	0.00%	0.00%
NV Local Government Investment Pool	0.78%	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	44.29%	14.47%	85.53%	0.00%	0.00%
Money Market Mutual Funds	13.10%	100.00%	0.00%	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, 2020, 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
Corporate Commercial Paper	0%	100%	0%	0%	0%	0%	0%	0%
Negotiable Certificates of Deposit	0%	0%	0%	0%	0%	0%	0%	100%
NV Local Government Investment Pool	0%	0%	0%	0%	0%	0%	0%	100%
U.S. Agencies	100%	0%	0%	0%	0%	0%	0%	0%
Money Market Mutual Funds	0%	0%	0%	0%	0%	0%	0%	100%

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, 2020

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, 2020, are as follows:

Federal Farm Credit Bank	14.81%
Federal Home Loan Bank (FHLB)	21.15%
Freddie Mac	14.65%

The Town reports its investments at fair value. The town categorizes 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, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>
Corporate Commercial Paper	2.91%	0.00%	100.00%	0.00%	0.00%
Negotiable Certificates of Deposit	38.92%	0.00%	0.00%	0.00%	100.00%
NV Local Government Investment Pool	0.78%	24.91%	75.09%	0.00%	0.00%
U.S. Agencies	44.29%	100.00%	0.00%	0.00%	0.00%
Money Market Mutual Funds	13.10%	0.00%	0.00%	0.00%	100.00%
	<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:

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Interest	\$ 5,076	\$ 573	\$ 966	\$ 2,709	\$ 2,236	\$ 11,560
Property Taxes	5,707	-	-	-	-	5,707
Room taxes	42,878	-	3,350	-	-	46,228
Due from other governments:						
Consolidated taxes	156,302	-	-	-	-	156,302
Fuel taxes	7,246	-	-	-	-	7,246
Public safety sales tax	-	-	37,430	-	-	37,430
Accounts receivable, net of allowance for uncollectible	-	-	-	66,871	65,034	131,905
Total receivables	<u>\$ 217,209</u>	<u>\$ 573</u>	<u>\$ 41,746</u>	<u>\$ 69,580</u>	<u>\$ 67,270</u>	<u>\$ 396,378</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

Governmental Activities:

	Balance June 30, 2019	Additions	Transfer	Deletions	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 2,215,563	\$ -	\$ -	\$ -	\$ 2,215,563
Capital assets being depreciated:					
Land improvements	43,750	-	-	-	43,750
Building and improvements	2,356,729	158,483	-	-	2,515,212
Equipment	1,974,917	269,288	-	-	2,244,205
Total capital assets being depreciated	4,375,396	427,771	-	-	4,803,167
Less accumulated depreciation for:					
Land improvements	2,475	2,187	-	-	4,662
Building and improvements	813,984	78,571	-	-	892,555
Equipment	1,192,880	153,979	-	-	1,346,859
Total accumulated depreciation	2,009,339	234,737	-	-	2,244,076
Total capital assets being depreciated, net	2,366,057	193,034	-	-	2,559,091
Governmental activities assets, net	\$ 4,581,620	\$ 193,034	\$ -	\$ -	\$ 4,774,654

Building and improvement additions were for the convention center bathroom renovation.

Equipment additions were for fire equipment, vehicles, and other equipment.

Business-type Activities:

	Balance June 30, 2019	Additions	Transfer	Deletions	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000
Construction in progress	392,864	-	(392,864)	-	-
Total capital assets not being depreciated	447,864	-	(392,864)	-	55,000
Capital assets being depreciated:					
Systems and equipment	33,402,097	920,225	392,864	-	34,715,186
Less accumulated depreciation for:					
Systems and equipment	13,583,481	738,601	-	-	14,322,082
Total capital assets being depreciated, net	19,818,616	181,624	392,864	-	20,393,104
Business-type activities assets, net	\$ 20,266,480	\$ 181,624	\$ -	\$ -	\$ 20,448,104

Capital additions included system improvements, vehicle and small equipment.

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 11,124
Public safety	85,110
Public works	11,312
Culture and recreation	<u>127,191</u>
	<u>\$ 234,737</u>

Business activities:

Water	\$ 497,406
Sewer	<u>241,195</u>
	<u>\$ 738,601</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 \$4,364 as of June 30, 2020.

5. Restricted Assets Accounts

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

21515 Cash – Water customer deposits	\$ 22,744
21517 Cash – Water short lived assets	20,896
21551 Cash – Water arsenic debt service	33,284
21555 Cash – Water capital replacement	199,422
21561 Cash – Water arsenic debt reserve	107,143
21554 Cash – Water revenue bond debt service	40,368
21564 Cash – Water revenue bond debt reserve	<u>41,516</u>
Total restricted assets	<u>\$ 465,373</u>
 21543 Cash – Sewer short lived assets	 <u>\$ 17,147</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, was \$3,353,964. 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, 2020 is \$100,920. The balance in the reserve at June 30, 2020, was \$107,143. 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, 2020, was \$15,888 after the Town spent \$34,463 for repairs. The balance in the reserve at June 30, 2020, was \$20,896. A water projects capital replacement reserve is also to be funded \$56,000 annually. The required reserve as of June 30, 2020, was \$199,422 after the Town spent \$206,078 on repairs. The balance in the water replacement reserve at June 30, 2020, was \$199,422.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 76,900	\$ 62,348
2022	78,354	60,894
2023	79,836	59,412
2024	81,346	57,902
2025	82,884	56,364
2026-2030	438,533	257,707
2031-2035	481,600	214,640
2036-2040	528,895	167,345
2041-2045	580,835	115,405
2046-2050	637,876	58,364
2051-2053	286,905	6,185
	<u>\$ 3,353,964</u>	<u>\$ 1,116,566</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-term Debt (Continued)

a. Revenue Bonds Payable - Business-Type Activities (Continued)

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, 2020, was \$1,685,306. 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, 2019, is \$45,732. The balance in the reserve at June 30, 2020, was \$81,884.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 32,267	\$ 41,904
2022	33,084	41,088
2023	33,920	40,252
2024	34,778	39,394
2025	35,657	38,515
2026-2030	192,278	178,582
2031-2035	217,852	153,008
2036-2040	246,826	124,034
2041-2045	279,654	91,206
2046-2050	316,849	54,011
2051-2053	262,141	13,155
	<u>\$ 1,685,306</u>	<u>\$ 815,149</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, the following changes occurred:

Governmental activities:

	Balance June 30, 2019	Net Additions	Net Deletions	Balance June 30, 2020	Due within One Year
Compensated absences	\$ 30,561	\$ 363	\$ -	\$ 30,924	\$ 21,338
Net pension obligation	420,687	25,084	-	445,771	-
OPEB obligation payable	1,092,349	-	320,149	772,200	-
Total	<u>\$ 1,543,597</u>	<u>\$ 25,447</u>	<u>\$ 320,149</u>	<u>\$ 1,248,895</u>	<u>\$ 21,338</u>

Business-type activities:

	Balance June 30, 2019	Net Additions	Net Deletions	Balance June 30, 2020	Due within One Year
Compensated absences	\$ 52,034	\$ 2,754	\$ -	\$ 54,788	\$ 33,610
Net pension obligation	496,640	24,100	-	520,740	-
OPEB obligation payable	1,127,098	-	290,539	836,559	-
Bond payable	5,157,947	-	118,677	5,039,270	109,167
Total	<u>\$ 6,833,719</u>	<u>\$ 26,854</u>	<u>\$ 409,216</u>	<u>\$ 6,451,357</u>	<u>\$ 142,777</u>

Governmental activity liabilities will be liquidated primarily by the General Fund. Per Nevada Revised Statutes Chapter 269.425, the debt limitations for the town cannot exceed 25% of assessed valuation of property within the town which is \$61,340,899.

