

**TOWN OF TONOPAH, NEVADA**  
**REPORT ON FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2021**

**TOWN OF TONOPAH, NEVADA  
REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTAL MATERIAL  
FOR THE YEAR ENDED JUNE 30, 2021  
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**TOWN OF TONOPAH, NEVADA**

**ORGANIZATION**

**TOWN OFFICERS** at June 30, 2021

Chairman	Don Kaminski
Vice Chairman	Jerry Elliston
Clerk	Marc Grigory
Board Member	Duane Downing
Board Member	Zachary Newell

# DANIEL C. McARTHUR, LTD.

*Certified Public Accountant*

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

## INDEPENDENT AUDITOR'S REPORT

Honorable Board Members  
Town of Tonopah, Nevada  
Tonopah, Nevada

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tonopah, Nevada (the Town), as of and for the year ended June 30, 2021, 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, 2021, 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 55, Schedule of Town's Contributions to the Public Employees' Retirement System of the State of Nevada on page 56 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 57 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, 2020 (not presented herein), and have issued our report thereon dated November 23, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type 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, 2020, 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 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 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 2020 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, 2020.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2022, 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 read "Duke M. [unclear]".

Las Vegas, Nevada  
January 20, 2022



**TOWN OF TONOPAH, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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As management of the Town of Tonopah, Nevada, we offer readers of the Town of Tonopah, Nevada's ("Town") financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. The Management's Discussion and Analysis introduces the financial reports for the 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. The Management's Discussion and Analysis is separated into Financial Highlights, an Overview of the Financial Statements, Government-Wide Financial Analysis, Financial Analysis of the Town's Funds, General Fund Budgetary Highlights, Capital Assets, Debt Administration, and Economic Factors and Next Year's Budget and Rates comments.

**FINANCIAL HIGHLIGHTS**

**Government-Wide Statements**

The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the 2021 fiscal year by \$23,461,594 (net position). Total net position represents approximately \$19,736,184 in capital assets, net of related debt, \$264,168 in assets restricted for debt services, \$431,627 in assets restricted for capital projects, \$177,105 in assets restricted for culture and recreation, and \$217,607 in assets restricted for public safety. The remaining \$2,634,903 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 2021, from \$23,419,228 to \$23,461,594.

The Town's primary revenue sources for governmental activities were ad valorem taxes (property taxes) of \$310,784, room taxes of \$674,791, consolidated taxes (sales taxes) of \$751,763, and public safety sales taxes of \$191,884. These revenue sources comprised 14.48%, 31.45%, 35.03%, and 8.94%, respectively, or 89.90% of total governmental activities revenues.

The Town's total expenses were \$3,573,222. The greatest governmental activities expenses were \$805,789 in culture and recreation and \$342,372 in the public works function. The business-type activities contributed \$1,785,561 to the Town's total expenses.

**Fund Financial Statements**

At the end of fiscal year 2021, the Town's governmental funds reported combined fund balances of \$3,642,357, an increase of \$169,053 when compared to the previous year. Approximately 27.34% of this amount, \$995,776, is available for spending at the government's discretion (unassigned fund balance).

At the end of fiscal year 2021, the Town's General Fund had a fund balance of \$3,118,307, an increase of \$463,086 when compared to the previous year. Approximately 31.93% of this amount, \$995,776, is unassigned fund balance.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Management's Discussion and Analysis is intended to introduce the Town's basic financial statements. The Town's basic financial statements are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**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, 2021**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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, 2021**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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, 2021**

**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, 2021 and 2020.

**Net Position**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary Government</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Assets:</b>						
Current and other assets	\$ 3,814,074	\$ 3,587,696	\$ 3,007,447	\$ 2,712,427	\$ 6,821,521	\$ 6,300,123
Net capital assets	4,949,107	4,774,654	19,728,906	20,448,104	24,678,013	25,222,758
Total assets	8,763,181	8,362,350	22,736,353	23,160,531	31,499,534	31,522,881
<b>Deferred outflows of resources</b>	206,992	199,636	167,281	170,171	374,273	369,807
<b>Liabilities:</b>						
Current liabilities	194,094	110,028	265,669	85,168	459,763	195,196
Long-term liabilities	1,275,741	1,248,895	6,218,115	6,451,357	7,493,856	7,700,252
Total liabilities	1,469,835	1,358,923	6,483,784	6,536,525	7,953,619	7,895,448
<b>Deferred inflows of resources</b>	259,722	320,624	198,872	257,388	458,594	578,012
<b>Net position:</b>						
Invested in capital assets, net of related debt	4,949,107	4,774,654	14,787,077	15,408,834	19,736,184	20,183,488
Restricted	524,050	818,083	566,457	482,520	1,090,507	1,300,603
Unrestricted	1,767,459	1,289,702	867,444	645,435	2,634,903	1,935,137
Total net position	\$ 7,240,616	\$ 6,882,439	\$ 16,220,978	\$ 16,536,789	\$ 23,461,594	\$ 23,419,228

The Town's assets exceeded liabilities by \$23,461,594 at the close of the current fiscal year and total net position increased by \$42,366, resulting in a 0.18% increase in net position.

The largest portion of the Town's net position, 84.12%, 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 \$23,461,594 includes unrestricted net position totaling \$2,634,903. 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 \$1,090,507.

**Net Position**

Governmental activities increased the Town's net position by \$358,177. Business-type activities decreased the Town's net position by \$315,811.

**TOWN OF TONOPAH, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Governmental</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 116,575	\$ 65,510	\$ 1,129,542	\$ 997,356	\$ 1,246,117	\$ 1,062,866
Operating grant	-	32,346	-	-	-	32,346
Capital grant	65,976	-	-	152,806	65,976	152,806
General revenues:						
Ad valorem taxes	310,784	287,344	-	-	310,784	287,344
Room taxes	674,791	552,768	-	-	674,791	552,768
Fuel taxes	46,497	45,306	-	-	46,497	45,306
Consolidated taxes	751,763	651,363	-	-	751,763	651,363
Public safety taxes	191,884	190,276	-	-	191,884	190,276
Investment income (loss)	(12,442)	112,418	(11,731)	84,580	(24,173)	196,998
Miscellaneous	10	-	351,939	261,520	351,949	261,520
Total revenues	<u>2,145,838</u>	<u>1,937,331</u>	<u>1,469,750</u>	<u>1,496,262</u>	<u>3,615,588</u>	<u>3,433,593</u>
<b>Expenses:</b>						
General government	322,145	244,938	-	-	322,145	244,938
Public safety	317,355	200,986	-	-	317,355	200,986
Public works	342,372	287,733	-	-	342,372	287,733
Culture and recreation	805,789	631,800	-	-	805,789	631,800
Utility operations	-	-	1,785,561	1,748,300	1,785,561	1,748,300
Total expenses	<u>1,787,661</u>	<u>1,365,457</u>	<u>1,785,561</u>	<u>1,748,300</u>	<u>3,573,222</u>	<u>3,113,757</u>
Change in net position	358,177	571,874	(315,811)	(252,038)	42,366	319,836
Net position - beginning	<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>
Net position - ending	<u>\$7,240,616</u>	<u>\$6,882,439</u>	<u>\$16,220,978</u>	<u>\$16,536,789</u>	<u>\$23,461,594</u>	<u>\$23,419,228</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.

**TOWN OF TONOPAH, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**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 \$3,642,357. This is an increase over the prior year of \$169,053, or 4.87%. Fund balance components have been classified as restricted, assigned, and/or unassigned based primarily on the extent to which the Town is bound to observe constraints imposed on the use of the resources of the funds. Restricted fund balance is \$524,050, or 14.39%, 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 \$129,338 for capital projects, \$217,607 for public safety, and \$177,105 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 \$3,118,307, an increase of \$463,086, or 17.44%, from the prior year.

Revenues increased by \$235,683, or 14.38%. Tax revenues increased by \$149,212, or 19.43%, due to increases in room taxes and ad valorem taxes. Intergovernmental revenues increased by \$146,761, or 19.52%, primarily due to consolidated taxes.

Expenditures decreased by \$31,045, or 2.47%. General Government expenditures decreased by \$40,259, or 11.66%, due to decreased service and supply and capital expenditures. Public Safety decreased by \$39,222, or 31.50%, due to decreases in capital expenditures. Public works expenditures increased by \$25,477, or 7.99%, due to increases in salaries and wages, employee benefits and services and supplies expenditures. Culture and recreation expenditures increased by \$22,959, or 4.88%, primarily due to increased salaries and wages and employee benefits for the mining park and convention center, and decreased service and supply expenditures in the convention center.

**Capital Projects Fund:** At the end of the current fiscal year, the fund balance of the Capital Projects Fund was \$5,188, a decrease of \$281,703, or 98.19%, from the prior year.

Revenues decreased by \$7,885, or 60.76%. Intergovernmental revenues increased by \$6,750 due to receipt of a grant in the current year. Investment loss in the current year was \$1,657, due to changes in market conditions.

Expenditures increased by \$111,748, or 45.60%, due to increased capital expenditures.

**Major Enterprise Funds**

**Enterprise Funds:** The Town's water and sewer utility enterprise fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise funds totaled \$867,444. Total net position in the enterprise funds decreased \$315,811.

**Tonopah Public Utilities Water:** Operating revenues increased by \$97,924, or 19.29%. Operating expenditures decreased by \$143,123, or 12.51%, primarily due to a decrease in administration and general operation costs. Nonoperating revenues/(expenses) were \$139,153, or 41.66%, lower than the prior year mainly due to receiving less grant money.

**Tonopah Public Utilities Sewer:** Operating revenues increased by \$34,262, or 7.00%. Operating expenditures increased by \$155,482, or 30.51%, from the prior year. This increase is attributed mostly to increased administration and general operations costs. Nonoperating revenues/(expenses) were \$44,447, or 63.34%, lower than the prior year. This decrease results from investment loss in the current year due to changes in market conditions.

**TOWN OF TONOPAH, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**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 \$3,118,307 was \$995,776 higher than anticipated to begin the 2021-2022 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 more than budgeted by \$1,010,149. Significant revenues in excess of budgeted amounts were \$325,893 in room taxes and \$451,763 in consolidated taxes.

A review of actual expenditures compared to the appropriations in the final budget shows that expenditures were \$672,333 lower than budgeted, or 35.38%. Expenditures were under budget for all functions of the General Fund as follows: general government by \$201,585, public safety by \$125,144, public works by \$80,544, and culture and recreation by \$250,060.

**CAPITAL ASSETS**

At June 30, 2021, the Town's governmental type activities had \$4,949,107 (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 \$174,453 from the previous year.

At June 30, 2021, the Town's business-type activities had \$19,728,906 (net) invested in land, utility distributions systems, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of \$719,198 from the previous year.

Capital assets, net of related debt, reflect 84.12% 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, 2021**

**CAPITAL ASSETS (Continued)**

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, 2020	Additions	Transfer	Deletions	Balance June 30, 2021
<b>Capital assets not being depreciated:</b>					
Land	\$ 2,215,563	\$ -	\$ -	\$ -	\$ 2,215,563
Construction in progress	-	24,948	-	-	24,948
<b>Total capital assets not being depreciated</b>	<u>2,215,563</u>	<u>24,948</u>	<u>-</u>	<u>-</u>	<u>2,240,511</u>
<b>Capital assets being depreciated:</b>					
Land improvements	43,750	-	-	-	43,750
Building and improvements	2,515,212	-	-	-	2,515,212
Equipment	2,244,205	415,196	-	-	2,659,401
<b>Total capital assets being depreciated</b>	<u>4,803,167</u>	<u>415,196</u>	<u>-</u>	<u>-</u>	<u>5,218,363</u>
<b>Less accumulated depreciation for:</b>					
Land improvements	4,662	2,188	-	-	6,850
Building and improvements	892,555	77,170	-	-	969,725
Equipment	1,346,859	186,333	-	-	1,533,192
<b>Total accumulated depreciation</b>	<u>2,244,076</u>	<u>265,691</u>	<u>-</u>	<u>-</u>	<u>2,509,767</u>
<b>Total capital assets being depreciated, net</b>	<u>2,559,091</u>	<u>149,505</u>	<u>-</u>	<u>-</u>	<u>2,708,596</u>
<b>Governmental activities assets, net</b>	<u>\$ 4,774,654</u>	<u>\$ 174,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,949,107</u>

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, 2020	Additions	Transfer	Deletions	Balance June 30, 2021
<b>Capital assets not being depreciated:</b>					
Land	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000
<b>Capital assets being depreciated:</b>					
Systems and equipment	34,715,186	17,019	-	-	34,732,205
<b>Less accumulated depreciation for:</b>					
Systems and equipment	14,322,082	736,217	-	-	15,058,299
<b>Total capital assets being depreciated, net</b>	<u>20,393,104</u>	<u>(719,198)</u>	<u>-</u>	<u>-</u>	<u>19,673,906</u>
<b>Business-type activities assets, net</b>	<u>\$ 20,448,104</u>	<u>\$ (719,198)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,728,906</u>

Capital additions included system improvements and small equipment.



