

TOWN OF TONOPAH, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL MATERIAL
YEAR ENDED JUNE 30, 2004

**TOWN OF TONOPAH, NEVADA
 REPORT ON FINANCIAL STATEMENTS
 AND SUPPLEMENTAL MATERIAL
 FOR THE YEAR ENDED JUNE 30, 2004
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TOWN OF TONOPAH, NEVADA

ORGANIZATION

TOWN OFFICERS at June 30, 2004

Chairman	Michael Truesdell
Vice Chairman	Cindy Kaminski
Town Clerk	Paul Campos
Board Members	Terry Rivero
	David Hamilton

INDEPENDENT AUDITOR'S REPORT

Honorable Board Members
Town of Tonopah, Nevada
Tonopah, Nevada

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Tonopah, Nevada (the Town), as of and for the year ended June 30, 2004, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Tonopah, Nevada as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Town has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of June 30, 2004.

Management's discussion and analysis on pages 7 through 14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tonopah, Nevada's basic financial statements. The introductory section and combining and individual fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

Las Vegas, Nevada
November 5, 2004

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2004

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for Town of Tonopah, Nevada. The MD&A is required as a new element of the reporting model established by the Governmental Accounting Standards Board (GASB) in Statement No. 34 and subsequent Statements No. 37 and No. 38 governing the presentation of financial statements, MD&A, and note disclosure for state and local governments. Because this is the first year of implementation, some financial data and statements will not reflect prior year information. However, this information will be provided in subsequent years. The MD&A is designed to give the reader an easy-to-understand overview of the Town's financial position and results of operations for the year.

Financial Highlights

The Town's primary revenue sources for governmental activities were room taxes of \$240,506, ad valorem taxes of \$106,325, and consolidated taxes of \$239,239. These revenue sources comprised 35%, 15%, and 35% respectively, or 85% of total governmental activities revenues.

The Town's total expenses were \$1,744,845. The greatest expenses were \$137,196 in public works and \$284,958 in the culture and recreation function. Business-type activities contributed \$1,066,878 to total expenses.

At the end of the fiscal year, the unreserved fund balance for the General Fund was \$245,936. This was a decrease of \$17,658 from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements which consist of government-wide financial statements, fund financial statements, and accompanying notes. This report also contains required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2004

Government-wide Financial Statements (Continued)

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.

Fund Financial Statements

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

Governmental Funds

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

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

The Town maintains individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, 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 are provided in the combining and individual fund statements and schedules.

The Town adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the Town's governmental funds to demonstrate compliance with the budget.

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2004

Proprietary Funds

The Town maintains one type of proprietary fund.

The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the Enterprise Fund to account for its water and sewer utility activities.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including historical information on tax rates for the Town's overlapping taxing districts.

It also includes a schedule of budgetary comparisons for both the original and final budgets of the General Fund and the various other Town funds.

The combining statements and individual fund schedules are presented immediately following the required supplementary information.

**Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2004**

Government-wide Financial Analysis

Net assets of the Town as of June 30, 2004, are summarized and analyzed below:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Assets:			
Current and other assets	\$ 498,260	\$ 985,504	\$ 1,483,764
Net capital assets	<u>2,966,955</u>	<u>8,883,528</u>	<u>11,850,483</u>
Total Assets	<u>3,465,215</u>	<u>9,869,032</u>	<u>13,334,247</u>
Liabilities:			
Current liabilities	106,748	155,858	262,606
Long-term liabilities	<u>0</u>	<u>489,264</u>	<u>489,264</u>
Total Liabilities	<u>106,748</u>	<u>645,122</u>	<u>751,870</u>
Net Assets:			
Invested in capital assets			
net of related debt	2,966,955	8,381,418	11,348,373
Restricted	0	236,978	236,978
Unrestricted	<u>391,512</u>	<u>605,514</u>	<u>997,026</u>
Total Net Assets	<u>\$ 3,358,467</u>	<u>\$ 9,223,910</u>	<u>\$12,582,377</u>

As noted earlier, net assets may serve over time as a useful indicator of the Town's financial position. Assets exceeded liabilities by \$12,582,377 as of June 30, 2004.

The largest portion of the Town's net assets, 90.2%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), net of any related debt outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The Town's restricted net assets represents resources that are subject to external restrictions on how they may be used.

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

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2004

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

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 76,284	\$ 719,664	\$ 795,948
Operating grant	13,710	0	13,710
Capital grant	87,000	1,160,188	1,247,188
General revenues:			
Ad valorem taxes	106,325	0	106,325
Room tax	240,506	0	240,506
Consolidated tax	239,239	0	239,239
Fuel taxes	10,803	0	10,803
Interest	1,568	1,485	3,053
Other	2,369	0	2,369
Total revenues	<u>777,804</u>	<u>1,881,337</u>	<u>2,659,141</u>
Expenses:			
General government	112,723	0	112,723
Public safety	130,911	0	130,911
Public works	140,561	0	140,561
Culture and recreation	299,099	0	299,099
Utility operations	0	1,066,878	1,066,878
Total expenses	<u>683,294</u>	<u>1,066,878</u>	<u>1,750,172</u>
Change in net assets	94,510	814,459	908,969
Net assets - beginning	<u>3,263,957</u>	<u>8,409,451</u>	<u>11,673,408</u>
Net assets - ending	<u>\$ 3,358,467</u>	<u>\$ 9,223,910</u>	<u>\$ 12,582,377</u>

Program revenues include charges for services, fines and forfeitures, certain licenses and permits, and both operating and capital grants and contributions.

General revenues consist of taxes and interest. For governmental activities, the largest of these revenues was ad valorem taxes. The second largest revenue was consolidated taxes. The business-type general revenue came from charges for services related to Water Utility. Interest earnings decreased due to decreased interest rates.

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2004

Financial Analysis of the Town's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$429,011. Approximately 15% of fund balances or \$64,394 constitutes unreserved, undesignated fund balance. The remainder of the fund balance is designated to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unreserved, undesignated fund balance of the General Fund was \$0. The total fund balance was \$245,936.

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

Revenues decreased by \$46,403, or 7%. Tax revenues decreased by \$6,487, or 2%. Intergovernmental revenues decreased by \$24,194, or 8%, due to decreased consolidated taxes. Charges for services increased by \$827 or 8%.

Expenditures decreased by \$5,364, or .85%.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation at June 30, 2004, was \$2,966,955. Detail by type of activity and asset is summarized in the table below.

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2004

Governmental Activities:

	Balance			Balance
	<u>June 30, 2003</u>	<u>Additions</u>	<u>Deletion</u>	<u>June 30, 2004</u>
Capital asset not being depreciated:				
Land	\$ 2,086,183	\$ 87,000	\$ 0	\$ 2,173,183
Capital assets being depreciated:				
Building	942,639	10,000	0	952,639
Equipment	<u>866,556</u>	<u>20,827</u>	<u>0</u>	<u>887,383</u>
Total capital assets being depreciated	<u>1,809,195</u>	<u>30,827</u>	<u>0</u>	<u>1,840,022</u>
Less accumulated depreciation for:				
Building	356,223	18,953	0	375,176
Equipment	<u>646,453</u>	<u>24,621</u>	<u>0</u>	<u>671,074</u>
Total accumulated depreciation	<u>1,002,676</u>	<u>43,574</u>	<u>0</u>	<u>1,046,250</u>
Total capital assets being depreciated, net	<u>806,519</u>	<u>(12,747)</u>	<u>0</u>	<u>793,772</u>
 Governmental activities assets, net	 <u>\$ 2,892,702</u>	 <u>\$ 74,253</u>	 <u>\$ 0</u>	 <u>\$ 2,966,955</u>

Business-type Activities:

Capital assets not being depreciated				
Land	\$ 55,000	\$ 0	\$ 0	\$ 55,000
Capital assets being depreciated:				
Equipment	14,001,095	493,377	0	14,494,472
Less accumulated depreciation for:				
Equipment	<u>5,344,099</u>	<u>321,845</u>	<u>0</u>	<u>5,665,944</u>
Total capital assets being depreciated, net	<u>8,656,996</u>	<u>171,532</u>	<u>0</u>	<u>8,828,528</u>
 Business-type Activities assets, net	 <u>\$ 8,711,996</u>	 <u>\$ 171,532</u>	 <u>\$ 0</u>	 <u>\$ 8,883,528</u>

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2004

For additional information on the Town's capital assets see note D 3 in the accompanying financial statements.