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. Cyber security events including privacy response expense provide coverage up to \$3,000,000,000 per event with a \$3,000,000,000 annual aggregate. 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.

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

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

The Town has no active construction project as of June 30, 2020.

Coronavirus (COVID-19)

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a pandemic. The President of the United States declared the outbreak of coronavirus a national emergency on March 13, 2020. The related health crisis has adversely affected the global economy, including disruptions to domestic and international travel and the hospitality industry in the State of Nevada.

In response to the Coronavirus pandemic, the Governor of Nevada issued several declarations of emergency to mitigate the health impact of the pandemic. Directives included the closure of gaming establishments, non-essential businesses and onsite dining at restaurants and food establishments.

The outbreak of the Coronavirus and the dramatic steps taken by the Federal government and the State to Nevada to address it will continue to impact national and local economies. The full impact on the State of Nevada and the Town's financial condition is not expected to be known for some time. The impact on the Town's future operations as a result of the Coronavirus is difficult to predict due to uncertainties relating to its duration and severity, as well as additional actions that may be taken by governmental and other health care authorities to contain or mitigate the effects of the virus. The possible reemergence of the virus later in the year could have an adverse financial effect on the Town. The Town is continuously monitoring the situation and will take such proactive measures as may be required to maintain operations and meet its obligations. Given the level of uncertainty, management cannot reasonably estimate the actual impact on the Town's future financial position at this time.

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 under Quick Links — Publications.

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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 01/01/10-07/01/15		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 01/01/10-07/01/15		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%	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, 2020, was 29.25% for regular members and 42.50% for police and firemen. The Town has fully funded the amounts due for the year ending June 30, 2020. 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, 2020

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, 2020, the Town reported a liability of \$966,511 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019. The Town's proportionate share of the net pension liability increased from 0.00673 percent at June 30, 2018, to 0.00709 percent at June 30, 2019.

For the year ended June 30, 2020, the Town recognized pension expense of \$107,823. At June 30, 2020, 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	\$ 49,685	\$ 38,217
Net difference between projected and actual earnings on pension plan investments	0	65,913
Changes in proportion	64,417	108,268
Changes of assumptions	53,921	0
Town Contributions subsequent to measurement date	106,407	0
Total	<u>\$ 274,430</u>	<u>\$ 212,398</u>

The Town reported \$106,407 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, 2021. 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:	
2021	\$ (21,309)
2022	(44,740)
2023	(7,706)
2024	12,831
2025	14,366
2026	2,183
	<u>\$ (44,375)</u>

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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, 2019, 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	Regular: 5.50%
	Police/Fire: 6.50%
Investment Rate of Return	7.50%, including inflation
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
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

Mortality rates were based on the following:

Healthy:	Headcount-Weighted RP-2014 Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries.
Disabled:	Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.
Pre-Retirement	Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of the experience study for the period of July 1, 2012 through June 30, 2016. 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, 2019:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
U.S. Stock	42%	5.50%
International Stock	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%

*As of June 30, 2019, 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, 2019. 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, 2019, 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, 2019.

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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.

	1.0% Decrease (6.5%)	Discount Rate (7.5%)	1.0% Increase (8.5%)
Town's proportionate share of the net pension liability	\$ 1,496,512	\$ 966,511	\$ 525,930

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, 2020, the Town reported payables to the defined benefit pension plan of \$11,977 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, 2020, 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>14</u>
	<u>21</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 2020, the Town contributed \$109,742 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, up to a cap of \$4,000 per year. 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, 2020

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

10. Postemployment Health Care Plan (Continued)

Funding Policy (Continued): The Town's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates, as well as the monthly explicit subsidy, and is determined in actuarial studies contracted for by the Town. The implicit and explicit subsidies as determined by the actuary are \$12,035 and \$52,707 respectively.

For fiscal year 2020, the Town contributed \$64,742 to the plan for current premiums.

Important Dates used in the Valuation:

Valuation Date:	July 1, 2020
Measurement Date:	June 30, 2020
Measurement Period:	June 30, 2019 to June 30, 2020
Fiscal Year End:	June 30, 2020

Significant Results and Differences from the Prior Valuation:

The assumptions used to develop the information in this report are the same assumptions used for the July 1, 2019 valuation. Updates were made to the discount rate, mortality assumptions, and to assumed future healthcare trend.

Net Other Post-Employment Benefits (OPEB) Liability

The Town's net OPEB liability of \$1,608,759 was measured as of June 30, 2020 and determined by actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs: The net OPEB liability in the July 1, 2020, 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	2.75%
Salary Increase	Non-Law Enforcement: Varies from 9.15% to 4.25% Law Enforcement: Varies from 13.90% to 4.55%
Discount Rate	
Prior Measurement Date	2.79%
Measurement Date	2.75 %
Healthcare Cost Trend Rates	4.70% for 2020 decreasing to an ultimate rate of 4.29% by 2075
Mortality Rates	Pub-2010 General and Safety Employees/Retirees Headcount- Weighted Mortality Tables projected fully generationally using scale MP- 2019.
Retirees' share of benefit-related costs	0%-50% depending on total costs exceeding \$4,000.

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period of June 30, 2019, to June 30, 2020.

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

NOTE D – DETAILED NOTES ON ALL FUNDS (Continued)

10. Postemployment Health Care Plan (Continued)

The discount rate was based on the expected long-term rate of return of the Trust. The discount rate used to measure the total OPEB liability was 2.75 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	\$ 67,098	\$ 0	\$ 67,098
Interest	77,291	0	77,291
Differences between expected and actual experience	(354,699)	0	(354,699)
Changes in assumptions or other inputs	(283,598)	0	(283,598)
Contributions – employer	0	100,587	(100,587)
Net investment income	0	16,193	(16,193)
Benefit payments	<u>(64,742)</u>	<u>(64,742)</u>	<u>0</u>
Net changes	(558,650)	52,038	(610,688)
Net OPEB obligation - beginning of the year	<u>2,464,102</u>	<u>244,655</u>	<u>2,219,447</u>
Net OPEB obligation - end of year	<u>\$ 1,905,452</u>	<u>\$ 296,693</u>	<u>\$ 1,608,759</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.79% as of June 30, 2019, to 2.75% as of June 30, 2020.

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.