**TOWN OF TONOPAH, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**DEBT ADMINISTRATION**

**Changes in Long-term Debt:** During the year ended June 30, 2021, the following changes occurred in long-term debt:

**Governmental activities:**

	Balance June 30, 2020	Net Additions	Net Deletions	Balance June 30, 2021	Due within One Year
Compensated absences	\$ 30,924	\$ 16,112	\$ -	\$ 47,036	\$ 27,061
Net pension liability	445,771	42,182	-	487,953	-
Net OPEB liability	772,200	-	4,387	767,813	-
Total	<u>\$ 1,248,895</u>	<u>\$ 58,294</u>	<u>\$ 4,387</u>	<u>\$ 1,302,802</u>	<u>\$ 27,061</u>

**Business-type activities:**

	Balance June 30, 2020	Net Additions	Net Deletions	Balance June 30, 2021	Due within One Year
Compensated absences	\$ 54,788	\$ -	\$ 6,658	\$ 48,130	\$ 21,382
Net pension liability	520,740	35,845	-	556,585	-
Net OPEB liability	836,559	-	32,168	804,391	-
Bond payable	5,039,270	-	97,441	4,941,829	111,438
Total	<u>\$ 6,451,357</u>	<u>\$ 35,845</u>	<u>\$ 136,267</u>	<u>\$ 6,350,935</u>	<u>\$ 132,820</u>

The Town's debt increased by \$53,907 for governmental activities during the current fiscal year. The increase was primarily due to increases in the Town's proportionate share of the net pension liability.

The Town's debt decreased by \$100,422 for business-type activities during the current fiscal year. The decrease was mainly due to a decrease in net OPEB obligations and bonds outstanding.

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

The Town approved the budget for the 2021-2022 year on May 26, 2021. The following factors were considered in the development of the budget.

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

**REQUESTS FOR INFORMATION**

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

Town Administration  
Town of Tonopah, Nevada  
140 S. Main Street  
PO Box 151  
Tonopah, Nevada 89049

**TOWN OF TONOPAH, NEVADA**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

	Governmental Activities	Business-type Activities	Total Primary Government
<b>Assets</b>			
Cash and cash equivalents	\$ 3,484,267	\$ 2,231,254	\$ 5,715,521
Interest receivable	7,424	3,189	10,613
Property taxes receivable	4,702	-	4,702
Room taxes receivable	81,533	-	81,533
Due from other governments	236,023	-	236,023
Due from others	125	-	125
Accounts receivable net of allowance for uncollectible	-	137,823	137,823
Inventory	-	68,724	68,724
Restricted assets - cash	-	566,457	566,457
Capital assets (net of accumulated depreciation)	4,949,107	19,728,906	24,678,013
Total assets	8,763,181	22,736,353	31,499,534
<b>Deferred outflows of resources</b>			
Deferred charge on pension	164,816	131,693	296,509
Deferred charge on OPEB	42,176	35,588	77,764
Total deferred outflows of resources	206,992	167,281	374,273
<b>Liabilities</b>			
Accounts payable	106,752	55,657	162,409
Accrued payroll	60,281	42,214	102,495
Accrued interest payable	-	7,228	7,228
Accrued compensated absences	27,061	21,382	48,443
Bonds payable	-	111,438	111,438
Payable from restricted assets:			
Customer deposits	-	27,750	27,750
Noncurrent liabilities:			
Net OPEB liability	767,813	804,391	1,572,204
Net pension liability	487,953	556,585	1,044,538
Accrued compensated absences	19,975	26,748	46,723
Bonds payable	-	4,830,391	4,830,391
Total liabilities	1,469,835	6,483,784	7,953,619
<b>Deferred inflows of resources</b>			
Deferred charge on pension	76,009	60,378	136,387
Deferred charge on OPEB	183,713	138,494	322,207
Total deferred inflows of resources	259,722	198,872	458,594
<b>Net position</b>			
Net invested in capital assets	4,949,107	14,787,077	19,736,184
Restricted	524,050	566,457	1,090,507
Unrestricted	1,767,459	867,444	2,634,903
Total net position	\$ 7,240,616	\$ 16,220,978	\$ 23,461,594

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, 2021**

Functions/Programs	Expenses	Program Revenues		Changes in Net Position		Total
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary governments:						
General government	\$ (322,145)	\$ 94,635	\$ -	\$ (227,510)	\$ -	\$ (227,510)
Public safety	(317,355)	-	-	(317,355)	-	(317,355)
Public works	(342,372)	-	-	(342,372)	-	(342,372)
Culture and recreation	<u>(805,789)</u>	<u>21,940</u>	<u>65,976</u>	<u>(717,873)</u>	<u>-</u>	<u>(717,873)</u>
Total governmental activities	<u>(1,787,661)</u>	<u>116,575</u>	<u>65,976</u>	<u>(1,605,110)</u>	<u>-</u>	<u>(1,605,110)</u>
Business-type activities:						
Water	(1,120,524)	605,488	-	-	(515,036)	(515,036)
Sewer	<u>(665,037)</u>	<u>524,054</u>	<u>-</u>	<u>-</u>	<u>(140,983)</u>	<u>(140,983)</u>
Total business-type activities	<u>(1,785,561)</u>	<u>1,129,542</u>	<u>-</u>	<u>-</u>	<u>(656,019)</u>	<u>(656,019)</u>
Total primary governments	<u>\$ (3,573,222)</u>	<u>\$ 1,246,117</u>	<u>\$ 65,976</u>	<u>(1,605,110)</u>	<u>(656,019)</u>	<u>(2,261,129)</u>
General Revenues:						
Property taxes				310,784	-	310,784
Room taxes				674,791	-	674,791
Fuel taxes				46,497	-	46,497
Consolidated taxes				751,763	-	751,763
Public safety taxes				191,884	-	191,884
Capital projects fees				-	32,413	32,413
Surcharge				-	303,992	303,992
Investment income (loss)				(12,442)	(11,731)	(24,173)
Miscellaneous				<u>10</u>	<u>15,534</u>	<u>15,544</u>
Total general revenues				<u>1,963,287</u>	<u>340,208</u>	<u>2,303,495</u>
Change in net position				358,177	(315,811)	42,366
Net position - beginning of year				<u>6,882,439</u>	<u>16,536,789</u>	<u>23,419,228</u>
Net position - end of year				<u>\$ 7,240,616</u>	<u>\$ 16,220,978</u>	<u>\$ 23,461,594</u>

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

**TOWN OF TONOPAH, NEVADA**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Major Fund		Other	Total
	General Fund	Capital Projects	Governmental Funds	Governmental Funds
<b>Assets</b>				
Pooled cash and investments	\$ 2,964,178	\$ 4,994	\$ 515,095	\$ 3,484,267
Interest receivable	6,121	194	1,109	7,424
Property taxes receivable	4,702	-	-	4,702
Room taxes receivable	75,625	-	5,908	81,533
Due from other governments	196,707	-	39,316	236,023
Due from others	125	-	-	125
Total assets	<u>\$ 3,247,458</u>	<u>\$ 5,188</u>	<u>\$ 561,428</u>	<u>\$ 3,814,074</u>
<b>Liabilities</b>				
Accounts payable	\$ 69,766	\$ -	\$ 36,986	\$ 106,752
Accrued payroll	54,701	-	5,580	60,281
Total liabilities	<u>124,467</u>	<u>-</u>	<u>42,566</u>	<u>167,033</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	<u>4,684</u>	<u>-</u>	<u>-</u>	<u>4,684</u>
<b>Fund Balance</b>				
Restricted for:				
Capital projects	-	5,188	124,150	129,338
Public safety	-	-	217,607	217,607
Culture and recreation	-	-	177,105	177,105
Assigned for subsequent year	2,122,531	-	-	2,122,531
Unassigned	995,776	-	-	995,776
Total fund balance	<u>3,118,307</u>	<u>5,188</u>	<u>518,862</u>	<u>3,642,357</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,247,458</u>	<u>\$ 5,188</u>	<u>\$ 561,428</u>	<u>\$ 3,814,074</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, 2021**

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<b>Total fund balance - governmental funds</b>	<b>\$ 3,642,357</b>
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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.	4,949,107
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,684
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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	(47,036)

The Town's other postemployment benefits liabilities as well as other postemployment benefits-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred outflows from other postemployment benefits.	42,176
Net other postemployment benefits liability.	(767,813)
Deferred inflows from other postemployment benefits.	(183,713)

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.	164,816
Net pension liability	(487,953)
Deferred inflows from pension activity.	<u>(76,009)</u>

<b>Total net position - governmental activities</b>	<b><u>\$ 7,240,616</u></b>
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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, 2021**

	Major Funds		Other	Total
	General Fund	Capital Projects	Governmental Funds	Governmental Funds
<b>Revenues</b>				
Taxes	\$ 917,185	\$ -	\$ 48,898	\$ 966,083
Licenses and permits	1,150	-	-	1,150
Intergovernmental	898,541	6,750	211,056	1,116,347
Charges for services	21,940	-	-	21,940
Fines and forfeitures	42,270	-	-	42,270
Miscellaneous	(6,140)	(1,657)	5,525	(2,272)
 Total revenues	 <u>1,874,946</u>	 <u>5,093</u>	 <u>265,479</u>	 <u>2,145,518</u>
<b>Expenditures</b>				
Current:				
General government	304,883	-	-	304,883
Public safety	85,302	-	193,385	278,687
Public works	344,446	-	-	344,446
Culture and recreation	493,129	-	120,556	613,685
Capital projects	-	356,796	77,968	434,764
 Total expenditures	 <u>1,227,760</u>	 <u>356,796</u>	 <u>391,909</u>	 <u>1,976,465</u>
 Excess (deficiency) of revenues over expenditures	 <u>647,186</u>	 <u>(351,703)</u>	 <u>(126,430)</u>	 <u>169,053</u>
<b>Other financing sources (uses)</b>				
Operating transfers in	-	70,000	114,100	184,100
Operating transfers out	(184,100)	-	-	(184,100)
Total other financing sources (uses)	<u>(184,100)</u>	<u>70,000</u>	<u>114,100</u>	<u>-</u>
 Net change in fund balance	 463,086	 (281,703)	 (12,330)	 169,053
<b>Fund balance</b>				
Beginning of year	<u>2,655,221</u>	<u>286,891</u>	<u>531,192</u>	<u>3,473,304</u>
 End of year	 <u>\$ 3,118,307</u>	 <u>\$ 5,188</u>	 <u>\$ 518,862</u>	 <u>\$ 3,642,357</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, 2021**

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<b>Net change in fund balance - governmental funds</b>	<b>\$ 169,053</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. The is the amount by which depreciation exceeds capital outlay in the current period. 174,453

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. 320

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. (16,112)

Net differences between other postemployment benefits contributions recognized in the fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities:

Net other postemployment benefits (expense). 19,712

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 (2021 contributions). 66,823  
Net pension expense. (56,072)

<b>Change in net position of governmental activities</b>	<b><u>\$ 358,177</u></b>
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The notes to the financial statements are an integral part of this statement.