REQUESTS FOR INFORMATION

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

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

TOWN OF TONOPAH, NEVADA
STATEMENT OF NET ASSETS
JUNE 30, 2004

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 428,820	\$ 836,676	\$ 1,265,496
Taxes receivable	5,886	0	5,886
Room tax receivable	21,152	0	21,152
Due from other governments	42,402	0	42,402
Accounts receivable	0	82,326	82,326
Inventory	0	66,502	66,502
Capital assets, net of accumulated depreciation	<u>2,966,955</u>	<u>8,883,528</u>	<u>11,850,483</u>
 Total assets	 <u>3,465,215</u>	 <u>9,869,032</u>	 <u>13,334,247</u>
Liabilities:			
Accounts payable	32,163	26,727	58,890
Accrued payroll and benefits	31,586	31,080	62,666
Accrued compensated absences	42,999	67,670	110,669
Accrued interest	0	5,241	5,241
Current portion of bonds payable	0	5,786	5,786
Note payable	0	489,264	489,264
Customer deposits	<u>0</u>	<u>19,354</u>	<u>19,354</u>
 Total liabilities	 <u>106,748</u>	 <u>645,122</u>	 <u>751,870</u>
Net assets:			
Invested in capital assets, net of related debt	2,966,955	8,381,418	11,348,373
Restricted for:			
Capital projects	0	233,570	233,570
Debt	0	3,408	3,408
Unrestricted	<u>391,512</u>	<u>605,514</u>	<u>997,026</u>
Total net assets	<u>\$ 3,358,467</u>	<u>\$ 9,223,910</u>	<u>\$ 12,582,377</u>

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

TOWN OF TONOPAH, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

Functions/Programs	Expenses	Program Revenues			Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary governments:							
General government	\$ (112,723)	\$ 61,437	\$ 0	\$ 87,000	\$ 35,714	\$ 0	\$ 35,714
Public safety	(130,911)	4,097	12,631	0	(114,183)	0	(114,183)
Public works	(140,561)	0	0	0	(140,561)	0	(140,561)
Culture and recreation	(299,099)	10,750	1,079	0	(287,270)	0	(287,270)
Total governmental activities	<u>(683,294)</u>	<u>76,284</u>	<u>13,710</u>	<u>87,000</u>	<u>(506,300)</u>	<u>0</u>	<u>(506,300)</u>
Business-type activities:							
Water	(727,081)	451,015	0	863,562	0	587,496	587,496
Sewer	(339,797)	268,649	0	296,626	0	225,478	225,478
Total business-type activities	<u>(1,066,878)</u>	<u>719,664</u>	<u>0</u>	<u>1,160,188</u>	<u>0</u>	<u>812,974</u>	<u>812,974</u>
Total primary governments	<u>\$ (1,750,172)</u>	<u>\$ 795,948</u>	<u>\$ 13,710</u>	<u>\$ 1,247,188</u>	<u>\$ (506,300)</u>	<u>\$ 812,974</u>	<u>\$ 306,674</u>
General Revenues:							
Property taxes					\$ 106,325	\$ 0	\$ 106,325
Room tax					240,506		\$ 240,506
Fuel tax					10,803	0	10,803
Consolidated taxes					239,239	0	239,239
Interest					1,568	1,485	3,053
Miscellaneous					2,369	0	2,369
Total general revenues					<u>600,810</u>	<u>1,485</u>	<u>602,295</u>
Change in net assets					94,510	814,459	908,969
Net assets - beginning of year					<u>3,263,957</u>	<u>8,409,451</u>	<u>11,673,408</u>
Net assets - end of year					<u>\$ 3,358,467</u>	<u>\$ 9,223,910</u>	<u>\$ 12,582,377</u>

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

TOWN OF TONOPAH, NEVADA
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2004

	Major Fund - General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ 246,828	\$ 181,992	\$ 428,820
Delinquent property taxes	5,886	0	5,886
Room tax receivable	19,619	1,533	21,152
Due from other governments	42,402	0	42,402
	<u>314,735</u>	<u>183,525</u>	<u>498,260</u>
Total assets	<u>\$ 314,735</u>	<u>\$ 183,525</u>	<u>\$ 498,260</u>
Liabilities:			
Accounts payable	\$ 31,713	\$ 450	\$ 32,163
Accrued payroll	31,586	0	31,586
Deferred taxes	5,500	0	5,500
	<u>68,799</u>	<u>450</u>	<u>69,249</u>
Total liabilities	<u>68,799</u>	<u>450</u>	<u>69,249</u>
Fund Equity:			
Fund balance - unreserved:			
Designated for subsequent year	245,936	118,681	364,617
Undesignated	0	64,394	64,394
Total fund equity	<u>245,936</u>	<u>183,075</u>	<u>429,011</u>
Total liabilities and fund equity	<u>\$ 314,735</u>	<u>\$ 183,525</u>	<u>\$ 498,260</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 ASSETS
JUNE 30, 2004

Total fund balance - governmental funds	\$ 429,011
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Amounts reported for governmental activities in the Statement of Net Assets 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 Assets	2,966,955
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	5,500
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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 Assets	<u>(42,999)</u>
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Total net assets - governmental activities	<u>\$ 3,358,467</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF TONOPAH, NEVADA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Major Fund- General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 308,148	\$ 17,342	\$ 325,490
Fines and forfeitures	24,669	0	24,669
Licenses and permits	15,728	0	15,728
Intergovernmental	283,713	21,193	304,906
Charges for services	11,189	3,658	14,847
Other	<u>4,285</u>	<u>731</u>	<u>5,016</u>
 Total revenues	 <u>647,732</u>	 <u>42,924</u>	 <u>690,656</u>
Expenditures:			
Current:			
General government	109,333	0	109,333
Public safety	115,653	0	115,653
Public works	137,196	0	137,196
Culture and recreation	263,208	21,750	284,958
Capital projects	<u>0</u>	<u>30,827</u>	<u>30,827</u>
 Total expenditures	 <u>625,390</u>	 <u>52,577</u>	 <u>677,967</u>
 Excess (deficiency) of revenues over expenditures	 <u>22,342</u>	 <u>(9,653)</u>	 <u>12,689</u>
Other financing sources (uses):			
Operating transfers in	0	40,000	40,000
Operating transfers out	<u>(40,000)</u>	<u>0</u>	<u>(40,000)</u>
 Total other financing sources (uses)	 <u>(40,000)</u>	 <u>40,000</u>	 <u>0</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 <u>(17,658)</u>	 <u>30,347</u>	 <u>12,689</u>
Fund balance:			
Beginning of year	<u>263,594</u>	<u>152,728</u>	<u>416,322</u>
 End of year	 <u>\$ 245,936</u>	 <u>\$ 183,075</u>	 <u>\$ 429,011</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, 2004

Net change in fund balance - governmental funds	\$	12,689
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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 Assets and allocated over the 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.</p>		(12,747)
<p>The effect of donated capital assets is to increase net assets.</p>		87,000
<p>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.</p>		148
<p>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.</p>		<u>7,420</u>
Change in net assets of governmental activities	\$	<u>94,510</u>