	1.0% Decrease (1.75%)	Discount Rate (2.75%)	1.0% Increase (3.75%)
Net OPEB liability (asset)	\$ 1,930,844	\$ 1,608,759	\$ 1,350,526

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:

	1.0% Decrease	Discount Rate	1.0% Increase
Net OPEB liability (asset)	\$ 1,348,986	\$ 1,608,759	\$ 1,932,411

TOWN OF TONOPAH, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, the Town recognized OPEB changes which increased the net position by \$195,133. At June 30, 2020, 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	\$ 304,028
Changes of assumptions or other inputs	95,377	51,696
Net differences between projected and actual earnings on OPEB plan investments		9,890
Town Contributions subsequent to measurement date	0	0
Total	<u>\$ 95,377</u>	<u>\$ 365,614</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:

2021	\$(47,377)
2022	(47,377)
2023	(47,377)
2024	(47,379)
2025	(31,978)
thereafter	<u>(48,749)</u>
	<u>\$(270,237)</u>

11. TAX ABATEMENT

For the year ended June 30, 2020, the amount of tax abatements is \$434,685. The tax revenues abated were property tax revenues under agreements with the State of Nevada.

TOWN OF TONOPAH, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 YEARS*
JUNE 30, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB Liability			
Service cost	\$ 67,098	\$ -	\$ -
Interest	77,291	60,166	67,280
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(354,699)	-	-
Changes of assumptions or other inputs	(283,598)	109,918	40,923
Benefit Payments	<u>(64,742)</u>	<u>(55,302)</u>	<u>(56,596)</u>
Net Change in total OPEB liability	(558,650)	114,782	51,607
Total OPEB liability - beginning	<u>2,464,102</u>	<u>2,349,320</u>	<u>2,297,713</u>
Total OPEB liability - ending (a)	<u>\$ 1,905,452</u>	<u>\$ 2,464,102</u>	<u>\$ 2,349,320</u>
Plan fiduciary net position			
Contributions - employer	100,587	100,302	101,596
Net investment income	16,193	6,817	(366)
Benefit payments	<u>(64,742)</u>	<u>(55,302)</u>	<u>(56,596)</u>
Net Change in plan fiduciary net position	52,038	51,817	44,634
Plan fiduciary net - beginning	<u>244,655</u>	<u>192,838</u>	<u>148,204</u>
Plan fiduciary net - ending (b)	<u>\$ 296,693</u>	<u>\$ 244,655</u>	<u>\$ 192,838</u>
Town's net OPEB liability - ending (a)-(b)	<u>\$ 1,608,759</u>	<u>\$ 2,219,447</u>	<u>\$ 2,156,482</u>
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	9.93%	8.21%
Covered-employee payroll	\$ 642,947	\$ 288,578	\$ 211,362
Town's net OPEB liability as a percentage of covered-employee payroll	250.22%	769.10%	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.

6/30/2020	2.75
6/30/2019	2.79
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
LAST 10 YEARS *
JUNE 30, 2020

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%
2019	96,725	96,725	-	628,589	15.39%
2020	106,407	106,407	-	669,733	15.89%

**Information previous to 2013 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
OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST 10 YEARS *
JUNE 30, 2020

<u>Reporting Year Ended June 30:</u>	<u>Town's proportion of the net pension liability</u>	<u>Town's proportionate share of the net pension liability</u>	<u>Town's covered- employee payroll</u>	<u>Town's proportionate share of the net pension liability as a percentage of its covered- employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
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%
2019	0.00673%	917,327	593,854	154.47%	75.20%
2020	0.00709%	966,511	628,589	153.76%	76.50%

**Fiscal year 2015 was the first year of implementation. Therefore, only six 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, 2020

Note 1 – Net Pension 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.

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 and the change of valuation from the alternative measurement method to the use of an actuary. Covered payroll was changed to reflect all employees and not just those that had reached eligibility.