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
<b>Taxes:</b>				
Property taxes	\$ 150,000	\$ 150,000	\$ 291,292	\$ 141,292
Room taxes	300,000	300,000	625,893	325,893
Total taxes	450,000	450,000	917,185	467,185
<b>Licenses and permits:</b>	2,500	2,500	1,150	(1,350)
<b>Intergovernmental:</b>				
County liquor license	1,800	1,800	4,280	2,480
County gaming license	16,000	16,000	46,935	30,935
Consolidated tax	300,000	300,000	751,763	451,763
Gas tax \$1.75	47,447	47,447	46,497	(950)
Grants	-	-	49,066	49,066
Total intergovernmental	365,247	365,247	898,541	533,294
<b>Charges for services:</b>				
Rescue runs	200	200	-	(200)
Swimming pool fees	6,000	6,000	5,582	(418)
Convention Center rental	10,000	10,000	7,260	(2,740)
Sports complex fees	2,400	2,400	100	(2,300)
Mining park entrance	5,000	5,000	5,986	986
Fairgrounds rental	450	450	3,012	2,562
Total charges for services	24,050	24,050	21,940	(2,110)
<b>Fines and forfeitures:</b>	15,000	15,000	42,270	27,270
<b>Miscellaneous:</b>				
Investment income (loss)	6,000	6,000	(8,650)	(14,650)
Donation	-	-	2,500	2,500
Other	2,000	2,000	10	(1,990)
Total miscellaneous	8,000	8,000	(6,140)	(14,140)
Total revenues	864,797	864,797	1,874,946	1,010,149

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, 2021**

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
<b>Expenditures</b>				
<b>General government:</b>				
Salaries and wages	\$ 171,766	\$ 171,766	\$ 119,828	\$ 51,938
Employee benefits	144,872	144,872	79,788	65,084
Services and supplies	<u>259,830</u>	<u>189,830</u>	<u>105,267</u>	<u>84,563</u>
Total general government	<u>576,468</u>	<u>506,468</u>	<u>304,883</u>	<u>201,585</u>
<b>Public safety:</b>				
<b>Fire:</b>				
Salaries and wages	12,000	12,000	-	12,000
Employee benefits	18,146	18,146	9,005	9,141
Services and supplies	<u>180,300</u>	<u>180,300</u>	<u>76,297</u>	<u>104,003</u>
Total public safety	<u>210,446</u>	<u>210,446</u>	<u>85,302</u>	<u>125,144</u>
<b>Public works:</b>				
<b>Highways and streets:</b>				
Salaries and wages	135,129	135,129	118,729	16,400
Employee benefits	100,914	100,914	71,166	29,748
Services and supplies	<u>188,947</u>	<u>188,947</u>	<u>154,551</u>	<u>34,396</u>
Total public works	<u>424,990</u>	<u>424,990</u>	<u>344,446</u>	<u>80,544</u>
<b>Culture and recreation:</b>				
<b>Parks:</b>				
Services and supplies	<u>55,200</u>	<u>55,200</u>	<u>45,635</u>	<u>9,565</u>
<b>Mining parks:</b>				
Salaries and wages	124,117	124,117	102,947	21,170
Employee benefits	74,341	74,341	49,856	24,485
Services and supplies	<u>50,400</u>	<u>50,400</u>	<u>26,943</u>	<u>23,457</u>
Total mining parks	<u>248,858</u>	<u>248,858</u>	<u>179,746</u>	<u>69,112</u>
<b>Swimming pool:</b>				
Salaries and wages	35,498	35,498	8,063	27,435
Employee benefits	6,140	6,140	1,085	5,055
Services and supplies	<u>29,600</u>	<u>29,600</u>	<u>11,474</u>	<u>18,126</u>
Total swimming pool	<u>71,238</u>	<u>71,238</u>	<u>20,622</u>	<u>50,616</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, 2021**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures</b>				
<b>Culture and recreation (continued):</b>				
<b>Fairgrounds:</b>				
Services and supplies	\$ 7,300	\$ 7,300	\$ 4,796	\$ 2,504
<b>Ball fields:</b>				
Services and supplies	42,500	42,500	39,289	3,211
<b>Convention center:</b>				
Salaries and wages	135,265	135,265	103,043	32,222
Employee benefits	88,828	88,828	62,231	26,597
Services and supplies	94,000	94,000	37,767	56,233
Total convention center	318,093	318,093	203,041	115,052
Total culture and recreation	743,189	743,189	493,129	250,060
<b>Contingency</b>	15,000	15,000	-	15,000
Total expenditures	1,970,093	1,900,093	1,227,760	672,333
Excess (deficiency) of revenues over expenditures	(1,105,296)	(1,035,296)	647,186	1,682,482
<b>Other financing sources (uses)</b>				
Operating transfers out	(114,100)	(184,100)	(184,100)	-
Net change in fund balance	(1,219,396)	(1,219,396)	463,086	1,682,482
<b>Fund balance</b>				
Beginning of year	1,317,074	1,317,074	2,655,221	1,338,147
End of year	\$ 97,678	\$ 97,678	\$ 3,118,307	\$ 3,020,629

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, 2021**

	<b>MAJOR FUNDS</b>		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<b>Assets</b>			
Current assets:			
Pooled cash and investments	\$ 998,122	\$ 1,233,132	\$ 2,231,254
Interest receivable	3,153	36	3,189
Accounts receivable, net of allowance for doubtful accounts	82,866	54,957	137,823
Inventory	63,225	5,499	68,724
Restricted assets - cash	549,372	17,085	566,457
Total current assets	1,696,738	1,310,709	3,007,447
Property, plant and equipment, net of accumulated depreciation	14,146,135	5,582,771	19,728,906
Total assets	15,842,873	6,893,480	22,736,353
<b>Deferred outflows of resources</b>			
Deferred charge on pension	56,829	74,864	131,693
Deferred charge on OPEB	15,912	19,676	35,588
Total deferred outflows of resources	72,741	94,540	167,281
<b>Liabilities</b>			
Current liabilities, payable from unrestricted assets:			
Accounts payable	38,223	17,434	55,657
Accrued payroll	18,482	23,732	42,214
Accrued interest payable	7,228	-	7,228
Accrued compensated absences	10,691	10,691	21,382
Current portion of bonds payable	111,438	-	111,438
Total current liabilities-unrestricted	186,062	51,857	237,919
Current liabilities, payable from restricted assets:			
Customer deposits	27,750	-	27,750
Total current liabilities	213,812	51,857	265,669
Non-current liabilities:			
Net OPEB liability	164,935	639,456	804,391
Net pension liability	290,761	265,824	556,585
Accrued compensated absences	13,374	13,374	26,748
Bonds payable	4,830,391	-	4,830,391
Total non-current liabilities	5,299,461	918,654	6,218,115
Total liabilities	5,513,273	970,511	6,483,784
<b>Deferred inflows of resources</b>			
Deferred charge on pension	26,493	33,885	60,378
Deferred charge on OPEB	58,052	80,442	138,494
Total deferred inflows of resources	84,545	114,327	198,872
<b>Net position</b>			
Net invested in capital assets	9,204,306	5,582,771	14,787,077
Restricted for debt	264,168	-	264,168
Restricted for capital projects	285,204	17,085	302,289
Unrestricted	564,118	303,326	867,444
Total net position	\$ 10,317,796	\$ 5,903,182	\$ 16,220,978

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, 2021**

	<b>MAJOR FUNDS</b>		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<b>Operating revenues</b>			
<b>Charges for services:</b>			
Water fees	\$ 605,488	\$ -	\$ 605,488
Sewer fees	-	524,054	524,054
Total operating revenues	605,488	524,054	1,129,542
<b>Operating expenses</b>			
<b>Water Department:</b>			
Administration	88,149	-	88,149
General operations	273,326	-	273,326
Water operations	144,373	-	144,373
Depreciation	495,044	-	495,044
Total water department	1,000,892	-	1,000,892
<b>Sewer Department:</b>			
Administration	-	172,618	172,618
General operations	-	231,423	231,423
Sewer operations	-	19,823	19,823
Depreciation	-	241,173	241,173
Total sewer department	-	665,037	665,037
Total operating expenses	1,000,892	665,037	1,665,929
Operating income (loss)	(395,404)	(140,983)	(536,387)
<b>Nonoperating revenue (expense)</b>			
Investment income (loss)	(5,043)	(6,688)	(11,731)
Miscellaneous	15,534	-	15,534
Interest expense	(119,632)	-	(119,632)
Capital projects fees	-	32,413	32,413
Surcharge	303,992	-	303,992
Total nonoperating revenue (expense)	194,851	25,725	220,576
Change in net position	(200,553)	(115,258)	(315,811)
<b>Net Position</b>			
Beginning of year	10,518,349	6,018,440	16,536,789
End of year	\$ 10,317,796	\$ 5,903,182	\$ 16,220,978

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, 2021**

	<b>MAJOR FUNDS</b>		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 593,443	\$ 534,131	\$ 1,127,574
Cash paid for salaries, wages, and employee benefits	(259,685)	(362,658)	(622,343)
Cash paid for services and supplies	(223,728)	(71,466)	(295,194)
Net cash provided (used) by operating activities	110,030	100,007	210,037
<b>Cash flows from noncapital financing activities:</b>			
Miscellaneous revenue	15,534	-	15,534
Capital projects fees	-	32,413	32,413
Surcharges	303,992	-	303,992
Net cash provided (used) by noncapital financing activities	319,526	32,413	351,939
<b>Cash flows from capital and related financing activities:</b>			
Purchase of capital assets	(17,019)	-	(17,019)
Principal paid	(97,441)	-	(97,441)
Interest paid	(115,979)	-	(115,979)
Net cash provided (used) by capital and related financing activities	(230,439)	-	(230,439)
<b>Cash flows from investing activities:</b>			
Investment income (loss)	(5,487)	(4,488)	(9,975)
Net increase (decrease) in cash	193,630	127,932	321,562
<b>Cash:</b>			
Beginning of year	1,353,864	1,122,285	2,476,149
End of year	\$ 1,547,494	\$ 1,250,217	\$ 2,797,711
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (395,404)	\$ (140,983)	\$ (536,387)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>			
Depreciation	495,044	241,173	736,217
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(15,995)	10,077	(5,918)
(Increase) decrease in prepaid items	9,105	13,727	22,832
(Increase) decrease in inventory	6,876	996	7,872
(Increase) decrease in deferred outflows on pension	(253)	(5,017)	(5,270)
(Increase) decrease in deferred outflows on OPEB	6,130	2,030	8,160
Increase (decrease) in accounts payable	24,443	9,703	34,146
Increase (decrease) in accrued payroll	2,246	3,686	5,932
Increase (decrease) in customer deposits	3,950	-	3,950
Increase (decrease) in accrued compensated absences	(3,329)	(3,329)	(6,658)
Increase (decrease) in net pension liability	16,019	19,826	35,845
Increase (decrease) in deferred inflows on pension	(18,895)	(20,992)	(39,887)
Increase (decrease) in deferred inflows on OPEB	(13,603)	(5,026)	(18,629)
Increase (decrease) in net OPEB liability	(6,304)	(25,864)	(32,168)
Total adjustments	505,434	240,990	746,424
<b>Net cash provided by operating activities</b>	<b>\$ 110,030</b>	<b>\$ 100,007</b>	<b>\$ 210,037</b>

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

**TOWN OF TONOPAH, NEVADA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2021**

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Post Retirement  
Benefits  
Trust  
Fund

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**Assets**

Pooled cash and investments	\$ 341,219
Interest receivable	<u>714</u>
Total assets	341,933

**Liabilities**

Accounts payable	<u>-</u>
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**Net Position**

Restricted for other employee benefits	<u>\$ 341,933</u>
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The notes to the financial statements are an integral part of this statement.