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

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2004

	Budget Amounts		Actual	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 87,300	\$ 87,300	\$ 84,984	\$ (2,316)
Room taxes	<u>185,000</u>	<u>185,000</u>	<u>223,164</u>	<u>38,164</u>
Total taxes	<u>272,300</u>	<u>272,300</u>	<u>308,148</u>	<u>35,848</u>
Fines and forfeitures	<u>28,000</u>	<u>28,000</u>	<u>24,669</u>	<u>(3,331)</u>
Licenses and permits	<u>16,000</u>	<u>16,000</u>	<u>15,728</u>	<u>(272)</u>
Intergovernmental:				
County liquor license	2,400	2,400	1,960	(440)
County gaming license	23,500	23,500	19,080	(4,420)
Consolidated tax	234,573	234,573	239,239	4,666
Grants	20,000	20,000	12,631	(7,369)
Gas tax \$1.75	<u>9,500</u>	<u>9,500</u>	<u>10,803</u>	<u>1,303</u>
Total intergovernmental	<u>289,973</u>	<u>289,973</u>	<u>283,713</u>	<u>(6,260)</u>
Charges for services:				
Rescue runs	2,000	2,000	439	(1,561)
Swimming pool fees	6,500	6,500	3,834	(2,666)
Convention Center rental	8,200	8,200	6,140	(2,060)
Baseball complex fees	400	400	368	(32)
Fairgrounds rental	<u>400</u>	<u>400</u>	<u>408</u>	<u>8</u>
Total charges for services	<u>17,500</u>	<u>17,500</u>	<u>11,189</u>	<u>(6,311)</u>
Other:				
Interest	5,500	5,500	837	(4,663)
Donations	2,600	2,600	1,079	(1,521)
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>2,369</u>	<u>369</u>
Total other	<u>10,100</u>	<u>10,100</u>	<u>4,285</u>	<u>(5,815)</u>
Total revenues	<u>633,873</u>	<u>633,873</u>	<u>647,732</u>	<u>13,859</u>

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

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2004

	Budget Amounts		Actual	Variance- Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Salaries and wages	\$ 86,401	\$ 86,401	\$ 33,453	\$ 52,948
Employee benefits	30,017	30,017	13,155	16,862
Services and supplies	22,832	22,832	62,725	(39,893)
Total general government	<u>139,250</u>	<u>139,250</u>	<u>109,333</u>	<u>29,917</u>
Public safety:				
Fire:				
Salaries and wages	81,700	81,700	61,980	19,720
Employee benefits	36,062	36,062	31,621	4,441
Services and supplies	27,950	27,950	22,052	5,898
Total public safety	<u>145,712</u>	<u>145,712</u>	<u>115,653</u>	<u>30,059</u>
Public works:				
Highways and streets:				
Salaries and wages	62,713	62,713	67,038	(4,325)
Employee benefits	23,354	23,354	24,017	(663)
Services and supplies	54,000	54,000	46,141	7,859
Total public works	<u>140,067</u>	<u>140,067</u>	<u>137,196</u>	<u>2,871</u>
Culture and recreation:				
Parks:				
Services and supplies	15,200	15,200	14,320	880
Mining parks:				
Salaries and wages	59,000	59,000	59,528	(528)
Employee benefits	22,509	22,509	23,726	(1,217)
Services and supplies	16,250	16,250	13,234	3,016
Total mining parks	<u>97,759</u>	<u>97,759</u>	<u>96,488</u>	<u>1,271</u>
Swimming pool:				
Salaries and wages	25,000	25,000	15,559	9,441
Employee benefits	3,000	3,000	1,400	1,600
Services and supplies	12,825	12,825	15,017	(2,192)
Total swimming pool	<u>40,825</u>	<u>40,825</u>	<u>31,976</u>	<u>8,849</u>

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

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2004

	Budget Amounts		Actual	Variance- Positive (Negative)
	Original	Final		
Culture and recreation (continued):				
Fair:				
Services and supplies	\$ 2,500	\$ 2,500	\$ 1,310	\$ 1,190
Ball fields:				
Services and supplies	10,000	10,000	5,664	4,336
Convention Center:				
Salaries and wages	67,835	67,835	56,317	11,518
Employee benefits	25,170	25,170	21,601	3,569
Services and supplies	41,250	41,250	35,532	5,718
Total Convention Center	134,255	134,255	113,450	20,805
Total culture and recreation	300,539	300,539	263,208	37,331
Total expenditures	725,568	725,568	625,390	100,178
Excess (deficiency) of revenues over expenditures	(91,695)	(91,695)	22,342	114,037
Other financing sources (uses):				
Operating transfers out	(40,000)	(40,000)	(40,000)	0
Excess (deficiency) of revenues and other sources over expenditures and other uses	(131,695)	(131,695)	(17,658)	114,037
Fund balance:				
Beginning of year	229,815	229,815	263,594	33,779
End of year	\$ 98,120	\$ 98,120	\$ 245,936	\$ 147,816

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

TOWN OF TONOPAH, NEVADA
PROPRIETARY FUND
STATEMENT OF NET ASSETS
June 30, 2004

	Tonopah Public Utility Enterprise Fund
<u>ASSETS:</u>	
Current assets:	
Pooled cash and investments	\$ 574,695
Accounts receivable, net of allowance for doubtful accounts	82,326
Inventory	66,502
Restricted assets - cash	261,981
Total current assets	985,504
Property, plant and equipment, net of accumulated depreciation	8,883,528
 Total assets	 9,869,032
<u>LIABILITIES:</u>	
Current liabilities, payable from unrestricted assets:	
Accounts payable	26,727
Accrued payroll	31,080
Accrued interest	5,241
Accrued compensated absences	67,670
Current portion of bonds payable	5,786
Total current liabilities-unrestricted	136,504
Current liabilities, payable from restricted assets:	
Customer deposits	19,354
 Total current liabilities	 155,858
 Bonds payable	 489,264
 Total liabilities	 645,122
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	8,381,418
Restricted for debt	3,408
Restricted for construction	233,570
Unrestricted	605,514
Total net assets	\$ 9,223,910

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

TOWN OF TONOPAH, NEVADA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
For the Year Ended June 30, 2004

	Tonopah Public Utility Enterprise Fund
Operating revenues:	
Charges for services:	
Water fees	\$ 394,523
Sewer fees	268,649
Total operating revenues	<u>663,172</u>
Operating expenses:	
Water Department:	
Administration	81,844
General operations	272,359
Water operations	146,816
Depreciation	206,704
Total water department	<u>707,723</u>
Sewer Department:	
Administration	69,483
General operations	147,185
Sewer operations	7,988
Depreciation	115,141
Total sewer department	<u>339,797</u>
Total operating expenses	<u>1,047,520</u>
Operating (loss)	<u>(384,348)</u>
Nonoperating revenue (expense):	
Interest	1,485
Work orders-miscellaneous	56,492
Grants	1,038,562
Interest	(19,358)
Capital projects	30,498
Surcharge	91,128
Total nonoperating revenue	<u>1,198,807</u>
Net income (loss)	814,459
Net Assets:	
Beginning of year	<u>8,409,451</u>
End of year	<u>\$ 9,223,910</u>

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

TOWN OF TONOPAH, NEVADA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2004

	Tonopah Public Utility	Enterprise Fund
Cash flows from operating activities:		
Cash received from customers	\$ 1,063,464	
Cash paid for salaries, wages, and employee benefits	(480,927)	
Cash paid for services and supplies	(406,679)	
Net cash provided by operating activities	<u>175,858</u>	
Cash flows from noncapital financing activities:		
Work orders - miscellaneous	56,492	
Grants	1,038,562	
Capital projects	30,498	
Operating transfers in	88,948	
Operating transfers out	(88,948)	
Surcharges	91,128	
Net cash provided by noncapital financing activities	<u>1,216,680</u>	
Cash flows from capital and related financing activities:		
Purchase of fixed assets	(493,377)	
Principal paid	(8,968)	
Interest paid	(19,358)	
Payoff of interim debenture bond	(1,100,000)	
Issuance of bond	498,232	
Net cash (used) by capital and related financing activities	<u>(1,123,471)</u>	
Cash flows from investing activities:		
Interest income	<u>1,485</u>	
Net increase in cash	270,552	
Cash:		
Beginning of year	<u>566,124</u>	
End of year	<u><u>\$ 836,676</u></u>	
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	<u>\$ (384,348)</u>	
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	321,845	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	400,292	
(Increase) decrease in inventory	1,814	
Increase (decrease) in accounts payable	(168,862)	
Increase (decrease) in accrued payroll	(598)	
Increase (decrease) in customer deposits	5,715	
Total adjustments	<u>560,206</u>	
Net cash provided by operating activities	<u><u>\$ 175,858</u></u>	

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so. The more significant accounting policies established in GAAP and used by the Town are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the Town's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the Town's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Town has elected to implement the general provisions of the Statement in the current year and plans to retroactively report infrastructure assets acquired prior to July 1, 2002 in the fiscal year ending 2006.