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2020 and 2019

	2020	2019
<u>ASSETS:</u>		
Pooled cash and investments	\$ 2,510,032	\$ 2,252,275
Interest receivable	5,076	3,972
Property taxes receivable	5,707	7,210
Room tax receivable	42,878	63,470
Prepaid expenses	18,842	-
Due from other governments	<u>163,548</u>	<u>138,716</u>
 Total assets	 <u>\$ 2,746,083</u>	 <u>\$ 2,465,643</u>
<u>LIABILITIES:</u>		
Accounts payable	\$ 44,061	\$ 56,630
Accrued payroll	<u>42,437</u>	<u>39,946</u>
 Total liabilities	 <u>86,498</u>	 <u>96,576</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Unavailable revenue - property taxes	<u>4,364</u>	<u>6,304</u>
<u>FUND BALANCE:</u>		
Nonspendable	18,842	-
Assigned for subsequent year	1,317,074	1,277,379
Unassigned	<u>1,319,305</u>	<u>1,085,384</u>
Total fund balance	<u>2,655,221</u>	<u>2,362,763</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 2,746,083</u>	 <u>\$ 2,465,643</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, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance-	2019
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Taxes	\$ 660,536	\$ 767,973	\$ 107,437	\$ 908,382
Licenses and permits	2,500	1,380	(1,120)	2,246
Intergovernmental	397,731	751,780	354,049	665,620
Charges for services	24,050	22,563	(1,487)	36,639
Fines and forfeitures	15,000	17,114	2,114	24,551
Miscellaneous	8,000	78,453	70,453	72,027
Total revenues	<u>1,107,817</u>	<u>1,639,263</u>	<u>531,446</u>	<u>1,709,465</u>
Expenditures:				
General government	543,299	345,142	198,157	277,359
Public safety	212,358	124,524	87,834	154,904
Public works	391,242	318,969	72,273	305,744
Culture and recreation	655,503	470,170	185,333	439,297
Contingency	15,000	-	15,000	-
Total expenditures	<u>1,817,402</u>	<u>1,258,805</u>	<u>558,597</u>	<u>1,177,304</u>
Excess (deficiency) of revenues over expenditures	(709,585)	380,458	1,090,043	532,161
Other financing sources (uses):				
Operating transfers out	<u>(338,000)</u>	<u>(88,000)</u>	<u>250,000</u>	<u>(390,000)</u>
Net change in fund balance	(1,047,585)	292,458	1,340,043	142,161
Fund balance:				
Beginning of year	<u>1,277,379</u>	<u>2,362,763</u>	<u>1,085,384</u>	<u>2,220,602</u>
End of year	<u>\$ 229,794</u>	<u>\$ 2,655,221</u>	<u>\$ 2,425,427</u>	<u>\$ 2,362,763</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND (GAAP BASIS)
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance-	2019
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Taxes:				
Property taxes	\$ 360,536	\$ 255,261	\$ (105,275)	\$ 316,753
Room taxes	300,000	512,712	212,712	591,629
Total taxes	<u>660,536</u>	<u>767,973</u>	<u>107,437</u>	<u>908,382</u>
 Licenses and permits	 <u>2,500</u>	 <u>1,380</u>	 <u>(1,120)</u>	 <u>2,246</u>
 Intergovernmental:				
County liquor license	1,800	2,200	400	3,960
County gaming license	16,000	22,253	6,253	37,252
Consolidated tax	300,000	651,363	351,363	545,000
Gas tax \$1.75	51,931	45,306	(6,625)	52,048
Grants	<u>28,000</u>	<u>30,658</u>	<u>2,658</u>	<u>27,360</u>
Total intergovernmental	<u>397,731</u>	<u>751,780</u>	<u>354,049</u>	<u>665,620</u>
 Charges for services:				
Rescue runs	200	-	(200)	-
Swimming pool fees	6,000	2,045	(3,955)	7,935
Convention Center rental	10,000	6,371	(3,629)	13,167
Sports complex fees	2,400	2,400	-	2,400
Mining park entrance	5,000	10,257	5,257	11,602
Fairgrounds rental	<u>450</u>	<u>1,490</u>	<u>1,040</u>	<u>1,535</u>
Total charges for services	<u>24,050</u>	<u>22,563</u>	<u>(1,487)</u>	<u>36,639</u>
 Fines and forfeitures	 <u>15,000</u>	 <u>17,114</u>	 <u>2,114</u>	 <u>24,551</u>
 Miscellaneous:				
Investment income	6,000	78,453	72,453	72,027
Other	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>
Total miscellaneous	<u>8,000</u>	<u>78,453</u>	<u>70,453</u>	<u>72,027</u>
 Total revenues	 <u>\$ 1,107,817</u>	 <u>\$ 1,639,263</u>	 <u>\$ 531,446</u>	 <u>\$ 1,709,465</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND (GAAP BASIS)
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance-	2019
	Budget	Actual	Positive (Negative)	Actual
Expenditures:				
General government:				
Salaries and wages	\$ 140,633	\$ 120,168	\$ 20,465	\$ 96,937
Employee benefits	142,836	74,510	68,326	70,682
Services and supplies	259,830	144,291	115,539	109,740
Capital outlay	-	6,173	(6,173)	-
Total general government	<u>543,299</u>	<u>345,142</u>	<u>198,157</u>	<u>277,359</u>
Public safety:				
Fire:				
Salaries and wages	12,000	-	12,000	-
Employee benefits	20,058	9,276	10,782	8,712
Services and supplies	180,300	59,434	120,866	146,192
Capital outlay	-	55,814	(55,814)	-
Total public safety	<u>212,358</u>	<u>124,524</u>	<u>87,834</u>	<u>154,904</u>
Public works:				
Highways and streets:				
Salaries and wages	114,973	106,875	8,098	97,232
Employee benefits	84,838	63,597	21,241	57,507
Services and supplies	191,431	136,383	55,048	150,387
Capital outlay	-	12,114	(12,114)	618
Total public works	<u>391,242</u>	<u>318,969</u>	<u>72,273</u>	<u>305,744</u>
Culture and recreation:				
Parks:				
Services and supplies	<u>55,200</u>	<u>45,235</u>	<u>9,965</u>	<u>30,087</u>
Mining parks:				
Salaries and wages	89,685	82,183	7,502	72,258
Employee benefits	49,820	36,285	13,535	36,027
Services and supplies	<u>50,400</u>	<u>26,095</u>	<u>24,305</u>	<u>23,646</u>
Total mining parks	<u>189,905</u>	<u>144,563</u>	<u>45,342</u>	<u>131,931</u>
Swimming pool:				
Salaries and wages	33,600	9,986	23,614	23,150
Employee benefits	6,621	825	5,796	3,113
Services and supplies	<u>29,600</u>	<u>10,667</u>	<u>18,933</u>	<u>22,359</u>
Total swimming pool	<u>69,821</u>	<u>21,478</u>	<u>48,343</u>	<u>48,622</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND (GAAP BASIS)
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance-	2019
	Budget	Actual	Positive (Negative)	Actual
Culture and recreation (continued):				
Fairgrounds:				
Services and supplies	\$ 7,300	\$ 2,482	\$ 4,818	\$ 2,744
Ball fields:				
Services and supplies	42,500	27,347	15,153	35,138
Convention Center:				
Salaries and wages	122,592	96,872	25,720	80,980
Employee benefits	74,185	54,760	19,425	47,482
Services and supplies	94,000	77,433	16,567	62,313
Total convention center	290,777	229,065	61,712	190,775
Total culture and recreation	655,503	470,170	185,333	439,297
Contingency	15,000	-	15,000	-
Total expenditures	\$ 1,817,402	\$ 1,258,805	\$ 558,597	\$ 1,177,304

TOWN OF TONOPAH, NEVADA
MAJOR FUND - CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2020 and 2019

	2020	2019
<u>ASSETS:</u>		
Pooled cash and investments	\$ 286,318	\$ 518,036
Interest receivable	<u>573</u>	<u>925</u>
Total assets	<u>\$ 286,891</u>	<u>\$ 518,961</u>
<u>LIABILITIES:</u>		
Accounts payable	\$ -	\$ -
<u>FUND BALANCE:</u>		
Restricted for capital projects	<u>286,891</u>	<u>518,961</u>
Total liabilities and fund balance	<u>\$ 286,891</u>	<u>\$ 518,961</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, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance- Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Charges for services:				
Rescue runs	\$ 500	\$ -	\$ (500)	\$ -
Miscellaneous:				
Investment income	<u>-</u>	<u>12,978</u>	<u>12,978</u>	<u>12,848</u>
Total revenues	500	12,978	12,478	12,848
Expenditures:				
Capital projects	<u>703,778</u>	<u>245,048</u>	<u>458,730</u>	<u>121,665</u>
Excess (deficiency) of revenues over expenditures	(703,278)	(232,070)	471,208	(108,817)
Other financing sources (uses):				
Operating transfers in	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>	<u>390,000</u>
Net change in fund balance	(453,278)	(232,070)	221,208	281,183
Fund balance:				
Beginning of year	<u>453,278</u>	<u>518,961</u>	<u>65,683</u>	<u>237,778</u>
End of year	<u>\$ -</u>	<u>\$ 286,891</u>	<u>\$ 286,891</u>	<u>\$ 518,961</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2020 and 2019

	2020	2019
<u>ASSETS:</u>		
Current assets:		
Pooled cash and investments	\$ 888,491	\$ 1,208,095
Interest receivable	2,709	3,286
Due from other governments	-	61,382
Accounts receivable, net of allowance for doubtful accounts	66,871	43,787
Inventory	70,101	63,548
Prepaid expense	9,105	-
Restricted assets - cash	465,373	667,014
Total current assets	1,502,650	2,047,112
Property, plant and equipment, net of accumulated depreciation	14,624,160	14,341,129
Total assets	16,126,810	16,388,241
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
Deferred charge on pension	56,576	48,851
Deferred charge on OPEB	22,042	265,869
Total deferred outflows of resources	78,618	314,720
<u>LIABILITIES:</u>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	13,780	60,992
Accrued payroll	16,236	17,378
Accrued interest payable	3,575	3,588
Accrued compensated absences	16,805	15,960
Current portion of bonds payable	109,167	106,944
Total current liabilities-unrestricted	159,563	204,862
Current liabilities, payable from restricted assets:		
Customer deposits	23,800	26,575
Total current liabilities	183,363	231,437
Non-current liabilities:		
OPEB obligation payable	171,239	279,439
Net pension obligation payable	274,742	264,229
Accrued compensated absences	10,589	10,057
Bonds payable	4,930,103	5,051,003
Total non-current liabilities	5,386,673	5,604,728
Total liabilities	5,570,036	5,836,165
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Deferred charge on pension	45,388	46,000
Deferred charge on OPEB	71,655	-
Total deferred inflows of resources	117,043	46,000
<u>NET POSITION:</u>		
Invested in capital assets, net of related debt	9,584,890	9,183,182
Restricted for debt	222,311	172,809
Restricted for capital projects	243,062	494,205
Unrestricted	468,086	970,600
Total net position	\$ 10,518,349	\$ 10,820,796