**TOWN OF TONOPAH, NEVADA**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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	Post Retirement Benefits Trust Fund
<b>Additions</b>	
Contributions	
Contributions from employer	\$ 45,000
Contributions from employees	<u>-</u>
Total contributions	<u>45,000</u>
Investment earnings	
Interest	(744)
Net change in fair value	<u>-</u>
Total investment earnings	<u>(744)</u>
Total additions	<u>44,256</u>
<b>Deductions</b>	
General and administrative	(984)
Benefit payments	<u>-</u>
Total deductions	<u>(984)</u>
Change in net position	<u>45,240</u>
<b>Net Position</b>	
Beginning of the year	<u>296,693</u>
End of the year	<u><u>\$ 341,933</u></u>

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

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**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, 2021**

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

**4. Basis of Presentation - Fund Financial Statements**

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

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

The Town reports the following major governmental funds:

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

**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:

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

**Tonopah Public Utilities 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, 2021**

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**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 fiduciary 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, 2021**

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**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 and 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 was a budget augment for the Capital Projects Fund 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, 2021**

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**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, 2021**

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**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. The Nevada legislature passed a property tax abatement law in 2005 that generally caps increases in property tax on owner-occupied residential property to 3% and 8 % per year for all other property. **(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 valued at cost where historical records are available and, if no historical records exist, at estimated cost. Capital assets are 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, 2021**

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**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, 2021**

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**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 D6b). 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, 2021, have been accrued as liabilities and shown as expenditures for the year ending June 30, 2021.

**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, 2021**

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**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, 2021**

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**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	\$ 440,144
Depreciation expense	<u>(265,691)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 174,453</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**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. The Town had no expenditures that exceeded appropriations for the year ending June 30, 2021. The Town conformed to significant statutory requirements regarding financial administration during the year.

**NOTE D - DETAILED NOTES ON ALL FUNDS**

**1. Pooled Cash and Investments**

The Town maintains a cash and investment pool that is available for use by all funds. The majority of cash and investments of the Town are included in the cash and investment pool of the Nye County Treasurer. At June 30, 2021, 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 and Statement of Fiduciary Net Position for the Town are as follows:

	Governmental Activities	Business-type Activities	Trust	Totals
Cash in the hands of officers	\$ 39,319	\$ 138,817	\$ -	\$ 178,136
Carrying amount of deposits with Treasurer	3,444,948	2,658,894	341,219	6,445,061
Total	<u>\$ 3,484,267</u>	<u>\$ 2,797,711</u>	<u>\$ 341,219</u>	<u>\$ 6,623,197</u>
Cash and cash equivalents	\$ 3,484,267	\$ 2,231,254	\$ 341,219	\$ 6,056,740
Restricted assets - cash	-	566,457	-	566,457
Total	<u>\$ 3,484,267</u>	<u>\$ 2,797,711</u>	<u>\$ 341,219</u>	<u>\$ 6,623,197</u>

Except for financial reporting purposes, the cash balance of \$341,219 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, 2021.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**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 4.51 years. As of June 30, 2021, 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
Negotiable Certificates of Deposit	22.10%	33.50%	54.63%	11.87%	0.00%
NV Local Government Investment Pool	0.68%	100.00%	0.00%	0.00%	0.00%
U.S. Agencies	71.60%	8.27%	35.79%	55.94%	0.00%
Money Market Mutual Funds	5.62%	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, 2021, 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
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, 2021**

**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, 2021, are as follows:

Federal Farm Credit Bank	27.14%
Federal Home Loan Bank (FHLB)	19.19%
Freddie Mac	20.29%

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, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>
Negotiable Certificates of Deposit	22.10%	0.00%	100.00%	0.00%	0.00%
NV Local Government Investment Pool	0.68%	32.68%	67.32%	0.00%	0.00%
U.S. Agencies	71.60%	0.00%	100.00%	0.00%	0.00%
Money Market Mutual Funds	5.62%	100.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>				

**2. Receivables**

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

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Interest	\$ 6,121	\$ 194	\$ 1,109	\$ 3,153	\$ 36	\$ 10,613
Property Taxes	4,702	-	-	-	-	4,702
Room taxes	75,625	-	5,908	-	-	81,533
Due from other governments:						
Consolidated taxes	179,972	-	-	-	-	179,972
Fuel taxes	8,405	-	-	-	-	8,405
Grant	8,330	-	-	-	-	8,330
Public safety sales tax	-	-	39,316	-	-	39,316
Due from others	125	-	-	-	-	125
Accounts receivable, net of allowance for uncollectible	-	-	-	82,866	54,957	137,823
Total receivables	<u>\$ 283,280</u>	<u>\$ 194</u>	<u>\$ 46,333</u>	<u>\$ 86,019</u>	<u>\$ 54,993</u>	<u>\$ 470,819</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

**3. Capital Assets**

Capital assets activity for the year ended June 30, 2021, was as follows:

**Governmental Activities:**

	Balance June 30, 2020	Additions	Transfer	Deletions	Balance June 30, 2021
<b>Capital assets not being depreciated:</b>					
Land	\$ 2,215,563	\$ -	\$ -	\$ -	\$ 2,215,563
Construction in progress	-	24,948	-	-	24,948
<b>Total capital assets not being depreciated</b>	<u>2,215,563</u>	<u>24,948</u>	<u>-</u>	<u>-</u>	<u>2,240,511</u>
<b>Capital assets being depreciated:</b>					
Land improvements	43,750	-	-	-	43,750
Building and improvements	2,515,212	-	-	-	2,515,212
Equipment	2,244,205	415,196	-	-	2,659,401
<b>Total capital assets being depreciated</b>	<u>4,803,167</u>	<u>415,196</u>	<u>-</u>	<u>-</u>	<u>5,218,363</u>
<b>Less accumulated depreciation for:</b>					
Land improvements	4,662	2,188	-	-	6,850
Building and improvements	892,555	77,170	-	-	969,725
Equipment	1,346,859	186,333	-	-	1,533,192
<b>Total accumulated depreciation</b>	<u>2,244,076</u>	<u>265,691</u>	<u>-</u>	<u>-</u>	<u>2,509,767</u>
<b>Total capital assets being depreciated, net</b>	<u>2,559,091</u>	<u>149,505</u>	<u>-</u>	<u>-</u>	<u>2,708,596</u>
<b>Governmental activities assets, net</b>	<u>\$ 4,774,654</u>	<u>\$ 174,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,949,107</u>

Construction in progress was for an electronic reader board that had a deposit made toward the purchase. Equipment additions were for fire equipment, fairground corrals and speaker system, and other equipment.

**Business-type Activities:**

	Balance June 30, 2020	Additions	Transfer	Deletions	Balance June 30, 2021
<b>Capital assets not being depreciated:</b>					
Land	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000
<b>Capital assets being depreciated:</b>					
Systems and equipment	34,715,186	17,019	-	-	34,732,205
<b>Less accumulated depreciation for:</b>					
Systems and equipment	14,322,082	736,217	-	-	15,058,299
<b>Total capital assets being depreciated, net</b>	<u>20,393,104</u>	<u>(719,198)</u>	<u>-</u>	<u>-</u>	<u>19,673,906</u>
<b>Business-type activities assets, net</b>	<u>\$ 20,448,104</u>	<u>\$ (719,198)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,728,906</u>

Capital additions included system improvements.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**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	91,539
Public works	14,819
Culture and recreation	<u>148,209</u>
	<u>\$ 265,691</u>

**Business activities:**

Water	\$ 495,044
Sewer	<u>241,173</u>
	<u>\$ 736,217</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 \$4,684 as of June 30, 2021.

**5. Restricted Assets Accounts**

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

21515 Cash – Water customer deposits	\$ 24,659
21517 Cash – Water short lived assets	21,659
21551 Cash – Water arsenic debt service	8,921
21555 Cash – Water capital replacement	238,886
21561 Cash – Water arsenic debt reserve	120,698
21554 Cash – Water revenue bond debt service	85,761
21564 Cash – Water revenue bond debt reserve	<u>48,788</u>
Total restricted assets	<u>\$ 549,372</u>
21543 Cash – Sewer short lived assets	<u>\$ 17,085</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**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, 2021, was \$3,283,492. 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, 2021 is \$114,840. The balance in the reserve at June 30, 2021, was \$120,698. 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, 2021, was \$16,645 after the Town spent \$9,250 for repairs. The balance in the reserve at June 30, 2021, was \$21,659. A water projects capital replacement reserve is also to be funded \$56,000 annually. The required reserve as of June 30, 2021, was \$236,452 after the Town spent \$18,970 on repairs. The balance in the water replacement reserve at June 30, 2021, was \$238,886.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	78,354	60,894
2023	79,836	59,412
2024	81,346	57,902
2025	82,884	56,364
2026	84,451	54,797
2027-2031	446,827	249,413
2032-2036	490,708	205,532
2037-2041	538,897	157,343
2042-2046	591,820	104,420
2047-2051	649,939	46,301
2052-2053	158,430	1,841
	<u>\$ 3,283,492</u>	<u>\$ 1,054,219</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**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, 2021, was \$1,658,337. 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, 2021, is \$53,148. The balance in the reserve at June 30, 2021, was \$134,549.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	33,084	41,088
2023	33,920	40,252
2024	34,778	39,394
2025	35,657	38,515
2026	36,559	37,613
2027-2031	197,141	173,719
2032-2036	223,361	147,499
2037-2041	253,068	117,792
2042-2046	286,726	84,134
2047-2051	324,861	45,999
2052-2054	199,182	7,239
	<u>\$ 1,658,337</u>	<u>\$ 773,244</u>



**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**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, 2021, the following changes occurred:

**Governmental activities:**

	Balance June 30, 2020	Net Additions	Net Deletions	Balance June 30, 2021	Due within One Year
Compensated absences	\$ 30,924	\$ 16,112	\$ -	\$ 47,036	\$ 27,061
Net pension liability	445,771	42,182	-	487,953	-
Net OPEB liability	772,200	-	4,387	767,813	-
Total	<u>\$ 1,248,895</u>	<u>\$ 58,294</u>	<u>\$ 4,387</u>	<u>\$ 1,302,802</u>	<u>\$ 27,061</u>

**Business-type activities:**

	Balance June 30, 2020	Net Additions	Net Deletions	Balance June 30, 2021	Due within One Year
Compensated absences	\$ 54,788	\$ -	\$ 6,658	\$ 48,130	\$ 21,382
Net pension liability	520,740	35,845	-	556,585	-
Net OPEB liability	836,559	-	32,168	804,391	-
Bond payable	5,039,270	-	97,441	4,941,829	111,438
Total	<u>\$ 6,451,357</u>	<u>\$ 35,845</u>	<u>\$ 136,267</u>	<u>\$ 6,350,935</u>	<u>\$ 132,820</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 \$56,265,686.

**7. Interfund Transfers**

Interfund operating transfers are made from one fund to another fund to support expenditures in accordance with the authority established for the individual funds. Transfers between fund types during the year ended June 30, 2021, were as follows:

	Total	Transfers Out
	Transfers In	General
Major - Capital Projects Fund	\$ 70,000	\$ 70,000
Nonmajor Special Revenue Funds	114,100	114,100
Totals	<u>\$ 184,100</u>	<u>\$ 184,100</u>

The Tourism Special Revenue Fund received \$114,100 from the General Fund to help fund current year activities. The Capital Projects Fund received \$70,000 from the General Fund to help fund current year projects.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

**8. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has joined together with other local governments throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for members. The Town pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 annual aggregate per member. Property, crime, and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities. As a participatory member the maintenance deductible is \$5,000 for each insured event. Site pollution coverage is provided up to \$2,000,000 for each incident with an aggregate of \$10,000,000 and a maintenance deductible of \$25,000. Cyber security events including privacy response expense provide coverage up to \$3,000,000 per event with a \$3,000,000 annual aggregate.

The Town has also joined together with similar public agencies creating a pool under the Nevada Interlocal Cooperation Act for workers' compensation insurance. The Public Agency Compensation Trust (PACT) is an intergovernmental self-insurance association for workers' compensation insurance. The Town pays premiums based upon payroll costs to the PACT. The PACT is considered a self-sustaining pool that will provide coverage based upon the statutory limit of \$2,000,000.

The Town is self-insured for unemployment claims.

