

TOWN OF TONOPAH, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL MATERIAL
YEAR ENDED JUNE 30, 2009

**TOWN OF TONOPAH, NEVADA
 REPORT ON FINANCIAL STATEMENTS
 AND SUPPLEMENTAL MATERIAL
 FOR THE YEAR ENDED JUNE 30, 2009
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TOWN OF TONOPAH, NEVADA

ORGANIZATION

TOWN OFFICERS at June 30, 2009

Chairman	Terry Rivero
Vice Chairman	Glenn Hatch
Town Clerk	Jon Zane
Board Member	Horace Carlyle
Board Member	Carl Newberry

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Town Board
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, 2009, 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.

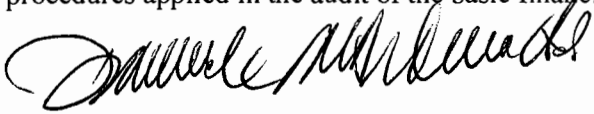
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2009, 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.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 3, 2009, on my consideration of the Town of Tonopah, Nevada's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The 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 accounting principles generally accepted in the United States of America. 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's basic financial statements. The introductory section, 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 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 3, 2009

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For the year ended June 30, 2009

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2009

The Management's Discussion and Analysis ("MD&A") introduces the financial reports for Town of Tonopah, Nevada. 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 \$305,634, ad valorem taxes (property taxes) of \$132,182, and consolidated taxes (sales taxes) of \$289,848. These revenue sources comprised 32.13%, 13.89%, and 30.47% respectively, or 76.49% of total governmental activities revenues.

The Town's total expenses were \$1,995,320. The greatest expenses were \$268,638 in general government and \$314,293 in the culture and recreation function. The business-type activities contributed \$1,201,324 to the Town's total expenses

At the end of the fiscal year, the fund balance for the General Fund was \$1,371,998. This was an increase of \$91,851 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, 2009

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, 2009

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.

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, 2009**

Government-wide Financial Analysis

Net assets of the Town as of June 30, 2009, are summarized and analyzed below:

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets:						
Current and other assets	\$1,865,498	\$ 1,696,580	\$ 1,260,983	\$ 1,395,734	\$ 3,126,481	\$ 3,092,314
Net capital assets	<u>3,004,540</u>	<u>2,971,655</u>	<u>12,272,028</u>	<u>12,674,204</u>	<u>15,276,568</u>	<u>15,645,859</u>
Total Assets	<u>4,870,038</u>	<u>4,668,235</u>	<u>13,533,011</u>	<u>14,069,938</u>	<u>18,403,049</u>	<u>18,738,173</u>
Liabilities:						
Current liabilities	79,889	40,117	85,330	328,308	165,219	368,425
Long-term liabilities	<u>27,140</u>	<u>22,437</u>	<u>1,096,065</u>	<u>1,129,674</u>	<u>1,123,205</u>	<u>1,152,111</u>
Total Liabilities	<u>107,029</u>	<u>62,554</u>	<u>1,181,395</u>	<u>1,457,982</u>	<u>1,288,424</u>	<u>1,520,536</u>
Net Assets:						
Invested in capital assets						
net of related debt	3,004,540	2,971,655	11,216,608	11,606,723	14,221,148	14,578,378
Restricted	292,762	279,175	263,190	208,722	555,952	487,897
Unrestricted	<u>1,465,707</u>	<u>1,354,851</u>	<u>871,818</u>	<u>796,511</u>	<u>2,337,525</u>	<u>2,151,362</u>
Total Net Assets	<u>\$4,763,009</u>	<u>\$ 4,605,681</u>	<u>\$ 12,351,616</u>	<u>\$12,611,956</u>	<u>\$ 17,114,625</u>	<u>\$17,217,637</u>

As noted earlier, net assets may serve over time as a useful indicator of the Town's financial position. Assets exceeded liabilities by \$17,114,625 as of June 30, 2009.

The largest portion of the Town's net assets, 83.10%, 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 represent resources that are subject to external restrictions on how they may be used.

The remaining portions 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, 2009

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

	Governmental Activities		Business Type Activities		Total Primary Governmental	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 83,297	\$ 95,902	\$ 870,753	\$ 796,713	\$ 954,050	\$ 892,615
Operating grant	8,746	28,269	-	-	8,746	28,269
Capital grant	61,211	25,015	24,118	1,864,031	85,329	1,889,046
General revenues:						
Ad valorem taxes	132,182	123,158	-	-	132,182	123,158
Room tax	305,634	330,951	-	-	305,634	330,951
Consolidated tax	289,848	315,504	-	-	289,848	315,504
Fuel taxes	5,390	5,703	-	-	5,390	5,703
Interest	63,621	49,794	37,667	34,720	101,288	84,514
Other - Nye Regional	-	187,915	-	-	-	187,915
Miscellaneous	1,395	2,393	8,446	7,460	9,841	9,853
Total revenues	<u>951,324</u>	<u>1,164,604</u>	<u>940,984</u>	<u>2,702,924</u>	<u>1,892,308</u>	<u>3,867,528</u>
Expenses:						
General government	268,638	246,623	-	-	268,638	246,623
Public safety	60,314	55,909	-	-	60,314	55,909
Public works	150,751	136,539	-	-	150,751	136,539
Culture and recreation	314,293	285,731	-	-	314,293	285,731
Utility operations	-	-	1,201,324	1,144,469	1,201,324	1,144,469
Total expenses	<u>793,996</u>	<u>724,802</u>	<u>1,201,324</u>	<u>1,144,469</u>	<u>1,995,320</u>	<u>1,869,271</u>
Change in net assets	157,328	439,802	(260,340)	1,558,455	(103,012)	1,998,257
Net assets - beginning	<u>4,605,681</u>	<u>4,165,879</u>	<u>12,611,956</u>	<u>11,053,501</u>	<u>17,217,637</u>	<u>15,219,380</u>
Net assets - ending	<u>\$ 4,763,009</u>	<u>\$ 4,605,681</u>	<u>\$ 12,351,616</u>	<u>\$ 12,611,956</u>	<u>\$ 17,114,625</u>	<u>\$ 17,217,637</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 room taxes. The second largest revenue was consolidated tax. The business-type general revenue came from charges for services related to the Water and Sewer Utility.

Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2009

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 \$1,777,285. Approximately 34.26% of fund balances or \$608,879 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 \$570,030. The total fund balance was \$1,371,998.

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

Revenues decreased by \$187,214 or 17.62%. Tax revenues decreased by \$22,319 or 5.54%, due to a decrease in room taxes. Intergovernmental revenues decreased by \$172,990, or 31.72%, due to money from Nye County for the collection of property taxes from Nye Hospital in 2008 not present in the current year.

Expenditures increased by \$122,568, or 18.55%, primarily due to a \$61,211 capital expenditure attributed to a grant from Nye County for a roof and plumbing for the swimming pool and a \$62,226 increase from the prior year in salaries and benefits.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in governmental type capital assets, net of accumulated depreciation at June 30, 2009, was \$3,004,540. Business type capital assets were \$12,272,028. Detail by type of activity and asset is summarized in the following table.

**Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2009**

Governmental Activities

	Balance <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2009</u>
Capital asset not being depreciated:				
Land	\$ 2,215,563	\$ 0	\$ 0	\$ 2,215,563
Capital assets being depreciated:				
Building	953,177	61,211	0	1,014,388
Equipment	<u>1,032,146</u>	<u>24,213</u>	<u>0</u>	<u>1,056,359</u>
Total capital assets being depreciated	<u>1,985,323</u>	<u>85,424</u>	<u>0</u>	<u>2,070,747</u>
Less accumulated depreciation for:				
Building	451,426	20,288	0	471,714
Equipment	<u>777,805</u>	<u>32,251</u>	<u>0</u>	<u>810,056</u>
Total accumulated depreciation	<u>1,229,231</u>	<u>52,539</u>	<u>0</u>	<u>1,281,770</u>
Total capital assets being depreciated, net	<u>756,092</u>	<u>32,885</u>	<u>0</u>	<u>788,977</u>
Governmental activities assets, net	<u>\$ 2,971,655</u>	<u>\$ 32,885</u>	<u>\$ 0</u>	<u>\$ 3,004,540</u>

Business-type Activities:

	Balance <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2009</u>
Capital assets not being depreciated:				
Land	\$ 55,000	\$ 0	\$ 0	\$ 55,000
Construction in progress	<u>0</u>	<u>15,488</u>	<u>0</u>	<u>15,488</u>
Total capital assets not being depreciated	<u>55,000</u>	<u>15,488</u>	<u>0</u>	<u>70,488</u>
Capital assets being depreciated:				
Equipment	19,910,947	54,751	0	19,965,698
Less accumulated depreciation for:				
Equipment	<u>7,291,743</u>	<u>472,415</u>	<u>0</u>	<u>7,764,158</u>
Total capital assets being depreciated, net	<u>12,619,204</u>	<u>(417,664)</u>	<u>0</u>	<u>12,201,540</u>
Business-type Activities assets, net	<u>\$ 12,674,204</u>	<u>\$ (402,176)</u>	<u>\$ 0</u>	<u>\$12,272,028</u>

A summary of long term debt of the town is as follows.

Debt Administration

Governmental Type Activities:

	Balance at <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2009</u>
Compensated absences	\$ 22,437	\$ 4,703	\$ 0	\$ 27,140

Business Type Activities:

	Balance at <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>June 30, 2009</u>
Compensated absences	\$ 62,193	\$ 0	\$ 21,548	\$ 40,645
Bonds payable	<u>1,067,481</u>	<u>0</u>	<u>12,061</u>	<u>1,055,420</u>
Total	<u>\$1,129,674</u>	<u>\$ 0</u>	<u>\$ 33,609</u>	<u>\$ 1,096,065</u>

**Town of Tonopah, Nevada
Management's Discussion and Analysis
June 30, 2009**

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, 2009

	Governmental Activities 2009	Business-type Activities 2009	Total Primary Government 2009
Assets:			
Cash and cash equivalents	\$ 1,765,116	\$ 791,948	\$ 2,557,064
Interest receivable	14,003	8,405	22,408
Taxes receivable	8,920	-	8,920
Room tax receivable	28,903	-	28,903
Due from other governments	48,556	-	48,556
Accounts receivable net of allowance for uncollectibles	-	109,334	109,334
Inventory	-	67,387	67,387
Restricted assets - cash	-	283,909	283,909
Capital assets (net of accumulated depreciation)	<u>3,004,540</u>	<u>12,272,028</u>	<u>15,276,568</u>
 Total assets	 <u>4,870,038</u>	 <u>13,533,011</u>	 <u>18,403,049</u>
Liabilities:			
Accounts payable	45,655	42,074	87,729
Accrued payroll and benefits	34,234	23,917	58,151
Payable from restricted assets			
Customer deposits	-	19,339	19,339
Noncurrent liabilities			
Accrued compensated absences	27,140	40,645	67,785
Current portion of bonds payable	-	12,584	12,584
Bonds payable	<u>-</u>	<u>1,042,836</u>	<u>1,042,836</u>
 Total liabilities	 <u>107,029</u>	 <u>1,181,395</u>	 <u>1,288,424</u>
Net assets:			
Invested in capital assets, net of related debt	3,004,540	11,216,608	14,221,148
Restricted for:			
Debt	-	35,208	35,208
Capital replacement	-	227,392	227,392
Capital projects	292,762	590	293,352
Unrestricted	<u>1,465,707</u>	<u>871,818</u>	<u>2,337,525</u>
Total net assets	<u>\$ 4,763,009</u>	<u>\$ 12,351,616</u>	<u>\$ 17,114,625</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, 2009**

Functions/Programs	Program Revenues			Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary governments:							
General government	\$ (268,638)	\$ 58,532	\$ -	\$ -	\$ (210,106)	\$ -	\$ (210,106)
Public safety	(60,314)	1,265	-	-	(59,049)	-	(59,049)
Public works	(150,751)	-	-	-	(150,751)	-	(150,751)
Culture and recreation	(314,293)	23,500	8,746	61,211	(220,836)	-	(220,836)
Total governmental activities	(793,996)	83,297	8,746	61,211	(640,742)	-	(640,742)
Business-type activities:							
Water	(723,449)	463,944	-	24,118	-	(235,387)	(235,387)
Sewer	(477,875)	284,841	-	-	-	(193,034)	(193,034)
Total business-type activities	(1,201,324)	748,785	-	24,118	-	(428,421)	(428,421)
Total primary governments	\$(1,995,320)	\$ 832,082	\$ 8,746	\$ 85,329	(640,742)	(428,421)	(1,069,163)
General Revenues:							
Property taxes					132,182	-	132,182
Room tax					305,634	-	305,634
Fuel tax					5,390	-	5,390
Consolidated taxes					289,848	-	289,848
Interest					63,621	37,667	101,288
Capital projects fees					-	5,190	5,190
Debt service					-	37,381	37,381
Surcharge					-	79,397	79,397
Miscellaneous					1,395	8,446	9,841
Total general revenues					798,070	168,081	966,151
Change in net assets					157,328	(260,340)	(103,012)
Net assets - beginning of year					4,605,681	12,611,956	17,217,637
Net assets - end of year					\$ 4,763,009	\$ 12,351,616	\$ 17,114,625

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

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For the year ended June 30, 2009

TOWN OF TONOPAH, NEVADA
BALANCE SHEET- GOVERNMENTAL FUNDS

June 30, 2009

	Major Fund - General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ 1,340,850	\$ 424,266	\$ 1,765,116
Interest receivable	10,766	3,237	14,003
Taxes receivable	8,920	-	8,920
Room tax receivable	26,808	2,095	28,903
Due from other governments	<u>48,556</u>	<u>-</u>	<u>48,556</u>
Total assets	<u>\$ 1,435,900</u>	<u>\$ 429,598</u>	<u>\$ 1,865,498</u>
Liabilities:			
Accounts payable	\$ 21,344	\$ 24,311	\$ 45,655
Accrued payroll	34,234	-	34,234
Deferred taxes	<u>8,324</u>	<u>-</u>	<u>8,324</u>
Total liabilities	<u>63,902</u>	<u>24,311</u>	<u>88,213</u>
Fund Equity:			
Fund balance - unreserved:			
Designated for subsequent year	801,968	366,438	1,168,406
Undesignated	<u>570,030</u>	<u>38,849</u>	<u>608,879</u>
Total fund equity	<u>1,371,998</u>	<u>405,287</u>	<u>1,777,285</u>
Total liabilities and fund equity	<u>\$ 1,435,900</u>	<u>\$ 429,598</u>	<u>\$ 1,865,498</u>

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

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For the year ended June 30, 2009

TOWN OF TONOPAH, NEVADA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2009

Total fund balance - governmental funds	\$ 1,777,285
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	3,004,540
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	8,324
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>(27,140)</u>
Total net assets - governmental activities	<u>\$ 4,763,009</u>

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

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For the year ended June 30, 2009