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, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance- Positive (Negative)	2019 Actuals
	Budget	Actual		
Operating revenues:				
Charges for services:				
Water fees	\$ 515,200	\$ 507,564	\$ (7,636)	\$ 467,353
Operating expenses:				
Water department:				
Administration	170,923	227,929	(57,006)	84,534
General operations	332,469	315,611	16,858	254,335
Water operations	195,707	103,069	92,638	120,050
Depreciation	400,000	497,406	(97,406)	460,733
Total operating expenses	1,099,099	1,144,015	(44,916)	919,652
Operating income (loss)	(583,899)	(636,451)	(52,552)	(452,299)
Nonoperating revenue (expense):				
Investment income	5,000	48,856	43,856	63,407
Miscellaneous	23,000	2,625	(20,375)	38,208
Grant	-	152,806	152,806	394,069
Interest expense	(106,476)	(94,730)	11,746	(108,586)
Water surcharge	210,000	224,447	14,447	205,257
Total nonoperating revenue (expense)	131,524	334,004	202,480	592,355
Change in net assets	\$ (452,375)	(302,447)	\$ 149,928	140,056
Net Position:				
Beginning of year		10,820,796		10,680,740
End of year		\$ 10,518,349		\$ 10,820,796

TOWN OF TONOPAH, NEVADA
MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND
COMPARATIVE SCHEDULES OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 543,087	\$ 423,880
Cash paid for salaries, wages, and employee benefits	(211,020)	(235,822)
Cash paid for services and supplies	(288,766)	(197,677)
Net cash provided by operating activities	<u>43,301</u>	<u>(9,619)</u>
Cash flows from noncapital financing activities:		
Miscellaneous revenue	2,625	38,208
Grants	152,806	394,069
Surcharges	224,447	205,257
Net cash provided by noncapital financing activities	<u>379,878</u>	<u>637,534</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(780,437)	(432,418)
Principal paid	(118,677)	(104,770)
Interest paid	(94,743)	(108,650)
Net cash (used) by capital and related financing activities	<u>(993,857)</u>	<u>(645,838)</u>
Cash flows from investing activities:		
Investment income	49,433	62,918
Net increase in cash	(521,245)	44,995
Cash:		
Beginning of year	1,875,109	1,830,114
End of year	<u>\$ 1,353,864</u>	<u>\$ 1,875,109</u>
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	<u>\$ (636,451)</u>	<u>\$ (452,299)</u>
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	497,406	460,733
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	38,298	(43,473)
(Increase) decrease in prepaid expenses	(9,105)	-
(Increase) decrease in inventory	(6,553)	(1,243)
(Increase) decrease in deferred outflows	236,102	(275,315)
Increase (decrease) in accounts payable	(47,212)	47,503
Increase (decrease) in accrued payroll	(1,142)	5,640
Increase (decrease) in customer deposits	(2,775)	-
Increase (decrease) in accrued compensated absences	1,377	(239)
Increase (decrease) in net pension liability	10,513	13,515
Increase (decrease) in deferred inflows	(612)	(11,423)
Increase (decrease) in opeb obligations payable	(36,545)	246,982
Total adjustments	<u>679,752</u>	<u>442,680</u>
Net cash provided by operating activities	<u>\$ 43,301</u>	<u>\$ (9,619)</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2020 and 2019

	2020	2019
<u>ASSETS:</u>		
Current assets:		
Pooled cash and investments	\$ 1,105,138	\$ 1,114,697
Interest receivable	2,236	1,929
Accounts receivable, net of allowance for doubtful accounts	65,034	66,765
Inventory	6,495	6,684
Prepaid expense	13,727	-
Restricted assets - cash	<u>17,147</u>	<u>16,611</u>
Total current assets	1,209,777	1,206,686
Property, plant and equipment, net of accumulated depreciation	<u>5,823,944</u>	<u>5,925,351</u>
Total assets	<u>7,033,721</u>	<u>7,132,037</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
Deferred charge on pension	69,847	60,538
Deferred charge on OPEB	<u>21,706</u>	<u>16,657</u>
Total deferred outflows of resources	<u>91,553</u>	<u>77,195</u>
<u>LIABILITIES:</u>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	7,731	9,334
Accrued payroll	20,046	16,624
Accrued compensated absences	<u>16,805</u>	<u>15,960</u>
Total current liabilities - unrestricted	<u>44,582</u>	<u>41,918</u>
Non-current liabilities:		
OPEB obligation payable	665,320	847,659
Net pension obligation payable	245,998	232,411
Accrued compensated absences	<u>10,589</u>	<u>10,057</u>
Total non-current liabilities	<u>921,907</u>	<u>1,090,127</u>
Total liabilities	<u>966,489</u>	<u>1,132,045</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Deferred charge on pension	54,877	57,970
Deferred charge on OPEB	<u>85,468</u>	<u>51,186</u>
Total deferred inflows of resources	<u>140,345</u>	<u>109,156</u>
<u>NET POSITION:</u>		
Invested in capital assets, net of related debt	5,823,944	5,925,351
Restricted for capital projects	17,147	16,611
Unrestricted	<u>177,349</u>	<u>26,069</u>
Total net position	<u>\$ 6,018,440</u>	<u>\$ 5,968,031</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, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance- Positive (Negative)	2019 Actuals
	Budget	Actual		
Operating revenues:				
Charges for services:				
Sewer fees	\$ 494,491	\$ 489,792	\$ (4,699)	\$ 500,263
Operating expenses:				
Sewer department:				
Administration	263,196	95,311	167,885	142,879
General operations	588,299	152,023	436,276	221,054
Sewer operations	41,000	21,026	19,974	28,123
Depreciation	260,000	241,195	18,805	249,992
Total sewer department	<u>1,152,495</u>	<u>509,555</u>	<u>642,940</u>	<u>642,048</u>
 Total operating expenses	<u>1,152,495</u>	<u>509,555</u>	<u>642,940</u>	<u>642,048</u>
 Operating income (loss)	<u>(658,004)</u>	<u>(19,763)</u>	<u>638,241</u>	<u>(141,785)</u>
 Nonoperating revenue (expense):				
Investment income	6,000	35,724	29,724	35,021
Capital projects fees	<u>30,000</u>	<u>34,448</u>	<u>4,448</u>	<u>66,697</u>
 Total nonoperating revenue (expense)	<u>36,000</u>	<u>70,172</u>	<u>34,172</u>	<u>101,718</u>
 Net income (loss)	<u>\$ (622,004)</u>	50,409	<u>\$ 672,413</u>	(40,067)
 Net Position:				
Beginning of year		<u>5,968,031</u>		<u>6,008,098</u>
 End of year		<u>\$ 6,018,440</u>		<u>\$ 5,968,031</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND
COMPARATIVE SCHEDULES OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 491,523	\$ 501,074
Cash paid for salaries, wages, and employee benefits	(316,741)	(311,024)
Cash paid for services and supplies	<u>(113,882)</u>	<u>(100,162)</u>
Net cash provided by operating activities	60,900	89,888
Cash flows from noncapital financing activities:		
Capital projects fees	34,448	66,697
Cash flows from capital and related financing activities:		
Purchase of capital assets	(139,788)	(167,872)
Cash flows from investing activities:		
Investment income	<u>35,417</u>	<u>34,703</u>
Net increase/(decrease) in cash	(9,023)	23,416
Cash:		
Beginning of year	<u>1,131,308</u>	<u>1,107,892</u>
End of year	<u>\$ 1,122,285</u>	<u>\$ 1,131,308</u>
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	<u>\$ (19,763)</u>	<u>\$ (141,785)</u>
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	241,195	249,992
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	1,731	811
(Increase) decrease in prepaid expenses	(13,727)	-
(Increase) decrease in inventory	189	166
(Increase) decrease in deferred outflows	(14,358)	(12,169)
Increase (decrease) in accounts payable	(1,603)	5,235
Increase (decrease) in accrued payroll	3,422	1,329
Increase (decrease) in accrued compensated absences	1,377	(174)
Increase (decrease) in net pension liability	13,587	16,200
Increase (decrease) in deferred inflows	31,189	38,011
Increase (decrease) in opeb obligations payable	<u>(182,339)</u>	<u>(67,728)</u>
Total adjustments	<u>80,663</u>	<u>231,673</u>
Net cash provided by operating activities	<u>\$ 60,900</u>	<u>\$ 89,888</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020
(With Comparative Totals for June 30, 2019)