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

**9. 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**

In the ordinary course of its operations, claims may be filed against the Town. It is the opinion of management that these claims will not have any material adverse effect on the Town's financial position, results of operation, or cash flows.

The Town does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when services are rendered.

**Construction Commitments**

The Town has the following active construction project as of June 30, 2021:

Governmental Activities		
Project	Spent-to-Date	Commitment
Electronic reader board	\$ 24,948	\$ 51,697

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

**10. Defined Benefit Pension Plan**

**Plan Description:** Half time and greater Town employees are provided pension benefits through the Public Employees' Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer, defined benefit plan administered by the Public Employees' Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS Chapter 286 establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees' Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS that can be obtained at [www.nvpers.org](http://www.nvpers.org) under Quick Links — Publications.

**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	2.25%
10 years	55	2.50%	55	2.67%	60	2.50%	60	2.25%
20 years	50	2.50%	50	2.67%	50	2.50%	50	2.25%
25 years	Any	2.50%	Any	2.67%				
30 years					Any	2.50%	Any	2.25%

\* 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.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

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

**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, 2021, 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, 2021. 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.

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

At June 30, 2021, the Town reported a liability of \$1,044,538 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020. The Town's proportionate share of the net pension liability increased from 0.00709 percent at June 30, 2019, to 0.00750 percent at June 30, 2020.

For the year ended June 30, 2021, the Town recognized pension expense of \$100,612. At June 30, 2021, 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 experience	\$ 43,950	\$ 18,265
Net difference between projected and actual earnings on pension plan investments	0	53,436
Changes in proportion	92,150	64,686
Changes of assumptions	39,734	0
Town Contributions subsequent to measurement date	120,675	0
Total	<u>\$ 296,509</u>	<u>\$ 136,387</u>

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

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

The Town reported \$120,675 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, 2022. 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:	
2022	\$ (32,054)
2023	4,978
2024	25,515
2025	27,049
2026	12,613
2027	1,346
	\$ 39,447

**Actuarial Assumptions:** The System's net pension liability was measured as of June 30, 2020, 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, 2020 funding actuarial valuation
Healthy:	Headcount-Weighted RP-2014 Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables listed above. The mortality rates are then projected to 2020 with Scale MP-2016.
Disabled:	Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. The RP-2014 Healthy Annuitant Mortality Tables have rates only for ages 50 and later.
Pre-Retirement	Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

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

The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2020, 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, 2020:**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
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, 2020, 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, 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employer and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on that assumption, the pension plan's fiduciary net position 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, 2020.

**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.

	<u>1.0% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1.0% Increase (8.5%)</u>
Town's proportionate share of the net pension liability	\$ 1,629,077	\$ 1,044,538	\$ 558,539

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

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

**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, 2021, the Town reported payables to the defined benefit pension plan of \$12,850 for legally required employer contributions which had not yet been remitted to PERS.

**11. 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. As of the July 1, 2020 valuation, 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 2021, the Town contributed \$110,308 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.

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 \$12,601 and \$52,707 respectively.

For fiscal year 2021, the Town contributed \$65,308 to the plan for current premiums.

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

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

**Important Dates used in the Valuation:**

Valuation Date:	July 1, 2020
Measurement Date:	June 30, 2021
Measurement Period:	June 30, 2020 to June 30, 2021
Fiscal Year End:	June 30, 2021

**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, 2020 valuation. Updates were made to mortality assumptions, and to assumed future healthcare trend.

**Net Other Postemployment Benefits (OPEB) Liability**

The Town's net OPEB liability of \$1,572,204 was measured as of June 30, 2021 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	2.75%
Measurement Date	2.75 %
Healthcare Cost Trend Rates	4.90% for 2021 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 July 1, 2020, valuation were based on the results of the NV PERS actuarial experience study for the period from July 1, 2012, through June 30, 2016

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.



**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

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

Changes in the Total OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Service cost	\$ 54,006	\$ -	\$ 54,006
Interest	52,993	-	52,993
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	(35,091)	-	(35,091)
Contributions – employer	-	110,308	(110,308)
Net investment income	-	(1,845)	1,845
Benefit payments	(65,308)	(65,308)	-
Net changes	6,600	43,155	(36,555)
Net OPEB liability - beginning of the year	1,905,452	296,693	1,608,759
Net OPEB liability end of year	<u>\$ 1,912,052</u>	<u>\$ 339,848</u>	<u>\$1,572,204</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.75% as of June 30, 2020, to 2.75% as of June 30, 2021.

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

	<b>1.0% Decrease (1.75%)</b>	<b>Discount Rate (2.75%)</b>	<b>1.0% Increase (3.75%)</b>
Net OPEB liability (asset)	\$ 1,891,660	\$ 1,572,204	\$ 1,315,168

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

	<b>1.0% Decrease</b>	<b>Discount Rate</b>	<b>1.0% Increase</b>
Net OPEB liability (asset)	\$ 1,300,230	\$ 1,572,204	\$ 1,912,164

**TOWN OF TONOPAH, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

**11. 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, 2021, the Town recognized OPEB changes which increased the net position by \$48,746. At June 30, 2021, 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	\$ 283,435
Changes of assumptions or other inputs	76,687	38,772
Net differences between projected and actual earnings on OPEB plan investments	1,077	0
Town Contributions subsequent to measurement date	0	0
Total	<u>\$ 77,764</u>	<u>\$ 322,207</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:

2022	\$( 50,266)
2023	( 50,266)
2024	( 50,268)
2025	( 34,868)
2026	( 53,762)
thereafter	<u>( 5,013)</u>
	<u>\$( 244,443)</u>

**12. TAX ABATEMENT**

For the year ended June 30, 2021, the amount of tax abatements is \$29,891. 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, 2021**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 54,006	\$ 67,098	\$ -	\$ -
Interest	52,993	77,291	60,166	67,280
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(35,091)	(354,699)	-	-
Changes of assumptions or other inputs	-	(283,598)	109,918	40,923
Benefit Payments	<u>(65,308)</u>	<u>(64,742)</u>	<u>(55,302)</u>	<u>(56,596)</u>
<b>Net Change in total OPEB liability</b>	6,600	(558,650)	114,782	51,607
<b>Total OPEB liability - beginning</b>	<u>1,905,452</u>	<u>2,464,102</u>	<u>2,349,320</u>	<u>2,297,713</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 1,912,052</u>	<u>\$ 1,905,452</u>	<u>\$ 2,464,102</u>	<u>\$ 2,349,320</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	110,308	100,587	100,302	101,596
Net investment income (loss)	(1,845)	16,193	6,817	(366)
Benefit payments	<u>(65,308)</u>	<u>(64,742)</u>	<u>(55,302)</u>	<u>(56,596)</u>
<b>Net Change in plan fiduciary net position</b>	43,155	52,038	51,817	44,634
<b>Plan fiduciary net - beginning</b>	<u>296,693</u>	<u>244,655</u>	<u>192,838</u>	<u>148,204</u>
<b>Plan fiduciary net - ending (b)</b>	<u>\$ 339,848</u>	<u>\$ 296,693</u>	<u>\$ 244,655</u>	<u>\$ 192,838</u>
<b>Town's net OPEB liability - ending (a)-(b)</b>	<u>\$ 1,572,204</u>	<u>\$ 1,608,759</u>	<u>\$ 2,219,447</u>	<u>\$ 2,156,482</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	17.77%	15.57%	9.93%	8.21%
<b>Covered-employee payroll</b>	\$ 861,245	\$ 642,947	\$ 288,578	\$ 211,362
<b>Town's net OPEB liability as a percentage of covered-employee payroll</b>	182.55%	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.

6/30/2021	2.75
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, 2021**

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%
2021	120,675	120,675	-	780,980	15.45%

*\*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, 2021**

<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%
2021	0.00750%	1,044,538	669,733	155.96%	77.00%

*\*Fiscal year 2015 was the first year of implementation. Therefore, only seven 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, 2021**

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**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 Postemployment 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 mortality assumptions and assumed future healthcare trends.

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 2,964,178	\$ 2,510,032
Interest receivable	6,121	5,076
Property taxes receivable	4,702	5,707
Room taxes receivable	75,625	42,878
Prepaid items	-	18,842
Due from other governments	196,707	163,548
Due from others	<u>125</u>	<u>-</u>
 Total assets	 <u>\$ 3,247,458</u>	 <u>\$ 2,746,083</u>
 <b>Liabilities</b>		
Accounts payable	\$ 69,766	\$ 44,061
Accrued payroll	<u>54,701</u>	<u>42,437</u>
 Total liabilities	 <u>124,467</u>	 <u>86,498</u>
 <b>Deferred inflows of resources</b>		
Unavailable revenue - property taxes	<u>4,684</u>	<u>4,364</u>
 <b>Fund balance</b>		
Nonspendable	-	18,842
Assigned for subsequent year	2,122,531	1,317,074
Unassigned	<u>995,776</u>	<u>1,319,305</u>
Total fund balance	<u>3,118,307</u>	<u>2,655,221</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 3,247,458</u>	 <u>\$ 2,746,083</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance-	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues</b>				
Taxes	\$ 450,000	\$ 917,185	\$ 467,185	\$ 767,973
Licenses and permits	2,500	1,150	(1,350)	1,380
Intergovernmental	365,247	898,541	533,294	751,780
Charges for services	24,050	21,940	(2,110)	22,563
Fines and forfeitures	15,000	42,270	27,270	17,114
Miscellaneous	8,000	(6,140)	(14,140)	78,453
Total revenues	<u>864,797</u>	<u>1,874,946</u>	<u>1,010,149</u>	<u>1,639,263</u>
<b>Expenditures:</b>				
General government	506,468	304,883	201,585	345,142
Public safety	210,446	85,302	125,144	124,524
Public works	424,990	344,446	80,544	318,969
Culture and recreation	743,189	493,129	250,060	470,170
Contingency	15,000	-	15,000	-
Total expenditures	<u>1,900,093</u>	<u>1,227,760</u>	<u>672,333</u>	<u>1,258,805</u>
Excess (deficiency) of revenues over expenditures	(1,035,296)	647,186	1,682,482	380,458
<b>Other financing sources (uses)</b>				
Operating transfers out	<u>(184,100)</u>	<u>(184,100)</u>	-	<u>(88,000)</u>
Net change in fund balance	(1,219,396)	463,086	1,682,482	292,458
<b>Fund balance</b>				
Beginning of year	<u>1,317,074</u>	<u>2,655,221</u>	<u>1,338,147</u>	<u>2,362,763</u>
End of year	<u>\$ 97,678</u>	<u>\$ 3,118,307</u>	<u>\$ 3,020,629</u>	<u>\$ 2,655,221</u>