TOWN OF TONOPAH, NEVADA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Major Fund- General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 380,293	\$ 23,311	\$ 403,604
Licenses and permits	17,392	-	17,392
Intergovernmental	372,367	31,975	404,342
Charges for services	23,753	1,012	24,765
Fines and forfeitures	25,222	-	25,222
Other	<u>56,158</u>	<u>17,604</u>	<u>73,762</u>
 Total revenues	 <u>875,185</u>	 <u>73,902</u>	 <u>949,087</u>
Expenditures:			
Current:			
General government	269,598	-	269,598
Public safety	44,915	-	44,915
Public works	147,653	-	147,653
Culture and recreation	321,168	19,662	340,830
Capital projects	<u>-</u>	<u>19,182</u>	<u>19,182</u>
 Total expenditures	 <u>783,334</u>	 <u>38,844</u>	 <u>822,178</u>
 Excess (deficiency) of revenues over expenditures	 91,851	 35,058	 126,909
Fund balance:			
Beginning of year	<u>1,280,147</u>	<u>370,229</u>	<u>1,650,376</u>
 End of year	 <u>\$ 1,371,998</u>	 <u>\$ 405,287</u>	 <u>\$ 1,777,285</u>

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

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For the year ended June 30, 2009

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, 2009

Net change in fund balance - governmental funds	\$ 126,909
 Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net 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.	32,885
Property taxes that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenue in the Statement of Activities.	2,237
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.	<u>(4,703)</u>
 Change in net assets of governmental activities	 <u>\$ 157,328</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, 2009

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 100,784	\$ 100,784	\$ 97,970	\$ (2,814)
Room taxes	220,000	220,000	282,323	62,323
Total taxes	<u>320,784</u>	<u>320,784</u>	<u>380,293</u>	<u>59,509</u>
Licenses and permits	<u>16,000</u>	<u>16,000</u>	<u>17,392</u>	<u>1,392</u>
Intergovernmental:				
County liquor license	1,800	1,800	2,080	280
County gaming license	17,000	17,000	13,838	(3,162)
Consolidated tax	291,386	291,386	289,848	(1,538)
Grants	-	61,211	61,211	-
Gas tax \$1.75	5,852	5,852	5,390	(462)
Total intergovernmental	<u>316,038</u>	<u>377,249</u>	<u>372,367</u>	<u>(4,882)</u>
Charges for services:				
Rescue runs	600	600	253	(347)
Swimming pool fees	8,000	8,000	7,795	(205)
Convention Center rental	10,000	10,000	13,306	3,306
Baseball complex fees	600	600	2,180	1,580
Fairgrounds rental	450	450	219	(231)
Total charges for services	<u>19,650</u>	<u>19,650</u>	<u>23,753</u>	<u>4,103</u>
Fines and forfeitures	<u>29,500</u>	<u>29,500</u>	<u>25,222</u>	<u>(4,278)</u>
Other:				
Investment income	12,000	12,000	48,817	36,817
Mining park donations	3,500	3,500	5,946	2,446
Message board fees	1,000	1,000	-	(1,000)
Miscellaneous	2,000	2,000	1,395	(605)
Total other	<u>18,500</u>	<u>18,500</u>	<u>56,158</u>	<u>37,658</u>
Total revenues	<u>720,472</u>	<u>781,683</u>	<u>875,185</u>	<u>93,502</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, 2009

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Expenditures:				
General government:				
Salaries and wages	\$ 298,406	\$ 296,756	\$ 136,602	\$ 160,154
Employee benefits	99,229	100,129	56,979	43,150
Services and supplies	107,900	108,650	70,987	37,663
Capital outlay	-	-	5,030	(5,030)
Total general government	<u>505,535</u>	<u>505,535</u>	<u>269,598</u>	<u>235,937</u>
Public safety:				
Fire:				
Salaries and wages	27,000	27,000	15,000	12,000
Employee benefits	13,644	13,644	12,374	1,270
Services and supplies	35,650	35,650	17,541	18,109
Total public safety	<u>76,294</u>	<u>76,294</u>	<u>44,915</u>	<u>31,379</u>
Public works:				
Highways and streets:				
Salaries and wages	65,667	65,667	63,031	2,636
Employee benefits	48,813	48,813	32,166	16,647
Services and supplies	98,852	98,852	52,456	46,396
Total public works	<u>213,332</u>	<u>213,332</u>	<u>147,653</u>	<u>65,679</u>
Culture and recreation:				
Parks:				
Services and supplies	<u>37,150</u>	<u>37,150</u>	<u>30,188</u>	<u>6,962</u>
Mining parks:				
Salaries and wages	63,524	63,524	55,660	7,864
Employee benefits	40,435	40,070	25,600	14,470
Services and supplies	27,350	27,715	10,108	17,607
Capital outlay	-	-	-	-
Total mining parks	<u>131,309</u>	<u>131,309</u>	<u>91,368</u>	<u>39,941</u>
Swimming pool:				
Salaries and wages	20,000	20,000	14,749	5,251
Employee benefits	3,124	3,624	1,886	1,738
Services and supplies	28,500	28,000	15,675	12,325
Capital outlay	-	61,211	61,211	-
Total swimming pool	<u>51,624</u>	<u>112,835</u>	<u>93,521</u>	<u>19,314</u>

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

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For the year ended June 30, 2009

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, 2009

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Culture and recreation (continued):				
Fair grounds:				
Services and supplies	\$ 4,500	\$ 4,500	\$ 1,201	\$ 3,299
Ball fields:				
Services and supplies	31,000	31,000	16,191	14,809
Convention Center:				
Salaries and wages	33,298	33,298	33,292	6
Employee benefits	23,020	23,170	20,860	2,310
Services and supplies	51,175	51,025	34,547	16,478
Total Convention Center	107,493	107,493	88,699	18,794
Total culture and recreation	363,076	424,287	321,168	103,119
Contingency	15,000	15,000	-	15,000
Total expenditures	1,173,237	1,234,448	783,334	451,114
Excess (deficiency) of revenues over expenditures	(452,765)	(452,765)	91,851	544,616
Fund balance:				
Beginning of year	824,884	824,884	1,280,147	455,263
End of year	\$ 372,119	\$ 372,119	\$ 1,371,998	\$ 999,879

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, 2009

	Business Type Activities - Enterprise Funds		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
<u>ASSETS:</u>			
Current assets:			
Pooled cash and investments	\$ 399,598	\$ 392,350	\$ 791,948
Interest receivable	5,199	3,206	8,405
Accounts receivable, net of allowance for doubtful accounts	69,591	39,743	109,334
Inventory	63,647	3,740	67,387
Restricted assets - cash	<u>264,975</u>	<u>18,934</u>	<u>283,909</u>
Total current assets	803,010	457,973	1,260,983
Property, plant and equipment, net of accumulated depreciation	<u>5,707,708</u>	<u>6,564,320</u>	<u>12,272,028</u>
Total assets	<u>6,510,718</u>	<u>7,022,293</u>	<u>13,533,011</u>
<u>LIABILITIES:</u>			
Current liabilities, payable from unrestricted assets:			
Accounts payable	38,369	3,705	42,074
Accrued payroll	13,502	10,415	23,917
Accrued compensated absences	20,322	20,323	40,645
Current portion of bonds payable	<u>6,228</u>	<u>6,356</u>	<u>12,584</u>
Total current liabilities-unrestricted	78,421	40,799	119,220
Current liabilities, payable from restricted assets:			
Customer deposits	<u>19,339</u>	<u>-</u>	<u>19,339</u>
Total current liabilities-restricted	<u>19,339</u>	<u>-</u>	<u>19,339</u>
Total current liabilities	97,760	40,799	138,559
Non-current liabilities			
Bonds payable	<u>460,605</u>	<u>582,231</u>	<u>1,042,836</u>
Total liabilities	<u>558,365</u>	<u>623,030</u>	<u>1,181,395</u>
<u>NET ASSETS:</u>			
Invested in capital assets, net of related debt	5,240,875	5,975,733	11,216,608
Restricted for debt	16,864	18,344	35,208
Restricted for capital replacement	227,392	-	227,392
Restricted for construction	-	590	590
Unrestricted	<u>467,222</u>	<u>404,596</u>	<u>871,818</u>
Total net assets	<u>\$ 5,952,353</u>	<u>\$ 6,399,263</u>	<u>\$ 12,351,616</u>