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2020 Totals	2019 Totals
<u>ASSETS:</u>				
Pooled cash and investments	\$ 329,682	\$ 183,294	\$ 512,976	\$ 545,328
Interest receivable	667	299	966	739
Room tax receivable	3,350	-	3,350	4,959
Due from other governments	<u>37,430</u>	<u>-</u>	<u>37,430</u>	<u>29,986</u>
Total assets	<u>\$ 371,129</u>	<u>\$ 183,593</u>	<u>\$ 554,722</u>	<u>\$ 581,012</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 19,009	\$ -	\$ 19,009	\$ 117,667
Accrued payroll and benefits	<u>4,521</u>	<u>-</u>	<u>4,521</u>	<u>1,654</u>
Total liabilities	<u>23,530</u>	<u>-</u>	<u>23,530</u>	<u>119,321</u>
<u>FUND BALANCE:</u>				
Restricted for capital projects	-	183,593	183,593	145,488
Restricted for public safety	219,886	-	219,886	225,491
Restricted for culture & recreation	<u>127,713</u>	<u>-</u>	<u>127,713</u>	<u>90,712</u>
Total fund balance	<u>347,599</u>	<u>183,593</u>	<u>531,192</u>	<u>461,691</u>
Total liabilities and fund balance	<u>\$ 371,129</u>	<u>\$ 183,593</u>	<u>\$ 554,722</u>	<u>\$ 581,012</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2020 Totals	2019 Totals
Revenues:				
Taxes	\$ 40,056	\$ -	\$ 40,056	\$ 41,845
Intergovernmental	190,276	34,023	224,299	286,104
Miscellaneous	<u>18,593</u>	<u>4,082</u>	<u>22,675</u>	<u>43,688</u>
Total revenues	<u>248,925</u>	<u>38,105</u>	<u>287,030</u>	<u>371,637</u>
Expenditures:				
Current:				
Public safety	202,597	-	202,597	174,777
Culture and recreation	<u>102,932</u>	<u>-</u>	<u>102,932</u>	<u>89,256</u>
Total expenditures	<u>305,529</u>	<u>-</u>	<u>305,529</u>	<u>264,033</u>
Excess (deficiency) of revenues over expenditures	(56,604)	38,105	(18,499)	107,604
Other financing sources (uses):				
Operating transfers in	<u>88,000</u>	<u>-</u>	<u>88,000</u>	<u>-</u>
Net change in fund balance	31,396	38,105	69,501	107,604
Fund balance:				
Beginning of year	<u>316,203</u>	<u>145,488</u>	<u>461,691</u>	<u>354,087</u>
End of year	<u>\$ 347,599</u>	<u>\$ 183,593</u>	<u>\$ 531,192</u>	<u>\$ 461,691</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020
(With Comparative Totals for June 30, 2019)

	State Room Tax	Tourism	Mural Fund	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire
<u>ASSETS:</u>					
Pooled cash and investments	\$ 92,846	\$ 22,188	\$ 20,953	\$ 119,058	\$ 74,637
Interest receivable	193	53	43	235	143
Room tax receivable	3,350	-	-	-	-
Due from other governments	-	-	-	18,715	18,715
Total assets	<u>\$ 96,389</u>	<u>\$ 22,241</u>	<u>\$ 20,996</u>	<u>\$ 138,008</u>	<u>\$ 93,495</u>
<u>LIABILITIES:</u>					
Accounts payable	\$ -	\$ 1,279	\$ 10,634	\$ 7,096	\$ -
Accrued payroll and benefits	-	-	-	4,521	-
Total liabilities	<u>-</u>	<u>1,279</u>	<u>10,634</u>	<u>11,617</u>	<u>-</u>
<u>FUND BALANCE:</u>					
Restricted for public safety	-	-	-	126,391	93,495
Restricted for culture and recreation	<u>96,389</u>	<u>20,962</u>	<u>10,362</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>96,389</u>	<u>20,962</u>	<u>10,362</u>	<u>126,391</u>	<u>93,495</u>
Total liabilities and fund balance	<u>\$ 96,389</u>	<u>\$ 22,241</u>	<u>\$ 20,996</u>	<u>\$ 138,008</u>	<u>\$ 93,495</u>