**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND (GAAP BASIS)**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance-	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues</b>				
<b>Taxes:</b>				
Property taxes	\$ 150,000	\$ 291,292	\$ 141,292	\$ 255,261
Room taxes	300,000	625,893	325,893	512,712
Total taxes	<u>450,000</u>	<u>917,185</u>	<u>467,185</u>	<u>767,973</u>
<b>Licenses and permits</b>	<u>2,500</u>	<u>1,150</u>	<u>(1,350)</u>	<u>1,380</u>
<b>Intergovernmental:</b>				
County liquor license	1,800	4,280	2,480	2,200
County gaming license	16,000	46,935	30,935	22,253
Consolidated tax	300,000	751,763	451,763	651,363
Gas tax \$1.75	47,447	46,497	(950)	45,306
Grants	-	49,066	49,066	30,658
Total intergovernmental	<u>365,247</u>	<u>898,541</u>	<u>533,294</u>	<u>751,780</u>
<b>Charges for services:</b>				
Rescue runs	200	-	(200)	-
Swimming pool fees	6,000	5,582	(418)	2,045
Convention Center rental	10,000	7,260	(2,740)	6,371
Sports complex fees	2,400	100	(2,300)	2,400
Mining park entrance	5,000	5,986	986	10,257
Fairgrounds rental	450	3,012	2,562	1,490
Total charges for services	<u>24,050</u>	<u>21,940</u>	<u>(2,110)</u>	<u>22,563</u>
<b>Fines and forfeitures</b>	<u>15,000</u>	<u>42,270</u>	<u>27,270</u>	<u>17,114</u>
<b>Miscellaneous:</b>				
Investment income (loss)	6,000	(8,650)	(14,650)	78,453
Donations	-	2,500	2,500	-
Other	2,000	10	(1,990)	-
Total miscellaneous	<u>8,000</u>	<u>(6,140)</u>	<u>(14,140)</u>	<u>78,453</u>
Total revenues	<u>\$ 864,797</u>	<u>\$ 1,874,946</u>	<u>\$ 1,010,149</u>	<u>\$ 1,639,263</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND (GAAP BASIS)**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance-	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Expenditures</b>				
<b>General government:</b>				
Salaries and wages	\$ 171,766	\$ 119,828	\$ 51,938	\$ 120,168
Employee benefits	144,872	79,788	65,084	74,510
Services and supplies	189,830	105,267	84,563	144,291
Capital outlay	-	-	-	6,173
Total general government	<u>506,468</u>	<u>304,883</u>	<u>201,585</u>	<u>345,142</u>
<b>Public safety:</b>				
<b>Fire:</b>				
Salaries and wages	12,000	-	12,000	-
Employee benefits	18,146	9,005	9,141	9,276
Services and supplies	180,300	76,297	104,003	59,434
Capital outlay	-	-	-	55,814
Total public safety	<u>210,446</u>	<u>85,302</u>	<u>125,144</u>	<u>124,524</u>
<b>Public works:</b>				
<b>Highways and streets:</b>				
Salaries and wages	135,129	118,729	16,400	106,875
Employee benefits	100,914	71,166	29,748	63,597
Services and supplies	188,947	154,551	34,396	136,383
Capital outlay	-	-	-	12,114
Total public works	<u>424,990</u>	<u>344,446</u>	<u>80,544</u>	<u>318,969</u>
<b>Culture and recreation:</b>				
<b>Parks:</b>				
Services and supplies	<u>55,200</u>	<u>45,635</u>	<u>9,565</u>	<u>45,235</u>
<b>Mining parks:</b>				
Salaries and wages	124,117	102,947	21,170	82,183
Employee benefits	74,341	49,856	24,485	36,285
Services and supplies	<u>50,400</u>	<u>26,943</u>	<u>23,457</u>	<u>26,095</u>
Total mining parks	<u>248,858</u>	<u>179,746</u>	<u>69,112</u>	<u>144,563</u>
<b>Swimming pool:</b>				
Salaries and wages	35,498	8,063	27,435	9,986
Employee benefits	6,140	1,085	5,055	825
Services and supplies	<u>29,600</u>	<u>11,474</u>	<u>18,126</u>	<u>10,667</u>
Total swimming pool	<u>71,238</u>	<u>20,622</u>	<u>50,616</u>	<u>21,478</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - GENERAL FUND (GAAP BASIS)**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance-	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Expenditures</b>				
<b>Culture and recreation (continued):</b>				
<b>Fairgrounds:</b>				
Services and supplies	\$ 7,300	\$ 4,796	\$ 2,504	\$ 2,482
<b>Ball fields:</b>				
Services and supplies	42,500	39,289	3,211	27,347
<b>Convention Center:</b>				
Salaries and wages	135,265	103,043	32,222	96,872
Employee benefits	88,828	62,231	26,597	54,760
Services and supplies	94,000	37,767	56,233	77,433
Total convention center	318,093	203,041	115,052	229,065
Total culture and recreation	743,189	493,129	250,060	470,170
<b>Contingency</b>	15,000	-	15,000	-
Total expenditures	\$ 1,900,093	\$ 1,227,760	\$ 672,333	\$ 1,258,805

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 4,994	\$ 286,318
Interest receivable	<u>194</u>	<u>573</u>
Total assets	<u>\$ 5,188</u>	<u>\$ 286,891</u>
<b>Liabilities</b>		
Accounts payable	\$ -	\$ -
<b>Fund Balance</b>		
Restricted for capital projects	<u>5,188</u>	<u>286,891</u>
Total liabilities and fund balance	<u>\$ 5,188</u>	<u>\$ 286,891</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance- Positive (Negative)	2020 Actual
	Budget	Actual		
<b>Revenues</b>				
<b>Intergovernmental:</b>				
Grants	\$ -	\$ 6,750	\$ 6,750	\$ -
<b>Charges for services:</b>				
Rescue runs	500	-	(500)	-
<b>Miscellaneous:</b>				
Investment income (loss)	<u>-</u>	<u>(1,657)</u>	<u>(1,657)</u>	<u>12,978</u>
Total revenues	500	5,093	4,593	12,978
<b>Expenditures</b>				
Capital projects	<u>539,961</u>	<u>356,796</u>	<u>183,165</u>	<u>245,048</u>
Excess (deficiency) of revenues over expenditures	(539,461)	(351,703)	187,758	(232,070)
<b>Other financing sources (uses)</b>				
Operating transfers in	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(469,461)	(281,703)	187,758	(232,070)
<b>Fund balance:</b>				
Beginning of year	<u>469,461</u>	<u>286,891</u>	<u>(182,570)</u>	<u>518,961</u>
End of year	<u>\$ -</u>	<u>\$ 5,188</u>	<u>\$ 5,188</u>	<u>\$ 286,891</u>

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Current assets:		
Pooled cash and investments	\$ 998,122	\$ 888,491
Interest receivable	3,153	2,709
Accounts receivable, net of allowance for doubtful accounts	82,866	66,871
Inventory	63,225	70,101
Prepaid items	-	9,105
Restricted assets - cash	549,372	465,373
Total current assets	1,696,738	1,502,650
Property, plant and equipment, net of accumulated depreciation	14,146,135	14,624,160
Total assets	15,842,873	16,126,810
<b>Deferred outflows of resources</b>		
Deferred charge on pension	56,829	56,576
Deferred charge on OPEB	15,912	22,042
Total deferred outflows of resources	72,741	78,618
<b>Liabilities</b>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	38,223	13,780
Accrued payroll	18,482	16,236
Accrued interest payable	7,228	3,575
Accrued compensated absences	10,691	16,805
Current portion of bonds payable	111,438	109,167
Total current liabilities-unrestricted	186,062	159,563
Current liabilities, payable from restricted assets:		
Customer deposits	27,750	23,800
Total current liabilities	213,812	183,363
Non-current liabilities:		
Net OPEB liability	164,935	171,239
Net pension liability	290,761	274,742
Accrued compensated absences	13,374	10,589
Bonds payable	4,830,391	4,930,103
Total non-current liabilities	5,299,461	5,386,673
Total liabilities	5,513,273	5,570,036
<b>Deferred inflows of resources</b>		
Deferred charge on pension	26,493	45,388
Deferred charge on OPEB	58,052	71,655
Total deferred inflows of resources	84,545	117,043
<b>Net position</b>		
Net invested in capital assets	9,204,306	9,584,890
Restricted for debt	264,168	222,311
Restricted for capital projects	285,204	243,062
Unrestricted	564,118	468,086
Total net position	\$ 10,317,796	\$ 10,518,349

**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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance- Positive (Negative)	2020 Actuals
	Budget	Actual		
<b>Operating revenues</b>				
<b>Charges for services:</b>				
Water fees	\$ 515,200	\$ 605,488	\$ 90,288	\$ 507,564
<b>Operating expenses</b>				
<b>Water department:</b>				
Administration	196,069	88,149	107,920	227,929
General operations	318,108	273,326	44,782	315,611
Water operations	200,707	144,373	56,334	103,069
Depreciation	400,000	495,044	(95,044)	497,406
 Total operating expenses	 1,114,884	 1,000,892	 113,992	 1,144,015
 Operating income (loss)	 (599,684)	 (395,404)	 204,280	 (636,451)
<b>Nonoperating revenue (expense)</b>				
Investment income (loss)	5,000	(5,043)	(10,043)	48,856
Miscellaneous	23,000	15,534	(7,466)	2,625
Grant	-	-	-	152,806
Interest expense	(104,246)	(119,632)	(15,386)	(94,730)
Water surcharge	210,000	303,992	93,992	224,447
 Total nonoperating revenue (expense)	 133,754	 194,851	 61,097	 334,004
 Change in net position	 \$ (465,930)	 (200,553)	 \$ 265,377	 (302,447)
<b>Net Position</b>				
Beginning of year		10,518,349		10,820,796
 End of year		 \$ 10,317,796		 \$ 10,518,349

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES WATER ENTERPRISE FUND**  
**COMPARATIVE SCHEDULES OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021	2020
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 593,443	\$ 543,087
Cash paid for salaries, wages, and employee benefits	(259,685)	(211,020)
Cash paid for services and supplies	(223,728)	(288,766)
Net cash provided (used) by operating activities	<u>110,030</u>	<u>43,301</u>
<b>Cash flows from noncapital financing activities:</b>		
Miscellaneous revenue	15,534	2,625
Grants	-	152,806
Surcharges	303,992	224,447
Net cash provided (used) by noncapital financing activities	<u>319,526</u>	<u>379,878</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchase of capital assets	(17,019)	(780,437)
Principal paid	(97,441)	(118,677)
Interest paid	(115,979)	(94,743)
Net cash provided (used) by capital and related financing activities	<u>(230,439)</u>	<u>(993,857)</u>
<b>Cash flows from investing activities:</b>		
Investment income (loss)	(5,487)	49,433
Net increase (decrease) in cash	193,630	(521,245)
<b>Cash:</b>		
Beginning of year	1,353,864	1,875,109
End of year	<u>\$ 1,547,494</u>	<u>\$ 1,353,864</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	\$ (395,404)	\$ (636,451)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>		
Depreciation	495,044	497,406
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(15,995)	38,298
(Increase) decrease in prepaid items	9,105	(9,105)
(Increase) decrease in inventory	6,876	(6,553)
(Increase) decrease in deferred outflows on pension	(253)	(7,725)
(Increase) decrease in deferred outflows on OPEB	6,130	243,827
Increase (decrease) in accounts payable	24,443	(47,212)
Increase (decrease) in accrued payroll	2,246	(1,142)
Increase (decrease) in customer deposits	3,950	(2,775)
Increase (decrease) in accrued compensated absences	(3,329)	1,377
Increase (decrease) in net pension liability	16,019	10,513
Increase (decrease) in deferred inflows on pension	(18,895)	(612)
Increase (decrease) in deferred inflows on OPEB	(13,603)	71,655
Increase (decrease) in net OPEB liability	(6,304)	(108,200)
Total adjustments	<u>505,434</u>	<u>679,752</u>
<b>Net cash provided by operating activities</b>	<u>\$ 110,030</u>	<u>\$ 43,301</u>