1. Reporting Entity

The Town is governed by an elected five member board. As required by generally accepted accounting principles, these financial statements present the Town's funds for which the Town is considered to be financially accountable. There were no component units of the Town at June 30, 2004. The Town is not included in any other governmental reporting entity as a component unit as defined by Governmental Accounting Standards Board pronouncements.

2. Basic Financial Statements

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Government-wide Financial Statements

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Program revenues include operating grants and contributions and investment earnings legally restricted to support a specific program. Taxes and other revenues properly not included among program revenues are reported instead as general revenues. This statement provides a net cost or net revenue of specific programs and functions within the Town. Those functions with a net cost are generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

4. Fund Financial Statements

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

The presentation emphasis in the fund financial statements is on major funds for governmental funds. Major individual governmental funds are required to be reported in separate columns on the fund financial statements. Major funds are determined based on minimum criteria set forth in GASB Statement Number 34. The Town may also display other funds as major funds if it believes the presentation will provide useful information to the users of the financial statements.

5. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial 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.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

All of the Town’s major funds are governmental funds. The Town reports the following major governmental fund:

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

Additionally the Town reports the following fund types:

Proprietary Fund:

Enterprise Fund - The Tonopah Public Utility Enterprise Fund accounts for the Town’s delivery of water and sewer services.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow this subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Tonopah Public Utility are customer charges. Expenses are those required to provide the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity

a. Pooled Cash and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value on the Statement of Net Assets. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of Town investments are part of investment income which is included in revenue from other sources on the Statement of Activities. **(See Note D1)**

Nevada Revised Statutes authorize the Town to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not exceed more than 10 years from the date of purchase.
2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$100,000 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.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

b. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Taxes on real property are levied in July of each year and are due in July. They can be paid in quarterly installments in August, October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10 percent per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien.

Article X, Section 2 of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any County (i.e., the County, the County School District, the State, and any other City, Town or special District) to an amount not to exceed \$5 per \$100 of assessed valuation of the property being taxed. The Nevada Legislature enacted provisions whereby the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation. **(See Note D2)**

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

c. Inventories and Prepaid Items

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

Payments to vendors that will benefit periods beyond June 30, 2004 are recorded as expenditures in the fund financial statements. They are recorded as prepaid expenses in the government-wide financial statements. There were no material prepaids at June 30, 2004.

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 D7)

e. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. If purchased or constructed, capital assets are recorded at historical cost or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are valued at their estimated value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings and Improvements	25-50
Vehicles	8
Various Other Equipment	5-20
Infrastructure	25-50

GASB No. 34 requires the Town to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006. The Town has elected to implement the general provisions of GASB No. 34 in the current year and plan to implement the retroactive infrastructure provisions (under the modified approach) in the fiscal year ending June 30, 2006.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

f. Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements. No expenditure is reported for these amounts in the fund financial statements. (See **Note D4**) Vacation leave and sick leave included in accrued liabilities and recorded as expenditures in governmental fund types is the amount normally liquidated from "available spendable resources".

In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as a payroll expenditure. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements.

g. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, 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 deferred charges and amortized over the term of the related debt. Deferred losses related to the refunding of debt are reported as a deferred charge component of bonds payable and are amortized over the term of the related debt.

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

h. Fund Equity

In the fund financial statements, reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

i. Net Assets

In the government-wide statements, net assets on the Statement of Net Assets includes the following:

(i) Invested in Capital Assets, net of Related Debt

This is the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

(ii) Restricted Assets

This is the component of net assets that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Designations of fund balance represent tentative management plans that are subject to change.

(iii) Unrestricted

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

j. Comparative Data/Reclassifications

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

k. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental funds Balance Sheet and the government-wide Statement of Net Assets

The governmental funds Balance Sheet includes a reconciliation between fund balances - total governmental funds and net assets - governmental activities as reported in the government-wide Statement of Net Assets. One element of the reconciliation explains that “certain liabilities (such as bonds payable and capital lease payable) are not reported in this fund financial statement because they are not due and payable.” The details of this difference is as follows:

Compensated absences	\$ <u>42,999</u>
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2.. Explanation of certain differences between the governmental fund 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 assets 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 Assets and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. The details of this difference is as follows:

Capital outlay	\$ 30,827
Depreciation expense	<u>(43,574)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>12,747</u>

Another element of that reconciliation states that “Generally expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when incurred.” The details of this difference are as follows:

Compensated absences	\$ <u>7,420</u>
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TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

C. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, capital projects, and enterprise funds. All appropriations lapse at fiscal year end.

The Town uses the following procedures to establish, modify, and control the budgetary data presented in the financial statements:

- a. Prior to April 15, the Town submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget, as submitted, contains the proposed expenditures and means of financing them.
- b. The Nevada State Department of Taxation notifies the Town of its acceptance of the budget.
- c. Public hearings are conducted on the third Thursday in May.
- d. After all changes have been noted and hearings closed, the Town Board adopts the budget on or before June 1.
- e. Whenever such an action does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions, the Town may transfer appropriations within any function or program or between functions or programs within a fund, if:
 1. The governing body is advised of the action at the next regular meeting, and;
 2. The action is recorded in the official minutes of the meeting.
- f. Increases to a fund's budget (augmentations) other than by transfer must be approved by the Town Board.
- g. Statutory regulations require budget control to be exercised at the function level within the General Fund or at the fund level for other funds.
- h. The General, Capital Projects, and Mining Capital Projects Funds budgets were augmented during the year due to grants received.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

D. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

1. Deposits and Investments

The Town's cash and investments are held under the custody of the County Treasurer of Nye County, Nevada. This is required by Nevada Revised Statutes. Detailed information concerning collateral pledged to cover deposits is contained in the annual financial report of Nye County.

Pursuant to policy established by the Nye County Treasurer in accordance with Nevada Revised Statutes Chapter 355.168, the Town has elected to be part of the Nye County Treasurer's Investment Pool. Any local government within Nye County whose money is held under the custody of the Nye County Treasurer may invest its money with the investment pool. The County Treasurer may invest the money of the investment pool in investments which have been authorized as investments by Nevada Revised Statutes. **(See Note A3a)**

Interest is apportioned to the Town monthly based on the average balance invested for the month.

The fair value of the Town's investment in the Nye County Treasurer's Investment Pool was determined by multiplying the pool's fair value per share factor times the Town's pool balance as of June 30, 2004.

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Cash in the hands of officers	\$ 2,856	\$ 75,231	\$ 78,087
Carrying amount of deposits with County Treasurer	<u>425,964</u>	<u>761,445</u>	<u>1,187,409</u>
Total	<u>\$ 428,820</u>	<u>\$ 836,676</u>	<u>\$ 1,265,496</u>
Cash and cash equivalents	\$ 428,820	\$ 574,695	\$ 1,003,515
Restricted assets - cash	<u>0</u>	<u>261,981</u>	<u>261,981</u>
Total	<u>\$ 428,820</u>	<u>\$ 836,676</u>	<u>\$ 1,265,496</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

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

2. Receivables

Receivables as of year end, net of the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Other Governmental</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:				
Property taxes	\$ 5,886	\$ 0	\$ 0	\$ 5,886
Accounts receivable (net)	0	0	82,326	82,326
Due from other governments	42,402	0	0	42,402
Room tax receivable	<u>19,619</u>	<u>1,533</u>	<u>0</u>	<u>21,152</u>
Net total receivables	<u>\$67,907</u>	<u>\$ 1,533</u>	<u>\$ 82,326</u>	<u>\$ 151,766</u>

3. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2004 follows:

Governmental Activities:

	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2004</u>
Capital asset not being depreciated:				
Land	<u>\$ 2,086,183</u>	<u>\$ 87,000</u>	<u>\$ 0</u>	<u>\$ 2,173,183</u>
Capital assets being depreciated:				
Building	942,639	10,000	0	952,639
Equipment	<u>866,556</u>	<u>20,827</u>	<u>0</u>	<u>887,383</u>
Total capital assets being depreciated	<u>1,809,195</u>	<u>30,827</u>	<u>0</u>	<u>1,840,022</u>
Less accumulated depreciation for:				
Building	356,223	18,953	0	375,176
Equipment	<u>646,453</u>	<u>24,621</u>	<u>0</u>	<u>671,074</u>
Total accumulated depreciation	<u>1,002,676</u>	<u>43,574</u>	<u>0</u>	<u>1,046,250</u>
Total capital assets being depreciated, net	<u>806,519</u>	<u>(12,747)</u>	<u>0</u>	<u>793,772</u>
Governmental activities assets, net	<u>\$ 2,892,702</u>	<u>\$ 74,253</u>	<u>\$ 0</u>	<u>\$ 2,966,955</u>