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, 2009

	Business Type Activities -		
	Enterprise Funds		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
Operating revenues:			
Charges for services:			
Water fees	\$ 463,944	\$ -	\$ 463,944
Sewer fees	-	284,841	284,841
Total operating revenues	<u>463,944</u>	<u>284,841</u>	<u>748,785</u>
Operating expenses:			
Water Department:			
Administration	37,052	-	37,052
General operations	265,569	-	265,569
Water operations	151,575	-	151,575
Depreciation	<u>249,274</u>	<u>-</u>	<u>249,274</u>
Total water department	<u>703,470</u>	<u>-</u>	<u>703,470</u>
Sewer Department:			
Administration	-	107,375	107,375
General operations	-	104,312	104,312
Sewer operations	-	17,891	17,891
Depreciation	<u>-</u>	<u>223,141</u>	<u>223,141</u>
Total sewer department	<u>-</u>	<u>452,719</u>	<u>452,719</u>
Total operating expenses	<u>703,470</u>	<u>452,719</u>	<u>1,156,189</u>
Operating (loss)	<u>(239,526)</u>	<u>(167,878)</u>	<u>(407,404)</u>
Nonoperating revenue (expense):			
Investment income	23,456	14,211	37,667
Miscellaneous	8,446	-	8,446
Grants	24,118	-	24,118
Interest	(19,979)	(25,156)	(45,135)
Capital projects fees	-	5,190	5,190
Debt service	-	37,381	37,381
Surcharge	<u>79,397</u>	<u>-</u>	<u>79,397</u>
Total nonoperating revenue	<u>115,438</u>	<u>31,626</u>	<u>147,064</u>
Net income (loss)	(124,088)	(136,252)	(260,340)
Net Assets:			
Beginning of year	<u>6,076,441</u>	<u>6,535,515</u>	<u>12,611,956</u>
End of year	<u>\$ 5,952,353</u>	<u>\$ 6,399,263</u>	<u>\$ 12,351,616</u>

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

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For the year ended June 30, 2009

TOWN OF TONOPAH, NEVADA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2009

	Business Type Activities -		
	Enterprise Funds		
	Tonopah Public Utility Water Fund	Tonopah Public Utility Sewer Fund	Total Enterprise Funds
Cash flows from operating activities:			
Cash received from customers	\$ 453,547	\$ 279,539	\$ 733,086
Cash paid for salaries, wages, and employee benefits	(233,439)	(181,263)	(414,702)
Cash paid for services and supplies	(191,246)	(50,548)	(241,794)
Net cash provided by operating activities	<u>28,862</u>	<u>47,728</u>	<u>76,590</u>
Cash flows from noncapital financing activities:			
Miscellaneous revenue	8,446	-	8,446
Grants	24,118	208,134	232,252
Capital projects fees	-	5,190	5,190
Debt service	-	37,381	37,381
Surcharges	79,397	-	79,397
Net cash provided by noncapital financing activities	<u>111,961</u>	<u>250,705</u>	<u>362,666</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(66,094)	(275,744)	(341,838)
Principal paid	(5,969)	(6,092)	(12,061)
Interest paid	(19,979)	(25,156)	(45,135)
Bond proceeds	-	-	-
Net cash (used) by capital and related financing activities	<u>(92,042)</u>	<u>(306,992)</u>	<u>(399,034)</u>
Cash flows from investing activities:			
Interest income	23,547	14,176	37,723
Net increase in cash	72,328	5,617	77,945
Cash:			
Beginning of year	592,245	405,667	997,912
End of year	<u>\$ 664,573</u>	<u>\$ 411,284</u>	<u>\$ 1,075,857</u>
Reconciliation of operating (loss) to net cash provided by operating activities:			
Operating (loss)	\$ (239,526)	\$ (167,878)	\$ (407,404)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:			
Depreciation	249,274	223,141	472,415
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(14,247)	(5,302)	(19,549)
(Increase) decrease in prepaid expenses	5,391	5,641	11,032
(Increase) decrease in inventory	13,210	(187)	13,023
Increase (decrease) in accounts payable	19,655	2,166	21,821
Increase (decrease) in accrued payroll	(8,745)	(9,853)	(18,598)
Increase (decrease) in customer deposits	3,850	-	3,850
Total adjustments	<u>268,388</u>	<u>215,606</u>	<u>483,994</u>
Net cash provided by operating activities	<u>\$ 28,862</u>	<u>\$ 47,728</u>	<u>\$ 76,590</u>

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

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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.

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, 2009. 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, 2009

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. 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 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, 2009

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 (sales taxes), and ad valorem taxes (property taxes).

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 major funds:

Proprietary Fund:

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

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

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, 2009

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, 2009

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, 2009

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

d. Restricted Assets

Certain cash assets of the Enterprise Fund are from revenue for specific use by the Enterprise Fund and are classified as restricted assets because their use is restricted by agreement. (See Note D5)

e. Capital Assets

Capital assets, which include property, plant 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. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2008. The Town is required to capitalize and report its major general infrastructure assets acquired in fiscal years ending after June 30, 1980. In addition, infrastructure assets acquired before June 30, 1980 that received significant reconstruction must be capitalized. Tonopah Town has no infrastructure assets that were acquired or reconstructed that must be capitalized.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2009

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. 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" (See Note D6).

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, 2009

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.

It is the Town's policy to expend restricted resources first and use unrestricted resources when the restricted resources have been depleted.

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.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Assets, Liabilities, and Equity (Continued)

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.

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 detail of this difference is as follows:

Compensated absences	<u>\$ (27,140)</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 detail of this difference is as follows:

Capital outlay	\$ 85,424
Depreciation expense	<u>(52,539)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 32,885</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:

Deferred Taxes	<u>\$ 2,237</u>
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TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2009

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 fund's budget was augmented during the year.
- i. All appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2009

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 A6a)**

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, 2009.

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	\$ 8,980	\$ 83,508	\$ 92,488
Carrying amount of deposits with County Treasurer	<u>1,756,136</u>	<u>992,349</u>	<u>2,748,485</u>
Total	<u>\$1,765,116</u>	<u>\$ 1,075,857</u>	<u>\$ 2,840,973</u>
Cash and cash equivalents	\$1,765,116	\$ 791,948	\$ 2,557,064
Restricted assets - cash	<u>0</u>	<u>283,909</u>	<u>283,909</u>
Total	<u>\$ 1,765,116</u>	<u>\$ 1,075,857</u>	<u>\$ 2,840,973</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2009

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	\$ 8,920	\$ 0	\$ 0	\$ 8,920
Interest receivable	10,766	3,237	8,405	22,408
Net accounts receivable	0	0	109,334	109,334
Due from other governments	48,556	0	0	48,556
Room tax receivable	<u>26,808</u>	<u>2,095</u>	<u>0</u>	<u>28,903</u>
Net total receivables	<u>\$ 95,050</u>	<u>\$ 5,332</u>	<u>\$ 117,739</u>	<u>\$ 218,121</u>

3. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2009 follows:

Governmental Activities	<u>June 30, 2008</u>	<u>Balance Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital asset not being depreciated:				
Land	\$ 2,215,563	\$ 0	\$ 0	\$ 2,215,563
Capital assets being depreciated:				
Building	953,177	61,211	0	1,014,388
Equipment	<u>1,032,146</u>	<u>24,213</u>	<u>0</u>	<u>1,056,359</u>
Total capital assets being depreciated	<u>1,985,323</u>	<u>85,424</u>	<u>0</u>	<u>2,070,747</u>
Less accumulated depreciation for:				
Building	451,426	20,288	0	471,714
Equipment	<u>777,805</u>	<u>32,251</u>	<u>0</u>	<u>810,056</u>
Total accumulated depreciation	<u>1,229,231</u>	<u>52,539</u>	<u>0</u>	<u>1,281,770</u>
Total capital assets being depreciated, net	<u>756,092</u>	<u>32,885</u>	<u>0</u>	<u>788,977</u>
Governmental activities assets, net	<u>\$ 2,971,655</u>	<u>\$ 32,885</u>	<u>\$ 0</u>	<u>\$ 3,004,540</u>
Business-type Activities:	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital assets not being depreciated:				
Land	\$ 55,000	\$ 0	\$ 0	\$ 55,000
Construction in progress	<u>0</u>	<u>15,488</u>	<u>0</u>	<u>15,488</u>
Total capital assets not being depreciated	<u>55,000</u>	<u>15,488</u>	<u>0</u>	<u>70,488</u>
Capital assets being depreciated:				
Equipment	19,910,947	54,751	0	19,965,698
Less accumulated depreciation for:				
Equipment	<u>7,291,743</u>	<u>472,415</u>	<u>0</u>	<u>7,764,158</u>
Total capital assets being depreciated, net	<u>12,619,204</u>	<u>(417,664)</u>	<u>0</u>	<u>12,201,540</u>
Business-type Activities assets, net	<u>\$ 12,674,204</u>	<u>\$ (402,176)</u>	<u>\$ 0</u>	<u>\$ 12,272,028</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2009

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	\$ 2,306
Public safety	15,399
Public works	1,960
Culture and recreation	<u>32,874</u>

\$ 52,539

Business activities:

Water and sewer	<u>\$ 472,415</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 \$8,324.

5. Restricted Assets Accounts

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

Cash - Customer deposits	\$ 13,012
Cash - Water/sewer privilege	498
Cash - Capital replacement	227,392
Cash - Sewer construction	590
Cash - Sewer debt service	8,465
Cash - Sewer debt reserve	9,879
Cash - Water revenue bond reserve	16,864
Cash - Water surcharge	<u>7,209</u>
Total restricted assets	<u>\$ 283,909</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2009

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

6. Long-term Debt

a. Revenue Bonds Payable

1. The Town issued bonds that were funded by the United State Department of Agriculture (USDA) in 2009 for \$600,000. The bonds were for the construction of a new sewer system for the Town of Tonopah. The bonds are being repaid over 40 years requiring monthly payments of \$2,604 including interest at 4.25%. The outstanding balance at June 30, 2009 was \$588,587. The bond agreement requires the Town to establish a Sewer Revenue Bond Reserve Fund in which the Town must deposit on a monthly basis an amount equal to one hundred twentieth of the average annual loan installment until the average annual loan installment has been accumulated. The monthly deposit is \$260 and the average annual loan installment is \$31,248. The required reserve at June 30, 2009 was \$5,980. The balance in reserve account at June 30, 2009 was \$9,879.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	6,356	24,892
2011	6,631	24,617
2012	6,919	24,329
2013	7,219	24,029
2014	7,531	23,717
2015-2019	42,845	113,395
2020-2024	52,970	103,270
2025-2029	65,487	90,753
2030-2034	80,961	75,279
2035-2039	100,093	56,147
2040-2044	123,745	32,495
2045-2047	87,830	5,871
	<u>\$ 588,587</u>	<u>\$ 598,794</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2009

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

6. Long-term Debt (Continued)

a. Revenue Bonds Payable (Continued)

2. The Town issued bonds that were funded by the Farmer's Home Administration (FMHA) in 2004. The bonds were for the construction of a new water system for the Town of Tonopah. The bonds are being repaid over 40 years requiring monthly payments of \$2,162 including interest at 4.25%. The outstanding balance at June 30, 2009 was \$466,833. The bond agreement requires the Town to establish a Water Revenue Bond Reserve Fund in which the Town must deposit on a monthly basis an amount equal to one hundred twentieth of the average annual loan installment until the average annual loan installment has been accumulated. The monthly deposit is \$216 and the average annual loan installment is \$25,948. The required reserve at June 30, 2009 was \$15,134. The balance in reserve account at June 30, 2009 was \$16,864.

Maturity requirements of the bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	6,228	19,720
2011	6,498	19,450
2012	6,779	19,169
2013	7,073	18,875
2014	7,380	18,568
2015-2019	41,983	87,757
2020-2024	51,903	77,837
2025-2029	64,168	65,572
2030-2034	79,331	50,409
2035-2039	98,077	31,663
2040-2044	97,413	8,900
	<u>\$ 466,833</u>	<u>\$ 417,920</u>

Changes in general long-term liabilities.

During the year ended June 30, 2009, the following changes occurred:

Governmental Type Activities:

	<u>Balance at July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2009</u>
Compensated absences	\$ 22,437	\$ 4,703	\$ 0	\$ 27,140

Business Type Activities:

	<u>Balance at July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2009</u>
Compensated absences	\$ 62,193	\$ 0	\$ 21,548	\$ 40,645
Bonds payable	1,067,481	0	12,061	1,055,420
Total	<u>\$1,129,674</u>	<u>\$ 0</u>	<u>\$ 33,609</u>	<u>\$ 1,096,065</u>

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2009

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 \$200,000 property/crime/equipment breakdown; casualty \$500,000 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.

Litigation

Counsel for the Town has indicated there are no pending actions against the Town.

TOWN OF TONOPAH, NEVADA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2009

E. OTHER INFORMATION (Continued)

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% for each accredited year of service prior to July 1, 2001 and 2.67% thereafter, to a maximum of 30 years, times 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. Benefits fully vest with 5 years of service.

PERS issues a publicly available financial statement. That report may be obtained from PERS 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 Town's contributions are based on the actuarially determined statutory rate. The Town is obligated to contribute all amounts due under the Plan. The contribution rate for regular employees was 20.50% for the 2008-2009 year. The contribution rate for police and firemen was 33.50%. The contribution requirement for the year ended June 30, 2009 was \$110,316. The contributions were equal to the required contributions for the year. The Town's contributions to PERS for the years ended June 30, 2008 and 2007 were \$107,216 and \$96,696 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.

4. Other Post-employment Benefits

In addition to the pension benefits described in Note 3, the Town provides a subsidy for postretirement health care benefits, in accordance with NRS 287.023, to all retired employees who enroll with the Nevada Public Employees' Benefits Program. As of June 30, 2009, there were 4 retirees belonging to this program. Enrolled retirees pay monthly premiums for health insurance benefits directly to the program, while the Town is required to subsidize the partial or total cost of the premium based incrementally on a retiree's number of years of service with the Town. Expenditures for postretirement health care benefits are recognized on a monthly basis and total \$31,984 for the 2008-09 fiscal year.

MAJOR GENERAL FUND

General fund is used to account for resources and costs of operation traditionally associated with governments which are not required to be accounted for in other funds.