**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Current assets:		
Pooled cash and investments	\$ 1,233,132	\$ 1,105,138
Interest receivable	36	2,236
Accounts receivable, net of allowance for doubtful accounts	54,957	65,034
Inventory	5,499	6,495
Prepaid items	-	13,727
Restricted assets - cash	<u>17,085</u>	<u>17,147</u>
Total current assets	1,310,709	1,209,777
Property, plant and equipment, net of accumulated depreciation	<u>5,582,771</u>	<u>5,823,944</u>
Total assets	<u>6,893,480</u>	<u>7,033,721</u>
<b>Deferred outflows of resources</b>		
Deferred charge on pension	74,864	69,847
Deferred charge on OPEB	<u>19,676</u>	<u>21,706</u>
Total deferred outflows of resources	<u>94,540</u>	<u>91,553</u>
<b>Liabilities</b>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	17,434	7,731
Accrued payroll	23,732	20,046
Accrued compensated absences	<u>10,691</u>	<u>16,805</u>
Total current liabilities - unrestricted	<u>51,857</u>	<u>44,582</u>
Non-current liabilities:		
Net OPEB liability	639,456	665,320
Net pension liability	265,824	245,998
Accrued compensated absences	<u>13,374</u>	<u>10,589</u>
Total non-current liabilities	<u>918,654</u>	<u>921,907</u>
Total liabilities	<u>970,511</u>	<u>966,489</u>
<b>Deferred inflows of resources</b>		
Deferred charge on pension	33,885	54,877
Deferred charge on OPEB	<u>80,442</u>	<u>85,468</u>
Total deferred inflows of resources	<u>114,327</u>	<u>140,345</u>
<b>Net position</b>		
Net invested in capital assets	5,582,771	5,823,944
Restricted for capital projects	17,085	17,147
Unrestricted	<u>303,326</u>	<u>177,349</u>
Total net position	<u>\$ 5,903,182</u>	<u>\$ 6,018,440</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance- Positive (Negative)	2020 Actuals
	Budget	Actual		
<b>Operating revenues</b>				
<b>Charges for services:</b>				
Sewer fees	\$ 489,561	\$ 524,054	\$ 34,493	\$ 489,792
<b>Operating expenses</b>				
<b>Sewer department:</b>				
Administration	292,473	172,618	119,855	95,311
General operations	350,865	231,423	119,442	152,023
Sewer operations	41,000	19,823	21,177	21,026
Depreciation	260,000	241,173	18,827	241,195
Total operating expenses	944,338	665,037	279,301	509,555
Operating income (loss)	(454,777)	(140,983)	313,794	(19,763)
<b>Nonoperating revenue (expense)</b>				
Investment income (loss)	6,000	(6,688)	(12,688)	35,724
Capital projects fees	36,000	32,413	(3,587)	34,448
Total nonoperating revenue (expense)	42,000	25,725	(16,275)	70,172
Change in net position	\$ (412,777)	(115,258)	\$ 297,519	50,409
<b>Net Position</b>				
Beginning of year		6,018,440		5,968,031
End of year		\$ 5,903,182		\$ 6,018,440

**TOWN OF TONOPAH, NEVADA**  
**MAJOR FUND - TONOPAH PUBLIC UTILITIES SEWER ENTERPRISE FUND**  
**COMPARATIVE SCHEDULES OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021	2020
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 534,131	\$ 491,523
Cash paid for salaries, wages, and employee benefits	(362,658)	(316,741)
Cash paid for services and supplies	<u>(71,466)</u>	<u>(113,882)</u>
Net cash provided (used) by operating activities	100,007	60,900
<b>Cash flows from noncapital financing activities:</b>		
Capital projects fees	32,413	34,448
<b>Cash flows from capital and related financing activities:</b>		
Purchase of capital assets	-	(139,788)
<b>Cash flows from investing activities:</b>		
Investment income (loss)	<u>(4,488)</u>	<u>35,417</u>
Net increase (decrease) in cash	127,932	(9,023)
<b>Cash:</b>		
Beginning of year	<u>1,122,285</u>	<u>1,131,308</u>
End of year	<u>\$ 1,250,217</u>	<u>\$ 1,122,285</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	<u>\$ (140,983)</u>	<u>\$ (19,763)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>		
Depreciation	241,173	241,195
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	10,077	1,731
(Increase) decrease in prepaid items	13,727	(13,727)
(Increase) decrease in inventory	996	189
(Increase) decrease in deferred outflows on pension	(5,017)	(9,309)
(Increase) decrease in deferred outflows on OPEB	2,030	(5,049)
Increase (decrease) in accounts payable	9,703	(1,603)
Increase (decrease) in accrued payroll	3,686	3,422
Increase (decrease) in accrued compensated absences	(3,329)	1,377
Increase (decrease) in net pension liability	19,826	13,587
Increase (decrease) in deferred inflows on pension	(20,992)	(3,093)
Increase (decrease) in deferred inflows on OPEB	(5,026)	34,282
Increase (decrease) in net OPEB liability	<u>(25,864)</u>	<u>(182,339)</u>
Total adjustments	<u>240,990</u>	<u>80,663</u>
<b>Net cash provided by operating activities</b>	<u>\$ 100,007</u>	<u>\$ 60,900</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2021 Totals	2020 Totals
<b>Assets</b>				
Pooled cash and investments	\$ 384,923	\$ 130,172	\$ 515,095	\$ 512,976
Interest receivable	802	307	1,109	966
Room taxes receivable	5,908	-	5,908	3,350
Due from other governments	<u>39,316</u>	<u>-</u>	<u>39,316</u>	<u>37,430</u>
Total assets	<u>\$ 430,949</u>	<u>\$ 130,479</u>	<u>\$ 561,428</u>	<u>\$ 554,722</u>
<b>Liabilities</b>				
Accounts payable	\$ 30,657	\$ 6,329	\$ 36,986	\$ 19,009
Accrued payroll and benefits	<u>5,580</u>	<u>-</u>	<u>5,580</u>	<u>4,521</u>
Total liabilities	<u>36,237</u>	<u>6,329</u>	<u>42,566</u>	<u>23,530</u>
<b>Fund Balance</b>				
Restricted for capital projects	-	124,150	124,150	183,593
Restricted for public safety	217,607	-	217,607	219,886
Restricted for culture & recreation	<u>177,105</u>	<u>-</u>	<u>177,105</u>	<u>127,713</u>
Total fund balance	<u>394,712</u>	<u>124,150</u>	<u>518,862</u>	<u>531,192</u>
Total liabilities and fund balance	<u>\$ 430,949</u>	<u>\$ 130,479</u>	<u>\$ 561,428</u>	<u>\$ 554,722</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2021 Totals	2020 Totals
<b>Revenues</b>				
Taxes	\$ 48,898	\$ -	\$ 48,898	\$ 40,056
Intergovernmental	191,884	19,172	211,056	224,299
Miscellaneous	<u>6,172</u>	<u>(647)</u>	<u>5,525</u>	<u>22,675</u>
Total revenues	<u>246,954</u>	<u>18,525</u>	<u>265,479</u>	<u>287,030</u>
<b>Expenditures</b>				
Current:				
Public safety	193,385	-	193,385	202,597
Culture and recreation	120,556	-	120,556	102,932
Capital projects	<u>-</u>	<u>77,968</u>	<u>77,968</u>	<u>-</u>
Total expenditures	<u>313,941</u>	<u>77,968</u>	<u>391,909</u>	<u>305,529</u>
Excess (deficiency) of revenues over expenditures	(66,987)	(59,443)	(126,430)	(18,499)
<b>Other financing sources (uses)</b>				
Operating transfers in	<u>114,100</u>	<u>-</u>	<u>114,100</u>	<u>88,000</u>
Net change in fund balance	47,113	(59,443)	(12,330)	69,501
<b>Fund balance</b>				
Beginning of year	<u>347,599</u>	<u>183,593</u>	<u>531,192</u>	<u>461,691</u>
End of year	<u>\$ 394,712</u>	<u>\$ 124,150</u>	<u>\$ 518,862</u>	<u>\$ 531,192</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	State Room Tax	Tourism	Mural	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire
<b>Assets</b>					
Pooled cash and investments	\$ 129,543	\$ 49,700	\$ 4,519	\$ 80,692	\$ 120,469
Interest receivable	272	112	13	162	243
Room taxes receivable	5,908	-	-	-	-
Due from other governments	-	-	-	19,658	19,658
Total assets	<u>\$ 135,723</u>	<u>\$ 49,812</u>	<u>\$ 4,532</u>	<u>\$ 100,512</u>	<u>\$ 140,370</u>
<b>Liabilities</b>					
Accounts payable	\$ 8,393	\$ 4,569	\$ -	\$ 4,095	\$ 13,600
Accrued payroll and benefits	-	-	-	5,580	-
Total liabilities	<u>8,393</u>	<u>4,569</u>	<u>-</u>	<u>9,675</u>	<u>13,600</u>
<b>Fund Balance</b>					
Restricted for public safety	-	-	-	90,837	126,770
Restricted for culture and recreation	<u>127,330</u>	<u>45,243</u>	<u>4,532</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>127,330</u>	<u>45,243</u>	<u>4,532</u>	<u>90,837</u>	<u>126,770</u>
Total liabilities and fund balance	<u>\$ 135,723</u>	<u>\$ 49,812</u>	<u>\$ 4,532</u>	<u>\$ 100,512</u>	<u>\$ 140,370</u>

Totals	
2021	2020
\$ 384,923	\$ 329,682
802	667
5,908	3,350
<u>39,316</u>	<u>37,430</u>
<u>\$ 430,949</u>	<u>\$ 371,129</u>
\$ 30,657	\$ 19,009
<u>5,580</u>	<u>4,521</u>
<u>36,237</u>	<u>23,530</u>
217,607	219,886
<u>177,105</u>	<u>127,713</u>
<u>394,712</u>	<u>347,599</u>
<u>\$ 430,949</u>	<u>\$ 371,129</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	State Room Tax	Tourism	Mural	Public Safety Sales Tax Sheriff	Public Safety Sales Tax Fire
<b>Revenues</b>					
Taxes	\$ 48,898	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	95,942	95,942
Miscellaneous	<u>(280)</u>	<u>7,310</u>	<u>(80)</u>	<u>(383)</u>	<u>(395)</u>
Total revenues	<u>48,618</u>	<u>7,310</u>	<u>(80)</u>	<u>95,559</u>	<u>95,547</u>
<b>Expenditures</b>					
Public safety	-	-	-	131,113	62,272
Culture and recreation	<u>17,677</u>	<u>97,129</u>	<u>5,750</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>17,677</u>	<u>97,129</u>	<u>5,750</u>	<u>131,113</u>	<u>62,272</u>
Excess (deficiency) of revenues over expenditures	30,941	(89,819)	(5,830)	(35,554)	33,275
<b>Other financing sources (uses)</b>					
Operating transfers in	<u>-</u>	<u>114,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	30,941	24,281	(5,830)	(35,554)	33,275
<b>Fund balance</b>					
Beginning of year	<u>96,389</u>	<u>20,962</u>	<u>10,362</u>	<u>126,391</u>	<u>93,495</u>
End of year	<u>\$ 127,330</u>	<u>\$ 45,243</u>	<u>\$ 4,532</u>	<u>\$ 90,837</u>	<u>\$ 126,770</u>



Totals	
2021	2020
\$ 48,898	\$ 40,056
191,884	190,276
<u>6,172</u>	<u>18,593</u>
<u>246,954</u>	<u>248,925</u>
193,385	202,597
<u>120,556</u>	<u>102,932</u>
<u>313,941</u>	<u>305,529</u>
(66,987)	(56,604)
<u>114,100</u>	<u>88,000</u>
47,113	31,396
<u>347,599</u>	<u>316,203</u>
<u>\$ 394,712</u>	<u>\$ 347,599</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - STATE ROOM TAX SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 129,543	\$ 92,846
Interest receivable	272	193
Room taxes receivable	<u>5,908</u>	<u>3,350</u>
Total assets	<u>\$ 135,723</u>	<u>\$ 96,389</u>
<b>Liabilities</b>		
Accounts payable	\$ 8,393	\$ -
<b>Fund Balance</b>		
Restricted for culture and recreation	<u>127,330</u>	<u>96,389</u>
Total liabilities and fund balance	<u>\$ 135,723</u>	<u>\$ 96,389</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance- Positive (Negative)	2020 Actual
	Budget	Actual		
<b>Revenues</b>				
<b>Taxes:</b>				
Room tax	\$ 25,000	\$ 48,898	\$ 23,898	\$ 40,056
<b>Miscellaneous:</b>				
Investment income (loss)	<u>-</u>	<u>(280)</u>	<u>(280)</u>	<u>2,842</u>
Total revenues	25,000	48,618	23,618	42,898
<b>Expenditures</b>				
<b>Culture and recreation:</b>				
Services and supplies	<u>91,617</u>	<u>17,677</u>	<u>73,940</u>	<u>16,126</u>
Excess (deficiency) of revenues over expenditures	(66,617)	30,941	97,558	26,772
<b>Fund balance</b>				
Beginning of year	<u>66,617</u>	<u>96,389</u>	<u>29,772</u>	<u>69,617</u>
End of year	<u>\$ -</u>	<u>\$ 127,330</u>	<u>\$ 127,330</u>	<u>\$ 96,389</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - TOURISM SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 49,700	\$ 22,188
Interest receivable	<u>112</u>	<u>53</u>
Total assets	<u>\$ 49,812</u>	<u>\$ 22,241</u>
<b>Liabilities</b>		
Accounts payable	\$ 4,569	\$ 1,279
<b>Fund Balance</b>		
Restricted for culture and recreation	<u>45,243</u>	<u>20,962</u>
Total liabilities and fund balance	<u>\$ 49,812</u>	<u>\$ 22,241</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance- Positive (Negative)	2020 Actual
	Budget	Actual		
<b>Revenues</b>				
<b>Miscellaneous:</b>				
Investment income (loss)	\$ 1,800	\$ (350)	\$ (2,150)	\$ 1,688
Donations	<u>-</u>	<u>7,660</u>	<u>7,660</u>	<u>6,669</u>
Total revenues	1,800	7,310	5,510	8,357
<b>Expenditures</b>				
<b>Culture and recreation:</b>				
Services and supplies	<u>117,903</u>	<u>97,129</u>	<u>20,774</u>	<u>75,598</u>
Excess (deficiency) of revenues over expenditures	(116,103)	(89,819)	26,284	(67,241)
<b>Other financing sources (uses)</b>				
Operating transfers in	<u>114,100</u>	<u>114,100</u>	<u>-</u>	<u>88,000</u>
Net change in fund balance	(2,003)	24,281	26,284	20,759
<b>Fund balance</b>				
Beginning of year	<u>2,003</u>	<u>20,962</u>	<u>18,959</u>	<u>203</u>
End of year	<u>\$ -</u>	<u>\$ 45,243</u>	<u>\$ 45,243</u>	<u>\$ 20,962</u>