Business-type Activities:

	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2004</u>
Capital assets not being depreciated:				
Land	<u>\$ 55,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 55,000</u>
Capital assets being depreciated:				
Equipment	14,001,095	493,377	0	14,494,472
Less accumulated depreciation for:				
Equipment	<u>5,344,099</u>	<u>321,845</u>	<u>0</u>	<u>5,665,944</u>
Total capital assets being depreciated, net	<u>8,656,996</u>	<u>171,532</u>	<u>0</u>	<u>8,828,528</u>
Business-type Activities assets, net	<u>\$ 8,711,996</u>	<u>\$ 171,532</u>	<u>\$ 0</u>	<u>\$ 8,883,528</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

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

3. Capital Assets (Continued)

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

Governmental activities:

General government	\$ 2,113
Public safety	15,579
Public works	980
Culture and recreation	<u>24,902</u>

\$ 43,574

Business activities:

Water and sewer	<u>\$ 321,845</u>
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4. Deferred Revenue

Delinquent taxes receivable not collected within sixty days after year end are recorded as deferred revenue as they are not available to pay liabilities of the current period. Deferred taxes in the General Fund were \$5,500.

5. Restricted Assets Accounts

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

Cash - customer deposits	\$ 19,011
Cash - Construction	25,570
Cash - Water/sewer privilege	12,670
Cash - Sewer Construction	167,940
Cash - Water surcharge	<u>36,790</u>
Total restricted assets	<u>\$ 261,981</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

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

5. Long-term Debt

Interim Debenture. The town issued interim debentures in the amount of \$1,100,000 in 2003 to provide temporary financing for new utility water distribution and storage improvements. The debentures were repaid with long-term financing and grant funds upon completion of the project. The interest rate was 2.63%.

Revenue Bonds Payable. The Town issued bonds in the amount of \$498,232 that were funded by the Farmer's Home Administration (FMHA). The bonds are to be used for the construction of a new water system for the Town of Tonopah. The bonds are to be repaid over 40 years requiring monthly payments of \$2,162 including interest at 4.25%. The outstanding balance at June 30, 2004 was \$495,050.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 5,786	\$ 20,971
2006	5,257	20,692
2007	5,484	20,464
2008	5,721	20,227
2009	5,969	19,979
2009 - 2043	<u>466,833</u>	<u>417,918</u>
	<u>\$ 495,050</u>	<u>\$ 520,251</u>

Changes in general long-term liabilities. During the year ended June 30, 2004, the following changes occurred:

	<u>Balance at July 1, 2003</u>	<u>Net Additions/ (Reductions)</u>	<u>Balance at June 30, 2004</u>
Compensated absences	<u>\$ 50,419</u>	<u>\$ (7,420)</u>	<u>\$ 42,999</u>

6. Contributed Capital

The changes in the Town's contributed capital accounts for its proprietary fund was as follows:

	<u>Enterprise Fund</u>
Beginning balance	\$ 5,992,530
Contributions	0
Deletions	<u>0</u>
Ending balance	<u>\$ 5,992,530</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

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

7. Interfund Transactions

Interfund operating transfers are made from one fund to another fund to support expenditures in accordance with the authority established for the individual funds. Transfers between fund types during the year ended June 30, 2004 were:

	<u>Total</u> <u>Transfers Out</u>	<u>Transfers In</u>	
		<u>Special Revenue</u>	<u>Capital Projects</u>
General Fund	<u>\$ 40,000</u>	<u>\$ 0</u>	<u>\$ 40,000</u>

E. OTHER INFORMATION

1. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town joined together with other local governments in the Nevada Public Agency Insurance Pool (NPAIP), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Town pays an annual premium to NPAIP for its property, casualty, crimes, and machinery insurance coverage. NPAIP is self sustaining through member premiums and reinsures through commercial companies for claims in excess of \$100,000 property and crime, casualty \$150,000 each and every insured event. As a participatory member the maintenance deductible is \$500 for each insured event.

The Town participates in the Public Agency Compensation Trust (PACT). The PACT covers workers' compensation claims. Premiums are paid on a quarterly basis based on a percentage of the employees' wages.

The Town is self insured for unemployment claims.

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

2. Contingent Liabilities

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2004

E. OTHER INFORMATION (Continued)

Litigation

The Town is involved in a lawsuit. The outcome of this lawsuit is presently undeterminable.

3. Pension Plan

Plan Description. The Town of Tonopah is a public employer contributing to the Public Employee Retirement System of the State of Nevada (PERS), a cost sharing multi-employer defined benefit pension plan. The plan is administered by the State of Nevada Retirement System.

As required by Nevada Revised Statutes, benefits are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the Plan include pension benefits, disability benefits, and death benefits.

Monthly benefit allowances for members are computed at 2.5 % of average compensation (36 consecutive months of highest compensation) for each accredited year of service prior to retirement with a ceiling of 75% of the average compensation. PERS 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/her life and various optional monthly payments to a named beneficiary after his/her death. Regular members are eligible for retirement at age 65 with 5 years of service or age 60 with 10 years of service or any age with 30 years of service. Police and firemen are eligible for retirement at age 65 with 5 years of accredited police and fire service or age 55 with 10 years of service or at age 50 with 20 years of accredited police and fire service.

Financial statements for the Plan are available by calling (775) 687-4200 or writing to:

Public Employees' Retirement System of Nevada
693 W. Nye Lane
Carson City, NV 89703-1599

Funding Policy. Contribution rates are established by NRS 286.410. The statute, which is tied to the increase in taxable sales within the State each year, provides for yearly increases of up to 1% until such time as the actuarially determined unfunded liability of the Plan is reduced to zero. The Town is obligated to contribute all amounts due under the Plan. The contribution rate for regular employees was 20.25% for the 2003-2004 year. The contribution rate for police and firemen was 28.5%. The contribution requirement for the year ended June 30, 2004 was \$102,274. The contributions were equal to the required contributions for the year. The Town's contributions to PERS for the years ended June 30, 2003 and 2002 were \$101,399 and \$109,176, respectively, equal to the required contribution each year at the determined rate.

The Town has no liability for unfunded obligations of the system as provided by Nevada Revised Statutes Chapter 286.110.

TOWN OF TONOPAH, NEVADA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2004 and 2003

	2004	2003
<u>ASSETS</u>		
Pooled cash and investments	\$ 246,828	\$ 223,854
Delinquent property taxes	5,886	5,776
Room tax receivable	19,619	25,057
Due from other governments	<u>42,402</u>	<u>67,251</u>
Total assets	<u>\$ 314,735</u>	<u>\$ 321,938</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 31,713	\$ 15,823
Accrued payroll	31,586	37,169
Deferred taxes	<u>5,500</u>	<u>5,352</u>
Total liabilities	<u>68,799</u>	<u>58,344</u>
<u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	245,936	229,815
Undesignated	<u>0</u>	<u>33,779</u>
Total fund balance	<u>245,936</u>	<u>263,594</u>
Total liabilities and fund balance	<u>\$ 314,735</u>	<u>\$ 321,938</u>

TOWN OF TONOPAH, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2004
(With Comparative Actual Amounts for the Year Ended June 30, 2003)