**TOWN OF TONOPAH, NEVADA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008**

	2009	2008
<u>ASSETS</u>		
Pooled cash and investments	\$ 1,340,850	\$ 1,247,980
Interest receivable	10,766	9,036
Taxes receivable	8,920	7,320
Room tax receivable	26,808	33,544
Due from other governments	<u>48,556</u>	<u>28,471</u>
 Total assets	 <u>\$ 1,435,900</u>	 <u>\$ 1,326,351</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 21,344	\$ 14,992
Accrued payroll	34,234	25,125
Deferred taxes	<u>8,324</u>	<u>6,087</u>
 Total liabilities	 <u>63,902</u>	 <u>46,204</u>
<u>FUND BALANCE</u>		
Unreserved:		
Designated for subsequent year	801,968	824,884
Undesignated	<u>570,030</u>	<u>455,263</u>
 Total fund balance	 <u>1,371,998</u>	 <u>1,280,147</u>
 Total liabilities and fund balance	 <u>\$ 1,435,900</u>	 <u>\$ 1,326,351</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance- Positive (Negative)	2008 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 320,784	\$ 380,293	\$ 59,509	\$ 402,612
Licenses and permits	16,000	17,392	1,392	16,674
Intergovernmental	377,249	372,367	(4,882)	545,357
Charges for services	19,650	23,753	4,103	23,814
Fines and forfeitures	29,500	25,222	(4,278)	31,969
Other	<u>18,500</u>	<u>56,158</u>	<u>37,658</u>	<u>41,973</u>
 Total revenues	 <u>781,683</u>	 <u>875,185</u>	 <u>93,502</u>	 <u>1,062,399</u>
 Expenditures:				
General government	505,535	269,598	235,937	239,318
Public safety	76,294	44,915	31,379	40,381
Public works	213,332	147,653	65,679	132,383
Culture and recreation	424,287	321,168	103,119	248,684
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
 Total expenditures	 <u>1,234,448</u>	 <u>783,334</u>	 <u>451,114</u>	 <u>660,766</u>
 Excess (deficiency) of revenues over expenditures	 (452,765)	 91,851	 544,616	 401,633
 Fund balance:				
Beginning of year	<u>824,884</u>	<u>1,280,147</u>	<u>455,263</u>	<u>878,514</u>
 End of year	 <u>\$ 372,119</u>	 <u>\$ 1,371,998</u>	 <u>\$ 999,879</u>	 <u>\$ 1,280,147</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
For the Year Ended June 30, 2009

(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance- Positive (Negative)	2008 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 100,784	\$ 97,970	\$ (2,814)	\$ 96,043
Room taxes	<u>220,000</u>	<u>282,323</u>	<u>62,323</u>	<u>306,569</u>
Total taxes	<u>320,784</u>	<u>380,293</u>	<u>59,509</u>	<u>402,612</u>
Licenses and permits	<u>16,000</u>	<u>17,392</u>	<u>1,392</u>	<u>16,674</u>
Intergovernmental:				
County liquor license	1,800	2,080	280	1,840
County gaming license	17,000	13,838	(3,162)	19,395
Consolidated tax	291,386	289,848	(1,538)	315,504
Grants	61,211	61,211	-	15,000
Gas tax \$1.75	5,852	5,390	(462)	5,703
Other-Nye Regional	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,915</u>
Total intergovernmental	<u>377,249</u>	<u>372,367</u>	<u>(4,882)</u>	<u>545,357</u>
Charges for services:				
Rescue runs	600	253	(347)	553
Swimming pool fees	8,000	7,795	(205)	7,951
Convention Center Rental	10,000	13,306	3,306	13,110
Baseball complex fees	600	2,180	1,580	2,015
Fairgrounds rental	<u>450</u>	<u>219</u>	<u>(231)</u>	<u>185</u>
Total charges for services	<u>19,650</u>	<u>23,753</u>	<u>4,103</u>	<u>23,814</u>
Fines and forfeitures	<u>29,500</u>	<u>25,222</u>	<u>(4,278)</u>	<u>31,969</u>
Other:				
Investment income	12,000	48,817	36,817	34,711
Mining park donations	3,500	5,946	2,446	4,869
Message board fees	1,000	-	(1,000)	-
Miscellaneous	<u>2,000</u>	<u>1,395</u>	<u>(605)</u>	<u>2,393</u>
Total other	<u>18,500</u>	<u>56,158</u>	<u>37,658</u>	<u>41,973</u>
Total revenues	<u>\$ 781,683</u>	<u>\$ 875,185</u>	<u>\$ 93,502</u>	<u>\$ 1,062,399</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
For the Year Ended June 30, 2009

(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance- Positive (Negative)	2008 Actual
	Budget	Actual		
Expenditures:				
General government:				
Salaries and wages	\$ 296,756	\$ 136,602	\$ 160,154	\$ 121,017
Employee benefits	100,129	56,979	43,150	41,850
Services and supplies	108,650	70,987	37,663	76,451
Capital outlay	-	5,030	(5,030)	-
Total general government	<u>505,535</u>	<u>269,598</u>	<u>235,937</u>	<u>239,318</u>
Public safety:				
Fire:				
Salaries and wages	27,000	15,000	12,000	15,000
Employee benefits	13,644	12,374	1,270	5,699
Services and supplies	<u>35,650</u>	<u>17,541</u>	<u>18,109</u>	<u>19,682</u>
Total public safety	<u>76,294</u>	<u>44,915</u>	<u>31,379</u>	<u>40,381</u>
Public works:				
Highways and streets:				
Salaries and wages	65,667	63,031	2,636	57,292
Employee benefits	48,813	32,166	16,647	26,041
Services and supplies	<u>98,852</u>	<u>52,456</u>	<u>46,396</u>	<u>49,050</u>
Total public works	<u>213,332</u>	<u>147,653</u>	<u>65,679</u>	<u>132,383</u>
Culture and recreation:				
Parks:				
Services and supplies	<u>37,150</u>	<u>30,188</u>	<u>6,962</u>	<u>28,879</u>
Mining parks:				
Salaries and wages	63,524	55,660	7,864	54,799
Employee benefits	40,070	25,600	14,470	22,777
Services and supplies	27,715	10,108	17,607	13,755
Capital outlay	-	-	-	1,127
Total mining parks	<u>131,309</u>	<u>91,368</u>	<u>39,941</u>	<u>92,458</u>
Swimming pool:				
Salaries and wages	20,000	14,749	5,251	10,147
Employee benefits	3,624	1,886	1,738	1,199
Services and supplies	28,000	15,675	12,325	12,959
Capital outlay	<u>61,211</u>	<u>61,211</u>	<u>-</u>	<u>-</u>
Total swimming pool	<u>112,835</u>	<u>93,521</u>	<u>19,314</u>	<u>24,305</u>

TOWN OF TONOPAH, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance- Positive (Negative)	2008 Actual
	Budget	Actual		
Culture and recreation (continued):				
Fair:				
Services and supplies	\$ 4,500	\$ 1,201	\$ 3,299	\$ 1,166
Ball fields:				
Services and supplies	31,000	16,191	14,809	13,885
Convention Center:				
Salaries and wages	33,298	33,292	6	31,656
Employee benefits	23,170	20,860	2,310	18,496
Services and supplies	51,025	34,547	16,478	37,839
Total Convention Center	107,493	88,699	18,794	87,991
Total culture and recreation	424,287	321,168	103,119	248,684
Contingency	15,000	-	15,000	-
Total expenditures	\$ 1,234,448	\$ 783,334	\$ 451,114	\$ 660,766

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For the year ended June 30, 2009

MAJOR ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the Town’s management is that the costs of providing goods and services be financed or recovered primarily through user charges.

Tonopah Public Utility Water fund is used to account for revenues and expenses of water services provided for residents of the unincorporated Town of Tonopah, Nevada.

Tonopah Public Utility Sewer fund is used to account for revenues and expenses of sewer services provided for residents of the unincorporated Town of Tonopah, Nevada.