**TOWN OF TONOPAH, NEVADA  
MURAL SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2021 and 2020**

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	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 4,519	\$ 20,953
Interest receivable	<u>13</u>	<u>43</u>
Total assets	<u>\$ 4,532</u>	<u>\$ 20,996</u>
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 10,634
<b>Fund Balance</b>		
Restricted for culture and recreation	<u>4,532</u>	<u>10,362</u>
Total liabilities and fund balance	<u>\$ 4,532</u>	<u>\$ 20,996</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance-	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues</b>				
<b>Miscellaneous:</b>				
Investment income (loss)	\$ -	\$ (80)	\$ (80)	\$ 678
<b>Expenditures</b>				
<b>Culture and recreation:</b>				
Services and supplies	-	-	-	11,208
Capital outlay	20,892	5,750	15,142	-
Total expenditures	20,892	5,750	15,142	11,208
Excess (deficiency) of revenues over expenditures	(20,892)	(5,830)	15,062	(10,530)
<b>Fund balance</b>				
Beginning of year	20,892	10,362	(10,530)	20,892
End of year	\$ -	\$ 4,532	\$ 4,532	\$ 10,362

**TONOPAH TOWN, NEVADA**  
**NONMAJOR - PUBLIC SAFETY SALES TAX SHERIFF SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 80,692	\$ 119,058
Interest receivable	162	235
Due from other governments	<u>19,658</u>	<u>18,715</u>
 Total assets	 <u>\$ 100,512</u>	 <u>\$ 138,008</u>
<b>Liabilities</b>		
Accounts payable	\$ 4,095	\$ 7,096
Accrued payroll and benefits	<u>5,580</u>	<u>4,521</u>
 Total liabilities	 9,675	 11,617
<b>Fund Balance</b>		
Restricted for public safety	<u>90,837</u>	<u>126,391</u>
 Total liabilities and fund balance	 <u>\$ 100,512</u>	 <u>\$ 138,008</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	Budget	2021 Actual	Variance- Positive (Negative)	2020 Actual
<b>Revenues</b>				
<b>Intergovernmental:</b>				
Public safety tax - Nye County	\$ 75,850	\$ 95,942	\$ 20,092	\$ 95,138
<b>Miscellaneous:</b>				
Investment income (loss)	<u>250</u>	<u>(383)</u>	<u>(633)</u>	<u>3,740</u>
Total revenues	<u>76,100</u>	<u>95,559</u>	<u>19,459</u>	<u>98,878</u>
<b>Expenditures</b>				
<b>Public safety:</b>				
Salaries and wages	-	46,221	(46,221)	41,527
Employee benefits	-	26,282	(26,282)	22,068
Services and supplies	175,499	32,208	143,291	30,381
Capital outlay	<u>-</u>	<u>26,402</u>	<u>(26,402)</u>	<u>1,100</u>
Total expenditures	<u>175,499</u>	<u>131,113</u>	<u>44,386</u>	<u>95,076</u>
Excess (deficiency) of revenues over expenditures	(99,399)	(35,554)	63,845	3,802
<b>Fund balance</b>				
Beginning of year	<u>99,399</u>	<u>126,391</u>	<u>26,992</u>	<u>122,589</u>
End of year	<u>\$ -</u>	<u>\$ 90,837</u>	<u>\$ 90,837</u>	<u>\$ 126,391</u>

**TONOPAH TOWN, NEVADA**  
**NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 120,469	\$ 74,637
Interest receivable	243	143
Due from other governments	<u>19,658</u>	<u>18,715</u>
 Total assets	 <u><u>\$ 140,370</u></u>	 <u><u>\$ 93,495</u></u>
<b>Liabilities</b>		
Accounts payable	\$ 13,600	\$ -
<b>Fund Balance</b>		
Restricted for public safety	<u>126,770</u>	<u>93,495</u>
 Total liabilities and fund balance	 <u><u>\$ 140,370</u></u>	 <u><u>\$ 93,495</u></u>

**TONOPAH TOWN, NEVADA**  
**NONMAJOR - PUBLIC SAFETY SALES TAX FIRE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	Budget	2021 Actual	Variance- Positive (Negative)	2020 Actual
<b>Revenues</b>				
<b>Intergovernmental:</b>				
Public safety tax - Nye County	\$ 75,850	\$ 95,942	\$ 20,092	\$ 95,138
Grant	250	-	(250)	-
Total intergovernmental	76,100	95,942	19,842	95,138
<b>Miscellaneous:</b>				
Investment income (loss)	-	(395)	(395)	2,976
Total revenues	76,100	95,547	19,447	98,114
<b>Expenditures</b>				
<b>Public safety:</b>				
Services and supplies	141,304	-	141,304	-
Capital outlay	-	62,272	(62,272)	107,521
Total public safety	141,304	62,272	79,032	107,521
Excess (deficiency) of revenues over expenditures	(65,204)	33,275	98,479	(9,407)
<b>Fund balance</b>				
Beginning of year	65,204	93,495	28,291	102,902
End of year	\$ -	\$ 126,770	\$ 126,770	\$ 93,495

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	Special Ad Valorem	Mining	Totals 2021	2020
<b>Assets</b>				
Pooled cash and investments	\$ 110,810	\$ 19,362	\$ 130,172	\$ 183,294
Interest receivable	<u>218</u>	<u>89</u>	<u>307</u>	<u>299</u>
Total assets	<u>\$ 111,028</u>	<u>\$ 19,451</u>	<u>\$ 130,479</u>	<u>\$ 183,593</u>
<b>Liabilities</b>				
Accounts payable	\$ 6,329	\$ -	\$ 6,329	\$ -
<b><u>Fund balance:</u></b>				
Restricted for capital projects	<u>104,699</u>	<u>19,451</u>	<u>124,150</u>	<u>183,593</u>
Total liabilities and fund balance	<u>\$ 111,028</u>	<u>\$ 19,451</u>	<u>\$ 130,479</u>	<u>\$ 183,593</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	Special Ad Valorem	Mining	Totals 2021	2020
<b>Revenues</b>				
Intergovernmental	\$ 19,172	\$ -	\$ 19,172	\$ 34,023
Miscellaneous	<u>(307)</u>	<u>(340)</u>	<u>(647)</u>	<u>4,082</u>
Total revenues	18,865	(340)	18,525	38,105
<b>Expenditures</b>				
Capital projects	<u>31,278</u>	<u>46,690</u>	<u>77,968</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(12,413)	(47,030)	(59,443)	38,105
<b>Fund balance</b>				
Beginning of year	<u>117,112</u>	<u>66,481</u>	<u>183,593</u>	<u>145,488</u>
End of year	<u>\$ 104,699</u>	<u>\$ 19,451</u>	<u>\$ 124,150</u>	<u>\$ 183,593</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 110,810	\$ 116,946
Interest receivable	<u>218</u>	<u>166</u>
Total assets	<u>\$ 111,028</u>	<u>\$ 117,112</u>
<b>Liabilities</b>		
Accounts payable	\$ 6,329	\$ -
<b>Fund Balance</b>		
Restricted for capital projects	<u>104,699</u>	<u>117,112</u>
Total liabilities and fund balance	<u>\$ 111,028</u>	<u>\$ 117,112</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	2021		Variance- Positive (Negative)	2020 Actual
	Budget	Actual		
<b>Revenues</b>				
Intergovernmental:	\$ 20,000	\$ 19,172	\$ (828)	\$ 34,023
Miscellaneous:				
Investment income (loss)	<u>-</u>	<u>(307)</u>	<u>(307)</u>	<u>1,985</u>
Total revenues	20,000	18,865	(1,135)	36,008
<b>Expenditures</b>				
Capital projects	<u>121,104</u>	<u>31,278</u>	<u>89,826</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(101,104)	(12,413)	88,691	36,008
<b>Fund Balance</b>				
Beginning of year	<u>101,104</u>	<u>117,112</u>	<u>16,008</u>	<u>81,104</u>
End of year	<u>\$ -</u>	<u>\$ 104,699</u>	<u>\$ 104,699</u>	<u>\$ 117,112</u>

**TOWN OF TONOPAH, NEVADA**  
**NONMAJOR FUND - MINING CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 19,362	\$ 66,348
Interest receivable	<u>89</u>	<u>133</u>
Total assets	<u>\$ 19,451</u>	<u>\$ 66,481</u>
<b>Liabilities</b>		
Accounts payable	\$ -	\$ -
<b>Fund Balance</b>		
Restricted for capital projects	<u>19,451</u>	<u>66,481</u>
Total liabilities and fund balance	<u>\$ 19,451</u>	<u>\$ 66,481</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, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	Budget	2021 Actual	Variance- Positive (Negative)	2020 Actual
<b>Revenues</b>				
<b>Miscellaneous:</b>				
Investment income (loss)	\$ -	\$ (340)	\$ (340)	\$ 2,097
<b>Expenditures</b>				
Capital projects	<u>64,384</u>	<u>46,690</u>	<u>17,694</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(64,384)	(47,030)	17,354	2,097
<b>Fund balance</b>				
Beginning of year	<u>64,384</u>	<u>66,481</u>	<u>2,097</u>	<u>64,384</u>
End of year	<u>\$ -</u>	<u>\$ 19,451</u>	<u>\$ 19,451</u>	<u>\$ 66,481</u>

DANIEL C. McARTHUR, LTD.

*Certified Public Accountant*

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

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

Honorable Board Members  
Town of Tonopah, Nevada  
Tonopah, Nevada

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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 20, 2022.

**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.



Las Vegas, Nevada  
January 20, 2022

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, 2021, 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, 2021, 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, 2021.

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, 2020. On September 23, 2020 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 2021 and 2022.

## **NEVADA REVISED STATUTE 354.6113 – CAPITAL PROJECTS FUND**

The Town established the Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. Compliance with Nevada Revised Statutes is contained in Note C1 to the financial statements. The Town expended \$356,796 for projects including equipment of \$24,349, fairgrounds improvement of \$319,641 and park improvement of \$12,806. The Town plans to transfer \$430,000 from the General Fund to the Capital Projects Fund and expend the transfer from the General Fund and any available fund balance on improvements in the following year. The Town does not plan to accumulate money in the fund.

## **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 91 of the financial Statements. Projects funded during the year of \$31,278 included a PA sound system and electronic reader board. The Town plans to expend the available balance in the fund in the following year and does not plan to accumulate money in the fund.



Las Vegas, Nevada  
January 20 2022