	2004		Variance- Positive (Negative)	2003 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 272,300	\$ 308,148	\$ 35,848	\$ 314,635
Fines and forfeitures	28,000	24,669	(3,331)	29,308
Licenses and permits	16,000	15,728	(272)	16,027
Intergovernmental	289,973	283,713	(6,260)	307,907
Charges for services	17,500	11,189	(6,311)	15,381
Other	10,100	4,285	(5,815)	10,877
Total revenues	<u>633,873</u>	<u>647,732</u>	<u>13,859</u>	<u>694,135</u>
Expenditures:				
General government	139,250	109,333	29,917	68,239
Public safety	145,712	115,653	30,059	156,294
Public works	140,067	137,196	2,871	119,135
Culture and recreation	300,539	263,208	37,331	287,086
Total expenditures	<u>725,568</u>	<u>625,390</u>	<u>100,178</u>	<u>630,754</u>
Excess (deficiency) of revenues over expenditures	(91,695)	22,342	114,037	63,381
Other financing sources (uses):				
Operating transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>0</u>	<u>1,293</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(131,695)	(17,658)	114,037	64,674
Fund balance:				
Beginning of year	263,594	263,594	0	178,325
Residual equity transfer	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,595</u>
End of year	<u>\$ 131,899</u>	<u>\$ 245,936</u>	<u>\$ 114,037</u>	<u>\$ 263,594</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
For the Year Ended June 30, 2004

(With Comparative Actual Amounts for the Year Ended June 30, 2003)

	2004		Variance- Positive (Negative)	2003 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 87,300	\$ 84,984	\$ (2,316)	\$ 97,141
Room taxes	<u>185,000</u>	<u>223,164</u>	<u>38,164</u>	<u>217,494</u>
Total taxes	<u>272,300</u>	<u>308,148</u>	<u>35,848</u>	<u>314,635</u>
Fines and forfeitures	<u>28,000</u>	<u>24,669</u>	<u>(3,331)</u>	<u>29,308</u>
Licenses and permits	<u>16,000</u>	<u>15,728</u>	<u>(272)</u>	<u>16,027</u>
Intergovernmental:				
County liquor license	2,400	1,960	(440)	1,720
County gaming license	23,500	19,080	(4,420)	19,343
Consolidated tax	234,573	239,239	4,666	237,914
Grants	20,000	12,631	(7,369)	38,000
LGTA tax	0	0	0	5
Gas tax \$1.75	<u>9,500</u>	<u>10,803</u>	<u>1,303</u>	<u>10,925</u>
Total intergovernmental	<u>289,973</u>	<u>283,713</u>	<u>(6,260)</u>	<u>307,907</u>
Charges for services:				
Rescue runs	2,000	439	(1,561)	860
Swimming pool fees	6,500	3,834	(2,666)	8,696
Convention Center Rental	8,200	6,140	(2,060)	5,019
Baseball complex fees	400	368	(32)	372
Fairgrounds rental	<u>400</u>	<u>408</u>	<u>8</u>	<u>434</u>
Total charges for services	<u>17,500</u>	<u>11,189</u>	<u>(6,311)</u>	<u>15,381</u>
Other:				
Mining park operating grant	0	0	0	1,228
Interest	5,500	837	(4,663)	7,328
Donations	2,600	1,079	(1,521)	0
Miscellaneous	<u>2,000</u>	<u>2,369</u>	<u>369</u>	<u>2,321</u>
Total other	<u>10,100</u>	<u>4,285</u>	<u>(5,815)</u>	<u>10,877</u>
Total revenues	<u>\$ 633,873</u>	<u>\$ 647,732</u>	<u>\$ 13,859</u>	<u>\$ 694,135</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
For the Year Ended June 30, 2004

(With Comparative Actual Amounts for the Year Ended June 30, 2003)

	2004		Variance- Positive (Negative)	2003 Actual
	Budget	Actual		
Expenditures:				
General government:				
Salaries and wages	\$ 86,401	\$ 33,453	\$ 52,948	\$ 30,877
Employee benefits	30,017	13,155	16,862	14,228
Services and supplies	<u>22,832</u>	<u>62,725</u>	<u>(39,893)</u>	<u>23,134</u>
Total general government	<u>139,250</u>	<u>109,333</u>	<u>29,917</u>	<u>68,239</u>
Public safety:				
Fire:				
Salaries and wages	81,700	61,980	19,720	91,530
Employee benefits	36,062	31,621	4,441	44,637
Services and supplies	<u>27,950</u>	<u>22,052</u>	<u>5,898</u>	<u>20,127</u>
Total public safety	<u>145,712</u>	<u>115,653</u>	<u>30,059</u>	<u>156,294</u>
Public works:				
Highways and streets:				
Salaries and wages	62,713	67,038	(4,325)	56,176
Employee benefits	23,354	24,017	(663)	17,618
Services and supplies	<u>54,000</u>	<u>46,141</u>	<u>7,859</u>	<u>45,341</u>
Total public works	<u>140,067</u>	<u>137,196</u>	<u>2,871</u>	<u>119,135</u>
Culture and recreation:				
Parks:				
Services and supplies	<u>15,200</u>	<u>14,320</u>	<u>880</u>	<u>11,957</u>
Mining parks:				
Salaries and wages	59,000	59,528	(528)	56,131
Employee benefits	22,509	23,726	(1,217)	24,929
Services and supplies	<u>16,250</u>	<u>13,234</u>	<u>3,016</u>	<u>16,595</u>
Total mining parks	<u>97,759</u>	<u>96,488</u>	<u>1,271</u>	<u>97,655</u>
Swimming pool:				
Salaries and wages	25,000	15,559	9,441	16,638
Employee benefits	3,000	1,400	1,600	1,910
Services and supplies	<u>12,825</u>	<u>15,017</u>	<u>(2,192)</u>	<u>11,586</u>
Total swimming pool	<u>40,825</u>	<u>31,976</u>	<u>8,849</u>	<u>30,134</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
For the Year Ended June 30, 2004
(With Comparative Actual Amounts for the Year Ended June 30, 2003)

	2004		Variance- Positive (Negative)	2003 Actual
	Budget	Actual		
Culture and recreation (continued):				
Fair:				
Services and supplies	\$ 2,500	\$ 1,310	\$ 1,190	\$ 1,806
Ball fields:				
Services and supplies	10,000	5,664	4,336	4,930
Convention Center:				
Salaries and wages	67,835	56,317	11,518	63,384
Employee benefits	25,170	21,601	3,569	23,625
Services and supplies	41,250	35,532	5,718	53,595
Total Convention Center	<u>134,255</u>	<u>113,450</u>	<u>20,805</u>	<u>140,604</u>
Total culture and recreation	<u>300,539</u>	<u>263,208</u>	<u>37,331</u>	<u>287,086</u>
Total expenditures	<u>\$ 725,568</u>	<u>\$ 625,390</u>	<u>\$ 100,178</u>	<u>\$ 630,754</u>

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2004 and 2003

	2004	2003
<u>ASSETS:</u>		
Current assets:		
Pooled cash and investments	\$ 574,695	\$ 169,297
Due from other governments	0	384,819
Accounts receivable, net of allowance for doubtful accounts	82,326	97,799
Inventory	66,502	68,316
Restricted assets - cash	<u>261,981</u>	<u>396,827</u>
Total current assets	985,504	1,117,058
Property, plant and equipment, net of accumulated depreciation	<u>8,883,528</u>	<u>8,711,996</u>
Total assets	<u>9,869,032</u>	<u>9,829,054</u>
<u>LIABILITIES:</u>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	26,727	200,318
Accrued payroll	31,080	29,922
Accrued interest	5,241	6,298
Accrued compensated absences	67,670	69,426
Current portion of bonds payable	<u>5,786</u>	<u>0</u>
Total current liabilities-unrestricted	136,504	305,964
Current liabilities, payable from restricted assets:		
Customer deposits	<u>19,354</u>	<u>13,639</u>
Total current liabilities	155,858	319,603
Note payable	<u>489,264</u>	<u>1,100,000</u>
Total liabilities	<u>645,122</u>	<u>1,419,603</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	8,381,418	7,611,996
Restricted for debt	3,408	0
Restricted for construction	233,570	0
Unrestricted	<u>605,514</u>	<u>797,455</u>
Total net assets	<u>\$ 9,223,910</u>	<u>\$ 8,409,451</u>

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2004
(with Comparative Amounts for the Year Ended June 30, 2003)