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES WATER FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

	2009	2008
<u>ASSETS:</u>		
Current assets:		
Pooled cash and investments	\$ 399,598	\$ 368,963
Interest receivable	5,199	5,290
Accounts receivable, net of allowance for doubtful accounts	69,591	55,344
Inventory	63,647	76,857
Prepaid expense	-	5,391
Restricted assets - cash		
Deposits	13,012	12,225
Capital replacement	227,392	190,291
Water/Sewer privilege fee	498	479
Water surcharge	7,209	6,554
Water revenue bond	16,864	13,733
Total Restricted assets - cash	<u>264,975</u>	<u>223,282</u>
Total current assets	803,010	735,127
Property, plant and equipment, net of accumulated depreciation	<u>5,707,708</u>	<u>5,890,888</u>
Total assets	<u>6,510,718</u>	<u>6,626,015</u>
<u>LIABILITIES:</u>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	38,369	18,714
Accrued payroll	13,502	11,473
Accrued compensated absences	20,322	31,096
Current portion of bonds payable	6,228	5,969
Total current liabilities-unrestricted	78,421	67,252
Current liabilities, payable from restricted assets:		
Customer deposits	19,339	15,489
Total current liabilities	97,760	82,741
Bonds payable	<u>460,605</u>	<u>466,833</u>
Total liabilities	<u>558,365</u>	<u>549,574</u>
<u>NET ASSETS:</u>		
Invested in capital assets, net of related debt	5,240,875	5,418,086
Restricted for debt	16,864	12,542
Restricted for capital replacement	227,392	190,291
Unrestricted	467,222	455,522
Total net assets	<u>\$ 5,952,353</u>	<u>\$ 6,076,441</u>

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES WATER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2009
(with Comparative Amounts for the Year Ended June 30, 2008)

	2009		Variance- Positive (Negative)	2008 Actuals
	Budget	Actual		
Operating revenues:				
Charges for services:				
Water fees	\$ 400,000	\$ 463,944	\$ 63,944	\$ 418,727
Total operating revenues	<u>400,000</u>	<u>463,944</u>	<u>63,944</u>	<u>418,727</u>
Operating expenses:				
Water department:				
Administration	50,337	37,052	13,285	39,926
General operations	272,480	265,569	6,911	207,594
Water operations	171,300	151,575	19,725	135,513
Depreciation	280,180	249,274	30,906	296,322
Total water department	<u>774,297</u>	<u>703,470</u>	<u>70,827</u>	<u>679,355</u>
Total operating expenses	<u>774,297</u>	<u>703,470</u>	<u>70,827</u>	<u>679,355</u>
Operating (loss)	<u>(374,297)</u>	<u>(239,526)</u>	<u>134,771</u>	<u>(260,628)</u>
Nonoperating revenue (expense):				
Interest	27,000	23,456	(3,544)	18,404
Miscellaneous	10,000	8,446	(1,554)	7,460
Grant	24,118	24,118	-	-
Interest expense	(19,957)	(19,979)	(22)	(20,227)
Water surcharge	79,000	79,397	397	78,980
Total nonoperating revenue	<u>120,161</u>	<u>115,438</u>	<u>(4,723)</u>	<u>84,617</u>
Net income (loss)	<u>\$ (254,136)</u>	<u>(124,088)</u>	<u>\$ 130,048</u>	<u>(176,011)</u>
Net Assets:				
Beginning of year		<u>6,076,441</u>		<u>6,252,452</u>
End of year		<u>\$ 5,952,353</u>		<u>\$ 6,076,441</u>

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES WATER FUND
SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2009
(With comparative Amounts for the Year Ended June 30, 2008)

	2009	2008
Cash flows from operating activities:		
Cash received from customers	\$ 453,547	\$ 424,825
Cash paid for salaries, wages and employee benefits	(233,439)	(203,610)
Cash paid for services and supplies	(191,246)	(170,257)
Net cash provided by operating activities	<u>28,862</u>	<u>50,958</u>
Cash flows from noncapital financing activities:		
Miscellaneous revenue	8,446	7,460
Grants	24,118	-
Surcharges	79,397	78,980
Net cash provided by noncapital financing activities	<u>111,961</u>	<u>86,440</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(66,094)	(44,210)
Principal paid	(5,969)	(5,721)
Interest paid	(19,979)	(20,227)
Net cash (used) by capital and related financing activities	<u>(92,042)</u>	<u>(70,158)</u>
Cash flows from investing activities:		
Interest income	23,547	21,777
Net increase in cash	72,328	89,017
Cash:		
Beginning of year	<u>592,245</u>	<u>503,228</u>
End of year	<u>\$ 664,573</u>	<u>\$ 592,245</u>
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	<u>\$ (239,526)</u>	<u>\$ (260,628)</u>
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	249,274	296,322
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(14,247)	6,248
(Increase) decrease in prepaid expenses	5,391	(524)
(Increase) decrease in inventory	13,210	(4,043)
Increase (decrease) in accounts payable	19,655	9,078
Increase (decrease) in accrued payroll	(8,745)	4,655
Increase (decrease) in customer deposits	3,850	(150)
Total adjustments	<u>268,388</u>	<u>311,586</u>
Net cash provided by operating activities	<u>\$ 28,862</u>	<u>\$ 50,958</u>

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For the year ended June 30, 2009

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES SEWER FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

	2009	2008
<u>ASSETS:</u>		
Current assets:		
Pooled cash and investments	\$ 392,350	\$ 336,313
Interest receivable	3,206	3,171
Due from other governments	-	208,134
Accounts receivable, net of allowance for doubtful accounts	39,743	34,441
Inventory	3,740	3,553
Prepaid expense	-	5,641
Restricted assets - cash		
Sewer construction	590	64,055
Sewer debt service	8,465	2,299
Sewer debt reserve	9,879	3,000
Total Restricted assets - cash	<u>18,934</u>	<u>69,354</u>
Total current assets	457,973	660,607
Property, plant and equipment, net of accumulated depreciation	<u>6,564,320</u>	<u>6,783,316</u>
Total assets	<u>7,022,293</u>	<u>7,443,923</u>
<u>LIABILITIES:</u>		
Current liabilities, payable from unrestricted assets:		
Accounts payable	3,705	209,673
Accrued payroll	10,415	9,494
Accrued compensated absences	20,323	31,097
Current portion of bonds payable	6,356	6,092
Total current liabilities-unrestricted	40,799	256,356
Current liabilities, payable from restricted assets:		
Accounts payable	-	63,465
Total current liabilities	40,799	319,821
Bonds payable	<u>582,231</u>	<u>588,587</u>
Total liabilities	<u>623,030</u>	<u>908,408</u>
<u>NET ASSETS:</u>		
Invested in capital assets, net of related debt	5,975,733	6,188,637
Restricted for debt	18,344	5,299
Restricted for construction	590	590
Unrestricted	<u>404,596</u>	<u>340,989</u>
Total net assets	<u>\$ 6,399,263</u>	<u>\$ 6,535,515</u>

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES SEWER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2009
(with Comparative Amounts for the Year Ended June 30, 2008)

	2009		Variance- Positive (Negative)	2008 Actuals
	Budget	Actual		
Operating revenues:				
Charges for services:				
Sewer fees	\$ 250,000	\$ 284,841	\$ 34,841	\$ 268,565
Total operating revenues	<u>250,000</u>	<u>284,841</u>	<u>34,841</u>	<u>268,565</u>
Operating expenses:				
Sewer department:				
Administration	124,646	107,375	17,271	96,292
General operations	190,411	104,312	86,099	150,810
Sewer operations	77,000	17,891	59,109	9,018
Depreciation	<u>112,918</u>	<u>223,141</u>	<u>(110,223)</u>	<u>165,444</u>
Total sewer department	<u>504,975</u>	<u>452,719</u>	<u>52,256</u>	<u>421,564</u>
Total operating expenses	<u>504,975</u>	<u>452,719</u>	<u>52,256</u>	<u>421,564</u>
Operating (loss)	<u>(254,975)</u>	<u>(167,878)</u>	<u>87,097</u>	<u>(152,999)</u>
Nonoperating revenue (expense):				
Interest	25,000	14,211	(10,789)	16,316
Grant	-	-	-	1,864,031
Interest expense	(25,156)	(25,156)	-	(23,323)
Capital projects fees	-	5,190	5,190	-
Debt service	<u>31,500</u>	<u>37,381</u>	<u>5,881</u>	<u>30,441</u>
Total nonoperating revenue	<u>31,344</u>	<u>31,626</u>	<u>282</u>	<u>1,887,465</u>
Net income (loss)	<u>\$ (223,631)</u>	(136,252)	<u>\$ 87,379</u>	1,734,466
Net Assets:				
Beginning of year		<u>6,535,515</u>		<u>4,801,049</u>
End of year		<u>\$ 6,399,263</u>		<u>\$ 6,535,515</u>