Totals	
2020	2019
\$ 329,682	\$ 400,039
667	540
3,350	4,959
<u>37,430</u>	<u>29,986</u>
<u>\$ 371,129</u>	<u>\$ 435,524</u>
\$ 19,009	\$ 117,667
<u>4,521</u>	<u>1,654</u>
<u>23,530</u>	<u>119,321</u>
219,886	225,491
<u>127,713</u>	<u>90,712</u>
<u>347,599</u>	<u>316,203</u>
<u>\$ 371,129</u>	<u>\$ 435,524</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, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	State Room Tax	Tourism	Mural Fund	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire
Revenues:					
Taxes	\$ 40,056	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	95,138	95,138
Miscellaneous	<u>2,842</u>	<u>8,357</u>	<u>678</u>	<u>3,740</u>	<u>2,976</u>
Total revenues	<u>42,898</u>	<u>8,357</u>	<u>678</u>	<u>98,878</u>	<u>98,114</u>
Expenditures:					
Public safety	-	-	-	95,076	107,521
Culture and recreation	<u>16,126</u>	<u>75,598</u>	<u>11,208</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>16,126</u>	<u>75,598</u>	<u>11,208</u>	<u>95,076</u>	<u>107,521</u>
Excess (deficiency) of revenues over expenditures	26,772	(67,241)	(10,530)	3,802	(9,407)
Other financing sources (uses):					
Operating transfers in	<u>-</u>	<u>88,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	26,772	20,759	(10,530)	3,802	(9,407)
Fund balance:					
Beginning of year	<u>69,617</u>	<u>203</u>	<u>20,892</u>	<u>122,589</u>	<u>102,902</u>
End of year	<u>\$ 96,389</u>	<u>\$ 20,962</u>	<u>\$ 10,362</u>	<u>\$ 126,391</u>	<u>\$ 93,495</u>

Totals	
2020	2019
\$ 40,056	\$ 41,845
190,276	254,257
<u>18,593</u>	<u>10,982</u>
<u>248,925</u>	<u>307,084</u>
202,597	174,777
<u>102,932</u>	<u>89,256</u>
<u>305,529</u>	<u>264,033</u>
(56,604)	43,051
<u>88,000</u>	<u>-</u>
31,396	43,051
<u>316,203</u>	<u>273,152</u>
<u>\$ 347,599</u>	<u>\$ 316,203</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - STATE ROOM TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2020 and 2019

	2020	2019
<u>ASSETS:</u>		
Pooled cash and investments	\$ 92,846	\$ 95,439
Interest receivable	193	174
Room tax receivable	<u>3,350</u>	<u>4,959</u>
Total assets	<u><u>\$ 96,389</u></u>	<u><u>\$ 100,572</u></u>
<u>LIABILITIES:</u>		
Accounts payable	\$ -	\$ 30,955
<u>FUND BALANCE:</u>		
Restricted for culture and recreation	<u>96,389</u>	<u>69,617</u>
Total liabilities and fund balance	<u><u>\$ 96,389</u></u>	<u><u>\$ 100,572</u></u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - STATE ROOM TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance- Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Room tax	\$ 25,000	\$ 40,056	\$ 15,056	\$ 41,845
Miscellaneous:				
Investment income	<u>-</u>	<u>2,842</u>	<u>2,842</u>	<u>3,314</u>
Total revenues	25,000	42,898	17,898	45,159
Expenditures:				
Culture and recreation:				
Services and supplies	<u>100,709</u>	<u>16,126</u>	<u>84,583</u>	<u>81,251</u>
Excess (deficiency) of revenues over expenditures	(75,709)	26,772	102,481	(36,092)
Fund balance:				
Beginning of year	<u>75,709</u>	<u>69,617</u>	<u>(6,092)</u>	<u>105,709</u>
End of year	<u>\$ -</u>	<u>\$ 96,389</u>	<u>\$ 96,389</u>	<u>\$ 69,617</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - TOURISM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2020 and 2019

	2020	2019
<u>ASSETS:</u>		
Pooled cash and investments	\$ 22,188	\$ 203
Interest receivable	<u>53</u>	<u>-</u>
Total assets	<u><u>\$ 22,241</u></u>	<u><u>\$ 203</u></u>
<u>LIABILITIES:</u>		
Accounts payable	\$ 1,279	\$ -
<u>FUND BALANCE:</u>		
Restricted for culture and recreation	<u>20,962</u>	<u>203</u>
Total liabilities and fund balance	<u><u>\$ 22,241</u></u>	<u><u>\$ 203</u></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, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance- Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Grant	\$ 25,000	\$ -	\$ (25,000)	\$ -
Miscellaneous:				
Investment income	-	1,688	1,688	(2)
Donations	1,800	6,669	4,869	1,613
Total other revenues	1,800	8,357	6,557	1,611
Total revenues	26,800	8,357	(18,443)	1,611
Expenditures:				
Culture and recreation:				
Services and supplies	117,144	75,598	41,546	8,005
Excess (deficiency) of revenues over expenditures	(90,344)	(67,241)	23,103	(6,394)
Other financing sources (uses):				
Operating transfers in	88,000	88,000	-	-
Net change in fund balance	(2,344)	20,759	23,103	(6,394)
Fund balance:				
Beginning of year	2,344	203	(2,141)	6,597
End of year	\$ -	\$ 20,962	\$ 20,962	\$ 203

**TOWN OF TONOPAH, NEVADA
MURAL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2020 and 2019**

	2020	2019
<u>ASSETS:</u>		
Pooled cash and investments	\$ 20,953	\$ 20,854
Interest receivable	<u>43</u>	<u>38</u>
Total assets	<u>\$ 20,996</u>	<u>\$ 20,892</u>
 <u>LIABILITIES:</u>		
Accounts payable	\$ 10,634	\$ -
 <u>FUND BALANCE:</u>		
Restricted for culture and recreation	<u>10,362</u>	<u>20,892</u>
Total liabilities and fund balance	<u>\$ 20,996</u>	<u>\$ 20,892</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, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance-	2019
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Miscellaneous:				
Investment income	\$ -	\$ 678	\$ 678	\$ 699
Expenditures:				
Culture and recreation:				
Services and supplies	-	11,208	(11,208)	-
Capital outlay	20,193	-	20,193	-
Total expenditures	20,193	11,208	8,985	-
Excess (deficiency) of revenues over expenditures	(20,193)	(10,530)	9,663	699
Fund balance:				
Beginning of year	20,193	20,892	699	20,193
End of year	\$ -	\$ 10,362	\$ 10,362	\$ 20,892

TONOPAH TOWN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2020 and 2019

	2020	2019
<u>ASSETS</u>		
Pooled cash and investments	\$ 119,058	\$ 109,838
Interest receivable	235	147
Due from other governments	<u>18,715</u>	<u>14,993</u>
 Total assets	 <u>\$ 138,008</u>	 <u>\$ 124,978</u>
 <u>LIABILITIES</u>		
Accounts payable	\$ 7,096	\$ 735
Accrued payroll and benefits	<u>4,521</u>	<u>1,654</u>
 Total liabilities	 11,617	 2,389
 <u>FUND BALANCE:</u>		
Restricted for public safety	<u>126,391</u>	<u>122,589</u>
 Total liabilities and fund balance	 <u>\$ 138,008</u>	 <u>\$ 124,978</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
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	Budget	2020 Actual	Variance- Positive (Negative)	2019 Actual
Revenues:				
Intergovernmental:				
Public safety tax - Nye County	\$ 82,000	\$ 95,138	\$ 13,138	\$ 92,610
Miscellaneous:				
Investment income	-	3,740	3,740	3,246
Total revenues	<u>82,000</u>	<u>98,878</u>	<u>16,878</u>	<u>95,856</u>
Expenditures:				
Public safety:				
Salaries and wages	-	41,527	(41,527)	40,199
Employee benefits	-	22,068	(22,068)	21,800
Services and supplies	189,355	30,381	158,974	10,324
Capital outlay	-	1,100	(1,100)	10,899
Total expenditures	<u>189,355</u>	<u>95,076</u>	<u>94,279</u>	<u>83,222</u>
Excess (deficiency) of revenues over expenditures	(107,355)	3,802	111,157	12,634
Fund balance:				
Beginning of year	<u>107,355</u>	<u>122,589</u>	<u>15,234</u>	<u>109,955</u>
End of year	<u>\$ -</u>	<u>\$ 126,391</u>	<u>\$ 126,391</u>	<u>\$ 122,589</u>