	2004		Variance- Positive (Negative)	2003 Actuals
	Budget	Actual		
Operating revenues:				
Charges for services:				
Water fees	\$ 500,000	\$ 394,523	\$ (105,477)	\$ 414,184
Sewer fees	<u>256,500</u>	<u>268,649</u>	<u>12,149</u>	<u>246,069</u>
Total operating revenues	<u>756,500</u>	<u>663,172</u>	<u>(93,328)</u>	<u>660,253</u>
Operating expenses:				
Water department:				
Administration	78,040	81,844	(3,804)	78,724
General operations	252,427	272,359	(19,932)	231,753
Water operations	201,500	146,816	54,684	172,093
Depreciation	<u>149,814</u>	<u>206,704</u>	<u>(56,890)</u>	<u>139,226</u>
Total water department	<u>681,781</u>	<u>707,723</u>	<u>(25,942)</u>	<u>621,796</u>
Sewer department:				
Administration	76,032	69,483	6,549	79,012
General operations	154,014	147,185	6,829	148,833
Sewer operations	15,800	7,988	7,812	32,524
Depreciation	<u>99,876</u>	<u>115,141</u>	<u>(15,265)</u>	<u>111,046</u>
Total sewer department	<u>345,722</u>	<u>339,797</u>	<u>5,925</u>	<u>371,415</u>
Total operating expenses	<u>1,027,503</u>	<u>1,047,520</u>	<u>(20,017)</u>	<u>993,211</u>
Operating (loss)	<u>(271,003)</u>	<u>(384,348)</u>	<u>(113,345)</u>	<u>(332,958)</u>
Nonoperating revenue (expense):				
Interest income	0	1,485	1,485	11,139
Work orders-miscellaneous	35,000	56,492	21,492	34,577
Water privilege fee	0	0	0	1,800
Sewer privilege fee	0	0	0	600
Grant	270,000	1,038,562	768,562	35,000
Interest expense	(9,237)	(19,358)	(10,121)	0
Capital projects	35,000	30,498	(4,502)	30,438
Surcharge	<u>85,000</u>	<u>91,128</u>	<u>6,128</u>	<u>77,088</u>
Total nonoperating revenue	<u>415,763</u>	<u>1,198,807</u>	<u>783,044</u>	<u>190,642</u>
Net income (loss)	<u>\$ 144,760</u>	814,459	<u>\$ 669,699</u>	(142,316)
Net Assets:				
Beginning of year		<u>8,409,451</u>		<u>8,551,767</u>
End of year		<u>\$ 9,223,910</u>		<u>\$ 8,409,451</u>

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2004
(With comparative Amounts for the Year Ended June 30, 2003)

	2004	2003
Cash flows from operating activities:		
Cash received from customers	\$ 1,063,464	\$ 652,198
Cash paid for salaries, wages and employee benefits	(480,927)	(444,215)
Cash paid for services and supplies	(406,679)	(146,664)
Net cash provided by operating activities	<u>175,858</u>	<u>61,319</u>
Cash flows from noncapital financing activities:		
Miscellaneous revenue	56,492	34,577
Grants	1,038,562	2,370,156
Capital projects	30,498	30,438
Privilege fees	0	2,400
Operating transfers in	88,948	0
Operating transfers out	(88,948)	0
Surcharges	91,128	77,088
Net cash provided by noncapital financing activities	<u>1,216,680</u>	<u>2,514,659</u>
Cash flows from capital and related financing activities:		
Purchase of fixed assets	(493,377)	(3,540,255)
Principal paid	(8,968)	0
Interest paid	(19,358)	0
Payoff of interim debenture bond	(1,100,000)	0
Note proceeds	498,232	1,100,000
Net cash (used) by capital and related financing activities	<u>(1,123,471)</u>	<u>(2,440,255)</u>
Cash flows from investing activities:		
Interest income	<u>1,485</u>	<u>12,256</u>
Net increase in cash	270,552	147,979
Cash:		
Beginning of year	<u>566,124</u>	<u>418,145</u>
End of year	<u>\$ 836,676</u>	<u>\$ 566,124</u>
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	<u>\$ (384,348)</u>	<u>\$ (332,958)</u>
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	321,845	250,272
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	400,292	253
(Increase) decrease in inventory	1,814	(10,231)
Increase (decrease) in accounts payable	(168,862)	113,726
Increase (decrease) in accrued payroll	(598)	42,267
Increase (decrease) in customer deposits	5,715	(2,010)
Total adjustments	<u>560,206</u>	<u>394,277</u>
Net cash provided by operating activities	<u>\$ 175,858</u>	<u>\$ 61,319</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2004 Totals	2003 Totals
Assets:				
Pooled cash and investments	\$ 15,051	\$ 166,941	\$ 181,992	\$ 151,252
Room tax receivable	<u>1,533</u>	<u>0</u>	<u>1,533</u>	<u>2,176</u>
Total assets	<u>\$ 16,584</u>	<u>\$ 166,941</u>	<u>\$ 183,525</u>	<u>\$ 153,428</u>
Liabilities:				
Accounts payable	<u>\$ 450</u>	<u>\$ 0</u>	<u>\$ 450</u>	<u>\$ 700</u>
Fund Balance:				
Fund balance - unreserved:				
Designated for subsequent year	14,242	104,439	118,681	85,954
Undesignated	<u>1,892</u>	<u>62,502</u>	<u>64,394</u>	<u>66,774</u>
Total fund balance	<u>16,134</u>	<u>166,941</u>	<u>183,075</u>	<u>152,728</u>
Total liabilities and fund balance	<u>\$ 16,584</u>	<u>\$ 166,941</u>	<u>\$ 183,525</u>	<u>\$ 153,428</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Totals	2003 Totals
Revenues:				
Taxes	\$ 17,342	\$ 0	\$ 17,342	\$ 16,833
Intergovernmental	0	21,193	21,193	67,744
Charges for services	0	3,658	3,658	4,251
Interest	0	731	731	2,339
Total revenues	<u>17,342</u>	<u>25,582</u>	<u>42,924</u>	<u>91,167</u>
Expenditures:				
Current:				
Culture and recreation	21,750	0	21,750	12,975
Capital projects	0	30,827	30,827	29,123
Total expenditures	<u>21,750</u>	<u>30,827</u>	<u>52,577</u>	<u>42,098</u>
Excess (deficiency) of revenues over expenditures	(4,408)	(5,245)	(9,653)	49,069
Other financing sources (uses):				
Operating transfers in	0	40,000	40,000	(524)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,408)	34,755	30,347	48,545
Fund balance:				
Beginning of year	<u>20,542</u>	<u>132,186</u>	<u>152,728</u>	<u>104,183</u>
End of year	<u>\$ 16,134</u>	<u>\$ 166,941</u>	<u>\$ 183,075</u>	<u>\$152,728</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-STATE ROOM TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2004 and 2003

	2004	2003
<u>ASSETS:</u>		
Pooled cash and investments	\$ 15,051	\$ 19,066
Room tax receivable	<u>1,533</u>	<u>2,176</u>
 Total assets	 <u>\$ 16,584</u>	 <u>\$ 21,242</u>
 <u>LIABILITIES</u>		
Accounts payable	<u>\$ 450</u>	<u>\$ 700</u>
 <u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	14,242	20,542
Undesignated	<u>1,892</u>	<u>0</u>
 Total fund balance	 <u>16,134</u>	 <u>20,542</u>
 Total liabilities and fund balance	 <u>\$ 16,584</u>	 <u>\$ 21,242</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, 2004
(With Comparative Actual Amounts for the Year Ended June 30, 2003)

	2004		Variance- Positive (Negative)	2003 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Room tax	\$ 0	\$ 17,342	\$ 17,342	\$ 16,833
Other:				
Interest	<u>15,000</u>	<u>0</u>	<u>(15,000)</u>	<u>769</u>
Total revenues	15,000	17,342	2,342	17,602
Expenditures:				
Culture and recreation:				
Services and supplies	<u>39,684</u>	<u>21,750</u>	<u>17,934</u>	<u>12,975</u>
Excess (deficiency) of revenues over expenditures	(24,684)	(4,408)	20,276	4,627
Other financing sources (uses):				
Operating transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(769)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(24,684)	(4,408)	20,276	3,858
Fund balance:				
Beginning of year	<u>24,684</u>	<u>20,542</u>	<u>(4,142)</u>	<u>16,684</u>
End of year	<u>\$ 0</u>	<u>\$ 16,134</u>	<u>\$ 16,134</u>	<u>\$ 20,542</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2004
(With Comparative Totals for June 30, 2003)

	Capital Projects	Special Ad Valorem	Mining Capital Project	Totals 2004	Totals 2003
<u>ASSETS:</u>					
Pooled cash and investments	<u>\$ 34,220</u>	<u>\$ 102,721</u>	<u>\$ 30,000</u>	<u>\$ 166,941</u>	<u>\$ 132,186</u>
<u>FUND BALANCE:</u>					
Unreserved:					
Designated for subsequent year	\$ 30,911	\$ 73,528	\$ 0	\$ 104,439	\$ 65,412
Undesignated	<u>3,309</u>	<u>29,193</u>	<u>30,000</u>	<u>62,502</u>	<u>66,774</u>
Total fund balance	<u>\$ 34,220</u>	<u>\$ 102,721</u>	<u>\$ 30,000</u>	<u>\$ 166,941</u>	<u>\$ 132,186</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUNDS-CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2004

(With Comparative Actual Amounts for the Year Ended June 30, 2003)

	Capital Projects	Special Ad Valorem	Mining Capital Project	Totals 2004	Totals 2003
Revenues:					
Intergovernmental	\$ 0	\$ 21,193	\$ 0	\$ 21,193	\$ 67,744
Charges for services	3,658	0	0	3,658	4,251
Other	<u>576</u>	<u>155</u>	<u>0</u>	<u>731</u>	<u>2,339</u>
Total revenues	4,234	21,348	0	25,582	74,334
Expenditures:					
Capital projects	<u>30,827</u>	<u>0</u>	<u>0</u>	<u>30,827</u>	<u>29,123</u>
Excess (deficiency) of revenues over expenditures	<u>(26,593)</u>	<u>21,348</u>	<u>0</u>	<u>(5,245)</u>	<u>45,211</u>
Other financing sources (uses):					
Operating transfers in	40,000	0	0	40,000	0
Operating transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(524)</u>
Total other financing sources (uses)	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>(524)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	13,407	21,348	0	34,755	44,687
Fund balance:					
Beginning of year	<u>20,813</u>	<u>81,373</u>	<u>30,000</u>	<u>132,186</u>	<u>87,499</u>
End of year	<u>\$ 34,220</u>	<u>\$ 102,721</u>	<u>\$ 30,000</u>	<u>\$ 166,941</u>	<u>\$ 132,186</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2004 and 2003

	2004	2003
<u>ASSETS:</u>		
Pooled cash and investments	<u>\$ 34,220</u>	<u>\$ 20,813</u>
<u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	\$ 30,911	\$ 6,117
Undesignated	<u>3,309</u>	<u>14,696</u>
 Total fund balance	 <u>\$ 34,220</u>	 <u>\$ 20,813</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2004
(With Comparative Actual Amounts for the Year Ended June 30, 2003)

	2004		Variance- Positive (Negative)	2003 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Grants	\$ 0	\$ 0	\$ 0	\$ 18,500
Charges for services:				
Rescue runs	6,200	3,658	(2,542)	4,251
Other:				
Interest	<u>0</u>	<u>576</u>	<u>576</u>	<u>524</u>
Total revenues	6,200	4,234	(1,966)	23,275
Expenditures:				
Capital projects	<u>52,317</u>	<u>30,827</u>	<u>21,490</u>	<u>27,142</u>
Excess (deficiency) of revenues over expenditures	(46,117)	(26,593)	19,524	(3,867)
Other financing sources (uses):				
Operating transfers in	<u>40,000</u>	<u>40,000</u>	<u>0</u>	<u>(524)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(6,117)	13,407	19,524	(4,391)
Fund balance:				
Beginning of year	<u>6,117</u>	<u>20,813</u>	<u>14,696</u>	<u>25,204</u>
End of year	<u>\$ 0</u>	<u>\$ 34,220</u>	<u>\$ 34,220</u>	<u>\$ 20,813</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2004 and 2003

	2004	2003
<u>ASSETS:</u>		
Pooled cash and investments	<u>\$ 102,721</u>	<u>\$ 81,373</u>
<u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	\$ 73,528	\$ 59,295
Undesignated	<u>29,193</u>	<u>22,078</u>
 Total fund balance	 <u>\$ 102,721</u>	 <u>\$ 81,373</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, 2004
(With Comparative Actual Amounts for the Year Ended June 30, 2003)

	2004		Variance- Positive (Negative)	2003 Actual
	Budget	Actual		
Revenues:				
Intergovernmental	\$ 12,000	\$ 21,193	\$ 9,193	\$ 19,244
Other:				
Interest	<u>0</u>	<u>155</u>	<u>155</u>	<u>1,815</u>
Total revenues	12,000	21,348	9,348	21,059
Expenditures:				
Capital projects	<u>71,295</u>	<u>0</u>	<u>71,295</u>	<u>1,981</u>
Excess (deficiency) of revenues over expenditures	(59,295)	21,348	80,643	19,078
Fund balance:				
Beginning of year	<u>59,295</u>	<u>81,373</u>	<u>22,078</u>	<u>62,295</u>
End of year	<u>\$ 0</u>	<u>\$ 102,721</u>	<u>\$ 102,721</u>	<u>\$ 81,373</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-MINING CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2004 and 2003

	2004	2003
<u>ASSETS:</u>		
Pooled cash and investments	<u>\$ 30,000</u>	<u>\$ 30,000</u>
<u>FUND BALANCE:</u>		
Unreserved:		
Undesignated	<u>\$ 30,000</u>	<u>\$ 30,000</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, 2004
(With Comparative Amounts for the Year Ended June 30, 2003)

	2004		Variance- Positive (Negative)	2003
	Budget	Actual		Actual
Revenues:				
Grants	\$ 0	\$ 0	\$ 0	\$ 30,000
Expenditures:				
Capital projects	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	0	0	30,000
Fund balance:				
Beginning of year	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
End of year	<u>\$ 0</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

Honorable Board Members
Town of Tonopah
Tonopah, Nevada

I have audited the financial statement of the Town of Tonopah, Nevada (the Town) as of and for the year ended June 30, 2004 and have issued my report thereon dated November 5, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatements, I performed test of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance that is required to be reported under Nevada Revised Statutes (NRS) 354.624 Sec 4.

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

As required by NRS 354.624 Sec 4(a), a schedule of all fees imposed by the Town which were subject to the provisions of NRS 354.5989 is included in Appendix A.

As required by NRS 354.6113 Sec 4, a schedule of capital projects activity is included in Appendix B.

This report is intended for the information of the Town Board, management, others within the Town, and the Nevada Department of Taxation. However, this report is a matter of public record and its distribution is not limited.

Las Vegas, Nevada
November 5, 2004

**SCHEDULE OF BUSINESS LICENSE FEES
JUNE 30, 2004**

APPENDIX A

Nevada Revised Statutes 354.624.4(a) requires a schedule of all fees imposed by the Town which are subject to the provisions of NRS 354.5989. During the year ended June 30, 2004, the Town did not raise fees on business licenses subject to the limitations of NRS 354.5989. The Town business license fee is paid quarterly as follows:

Service business	\$ 12.50
Retail business	\$ 15.00
Wholesale business	\$ 21.25
Professional business	\$ 25.00

SCHEDULE OF CAPITAL PROJECTS ACTIVITY
JUNE 30, 2004
Page 1 of 2

APPENDIX B

The following are responses to requirements of NRS 354.6113:

NRS 354.6113.4 requires that the audit specifically identify the fund and;

1. Indicate in detail the capital projects that have been constructed with money from the fund.

Response

The following capital projects were purchased, constructed, or are under construction:

Capital Projects Fund:

Rodeo Bathrooms	\$ 10,000
Utility Truck Body	3,500
Utility Truck Body	1,650
Pickup Truck	<u>15,677</u>
Total	<u>\$ 30,827</u>

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

Response

Special Ad Valorem Capital Projects Fund

Taxes	\$ 17,000
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3. Specify the proposed capital projects that will be constructed with money from the fund during the next fiscal year.

Response

The following costs are planned to be expended during the next fiscal year:

Special Ad Valorem Capital Projects Fund:

Renovation of Town buildings	\$ 90,373
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Capital Projects Fund:

Town buildings - fixtures and furnishings	\$ 3,500
Parks, pool, ballfield improvement program	3,000
Maintenance truck	22,317

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

Response

Capital Projects Fund:

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