TONOPAH TOWN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2020 and 2019

	2020	2019
<u>ASSETS</u>		
Pooled cash and investments	\$ 74,637	\$ 173,705
Interest receivable	143	181
Due from other governments	<u>18,715</u>	<u>14,993</u>
 Total assets	 <u>\$ 93,495</u>	 <u>\$ 188,879</u>
 <u>LIABILITIES</u>		
Accounts payable	\$ -	\$ 85,977
 <u>FUND BALANCE</u>		
Restricted for public safety	<u>93,495</u>	<u>102,902</u>
 Total liabilities and fund balance	 <u>\$ 93,495</u>	 <u>\$ 188,879</u>

TONOPAH TOWN, NEVADA
NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	Budget	2020 Actual	Variance- Positive (Negative)	2019 Actual
Revenues:				
Intergovernmental:				
Public safety tax - Nye County	\$ 82,000	\$ 95,138	\$ 13,138	\$ 92,610
Grant	-	-	-	69,037
Total intergovernmental	82,000	95,138	13,138	161,647
Miscellaneous:				
Investment income	-	2,976	2,976	2,112
Total revenues	82,000	98,114	16,114	163,759
Expenditures:				
Public safety:				
Services and supplies	119,698	-	119,698	-
Capital outlay	-	107,521	(107,521)	91,555
Total public safety	119,698	107,521	12,177	91,555
Excess (deficiency) of revenues over expenditures	(37,698)	(9,407)	28,291	72,204
Fund balance:				
Beginning of year	37,698	102,902	65,204	30,698
End of year	\$ -	\$ 93,495	\$ 93,495	\$ 102,902

TOWN OF TONOPAH, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020
(With Comparative Totals for June 30, 2019)

	Special Ad Valorem	Mining	Totals 2020	2019
<u>ASSETS:</u>				
Pooled cash and investments	\$ 116,946	\$ 66,348	\$ 183,294	\$ 145,289
Interest receivable	<u>166</u>	<u>133</u>	<u>299</u>	<u>199</u>
Total assets	<u>\$ 117,112</u>	<u>\$ 66,481</u>	<u>\$ 183,593</u>	<u>\$ 145,488</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
<u>FUND BALANCE:</u>				
Restricted for capital projects	<u>117,112</u>	<u>66,481</u>	<u>183,593</u>	<u>145,488</u>
Total liabilities and fund balance	<u>\$ 117,112</u>	<u>\$ 66,481</u>	<u>\$ 183,593</u>	<u>\$ 145,488</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, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	Special Ad Valorem	Mining	Totals 2020	2019
Revenues:				
Intergovernmental	\$ 34,023	\$ -	\$ 34,023	\$ 31,847
Miscellaneous	<u>1,985</u>	<u>2,097</u>	<u>4,082</u>	<u>32,706</u>
Total revenues	36,008	2,097	38,105	64,553
Expenditures:				
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	36,008	2,097	38,105	64,553
Fund Balance:				
Beginning of year	<u>81,104</u>	<u>64,384</u>	<u>145,488</u>	<u>80,935</u>
End of year	<u>\$ 117,112</u>	<u>\$ 66,481</u>	<u>\$ 183,593</u>	<u>\$ 145,488</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2020 and 2019

	2020	2019
<u>ASSETS:</u>		
Pooled cash and investments	\$ 116,946	\$ 81,017
Interest receivable	<u>166</u>	<u>87</u>
Total assets	<u>\$ 117,112</u>	<u>\$ 81,104</u>
<u>LIABILITIES:</u>		
Accounts payable	\$ -	\$ -
<u>FUND BALANCE:</u>		
Restricted for capital projects	<u>117,112</u>	<u>81,104</u>
Total liabilities and fund balance	<u>\$ 117,112</u>	<u>\$ 81,104</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, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance- Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:	\$ 20,000	\$ 34,023	\$ 14,023	\$ 31,847
Miscellaneous:				
Investment income	<u>-</u>	<u>1,985</u>	<u>1,985</u>	<u>1,658</u>
Total revenues	20,000	36,008	16,008	33,505
Expenditures:				
Capital projects	<u>87,599</u>	<u>-</u>	<u>87,599</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(67,599)	36,008	103,607	33,505
Fund balance:				
Beginning of year	<u>67,599</u>	<u>81,104</u>	<u>13,505</u>	<u>47,599</u>
End of year	<u>\$ -</u>	<u>\$ 117,112</u>	<u>\$ 117,112</u>	<u>\$ 81,104</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND - MINING CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2020 and 2019

	2020	2019
<u>ASSETS:</u>		
Pooled cash and investments	\$ 66,348	\$ 64,272
Interest receivable	<u>133</u>	<u>112</u>
Total assets	<u>\$ 66,481</u>	<u>\$ 64,384</u>
<u>LIABILITIES:</u>		
Accounts payable	\$ -	\$ -
<u>FUND BALANCE:</u>		
Restricted for capital projects	<u>66,481</u>	<u>64,384</u>
Total liabilities and fund balance	<u>\$ 66,481</u>	<u>\$ 64,384</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, 2020
(With Comparative Amounts for the Year Ended June 30, 2019)

	2020		Variance- Positive (Negative)	2019 Actual
	Budget	Actual		
Revenues:				
Miscellaneous:				
Investment income	\$ -	\$ 2,097	\$ 2,097	\$ 2,043
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,005</u>
Total revenues	-	2,097	2,097	31,048
Expenditures:				
Capital projects	<u>60,737</u>	<u>-</u>	<u>60,737</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(60,737)	2,097	62,834	31,048
Fund balance:				
Beginning of year	<u>60,737</u>	<u>64,384</u>	<u>3,647</u>	<u>33,336</u>
End of year	<u>\$ -</u>	<u>\$ 66,481</u>	<u>\$ 66,481</u>	<u>\$ 64,384</u>

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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

Honorable Board Members
Town of Tonopah, Nevada
Tonopah, Nevada

We 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, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 23, 2020.

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) as a basis for designing 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 financial statements. 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 be "Michael A. [unclear]", written in a cursive style.

Las Vegas, Nevada
November 23, 2020

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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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, 2020, 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

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

PRIOR YEAR RECOMMENDATIONS

We 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, 2020, 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, 2020.

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 90 of the financial Statements. No projects were funded during the year. The Town does not plan to accumulate money in the fund.



Las Vegas, Nevada
November 23, 2020