TOWN OF TONOPAH, NEVADA
TONOPAH PUBLIC UTILITIES SEWER FUND
SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2009
(With comparative Amounts for the Year Ended June 30, 2008)

	2009	2008
Cash flows from operating activities:		
Cash received from customers	\$ 279,539	\$ 262,145
Cash paid for salaries, wages and employee benefits	(181,263)	(215,597)
Cash paid for services and supplies	(50,548)	(59,405)
Net cash provided by operating activities	<u>47,728</u>	<u>(12,857)</u>
Cash flows from noncapital financing activities:		
Grants	208,134	1,655,897
Capital projects fees	5,190	-
Debt service	37,381	30,441
Net cash provided by noncapital financing activities	<u>250,705</u>	<u>1,686,338</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(275,744)	(1,904,933)
Principal paid	(6,092)	(815,322)
Interest paid	(25,156)	(33,792)
Bond proceeds	-	600,000
Net cash (used) by capital and related financing activities	<u>(306,992)</u>	<u>(2,154,047)</u>
Cash flows from investing activities:		
Interest income	14,176	13,145
Net increase in cash	5,617	(467,421)
Cash:		
Beginning of year	405,667	873,088
End of year	<u>\$ 411,284</u>	<u>\$ 405,667</u>
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	\$ (167,878)	\$ (152,999)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	223,141	165,444
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(5,302)	(6,420)
(Increase) decrease in prepaid expenses	5,641	(774)
(Increase) decrease in inventory	(187)	384
Increase (decrease) in accounts payable	2,166	(17,314)
Increase (decrease) in accrued payroll	(9,853)	(1,178)
Total adjustments	<u>215,606</u>	<u>140,142</u>
Net cash provided by operating activities	<u>\$ 47,728</u>	<u>\$ (12,857)</u>

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For the year ended June 30, 2009

NONMAJOR GOVERNMENTAL FUNDS

**Combining statements of all nonmajor
governmental activity.**

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For the year ended June 30, 2009

TOWN OF TONOPAH, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2009
(With Comparative Totals for June 30, 2008)

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2009 Totals	2008 Totals
Assets:				
Pooled cash and investments	\$ 111,946	\$ 312,320	\$ 424,266	\$ 364,616
Interest receivable	898	2,339	3,237	3,016
Room tax receivable	<u>2,095</u>	<u>-</u>	<u>2,095</u>	<u>2,597</u>
 Total assets	 <u>\$ 114,939</u>	 <u>\$ 314,659</u>	 <u>\$ 429,598</u>	 <u>\$ 370,229</u>
Liabilities:				
Accounts payable	<u>\$ 2,414</u>	<u>\$ 21,897</u>	<u>\$ 24,311</u>	<u>\$ -</u>
Fund Balance:				
Fund balance - unreserved:				
Designated for subsequent year	94,438	272,000	366,438	291,227
Undesignated	<u>18,087</u>	<u>20,762</u>	<u>38,849</u>	<u>79,002</u>
 Total fund balance	 <u>112,525</u>	 <u>292,762</u>	 <u>405,287</u>	 <u>370,229</u>
 Total liabilities and fund balance	 <u>\$ 114,939</u>	 <u>\$ 314,659</u>	 <u>\$ 429,598</u>	 <u>\$ 370,229</u>

**TOWN OF TONOPAH, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

For the Year Ended June 30, 2009

(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	2009 Totals	2008 Totals
Revenues:				
Taxes	\$ 23,311	\$ -	\$ 23,311	\$ 24,382
Intergovernmental	-	31,975	31,975	28,606
Charges for services	-	1,012	1,012	2,210
Other	<u>6,669</u>	<u>10,935</u>	<u>17,604</u>	<u>23,483</u>
 Total revenues	 <u>29,980</u>	 <u>43,922</u>	 <u>73,902</u>	 <u>78,681</u>
Expenditures:				
Current:				
Culture and recreation	8,509	11,153	19,662	9,618
Capital projects	<u>-</u>	<u>19,182</u>	<u>19,182</u>	<u>6,838</u>
 Total expenditures	 <u>8,509</u>	 <u>30,335</u>	 <u>38,844</u>	 <u>16,456</u>
 Excess (deficiency) of revenues over expenditures	 21,471	 13,587	 35,058	 62,225
Fund balance:				
Beginning of year	<u>91,054</u>	<u>279,175</u>	<u>370,229</u>	<u>308,004</u>
 End of year	 <u>\$ 112,525</u>	 <u>\$ 292,762</u>	 <u>\$ 405,287</u>	 <u>\$ 370,229</u>

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For the year ended June 30, 2009

NONMAJOR SPECIAL REVENUE FUND

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The State Room Tax fund is used to account for room tax revenues and expenditures.

The Mural fund is used to account for donations revenues and expenditures for the Mural.

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2009
(With Comparative Totals for June 30, 2008)

	State Room Tax	Mural Fund	Totals 2009	Totals 2008
<u>ASSETS:</u>				
Pooled cash and investments	\$ 94,487	\$ 17,459	\$ 111,946	\$ 87,687
Interest receivable	755	143	898	770
Room tax receivable	<u>2,095</u>	<u>-</u>	<u>2,095</u>	<u>2,597</u>
 Total assets	 <u>\$ 97,337</u>	 <u>\$ 17,602</u>	 <u>\$ 114,939</u>	 <u>\$ 91,054</u>
 <u>LIABILITIES:</u>				
Accounts payable	<u>\$ 2,414</u>	<u>\$ -</u>	<u>\$ 2,414</u>	<u>\$ -</u>
 <u>FUND BALANCE:</u>				
Unreserved:				
Designated for subsequent year	76,836	17,602	94,438	67,843
Undesignated	<u>18,087</u>	<u>-</u>	<u>18,087</u>	<u>23,211</u>
 Total fund balance	 <u>94,923</u>	 <u>17,602</u>	 <u>112,525</u>	 <u>91,054</u>
 Total liabilities and fund balance	 <u>\$ 97,337</u>	 <u>\$ 17,602</u>	 <u>\$ 114,939</u>	 <u>\$ 91,054</u>

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For the year ended June 30, 2009

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

For the Year Ended June 30, 2009

(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	State Room Tax	Mural Fund	Totals 2009	Totals 2008
Revenues:				
Taxes	\$ 23,311	\$ -	\$ 23,311	\$ 24,382
Other	<u>3,285</u>	<u>3,384</u>	<u>6,669</u>	<u>12,082</u>
Total revenues	26,596	3,384	29,980	36,464
Expenditures:				
Culture and recreation	<u>8,509</u>	<u>-</u>	<u>8,509</u>	<u>6,753</u>
Excess (deficiency) of revenues over expenditures	18,087	3,384	21,471	29,711
Fund balance:				
Beginning of year	<u>76,836</u>	<u>14,218</u>	<u>91,054</u>	<u>61,343</u>
End of year	<u>\$ 94,923</u>	<u>\$ 17,602</u>	<u>\$ 112,525</u>	<u>\$ 91,054</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-STATE ROOM TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	2009	2008
<u>ASSETS:</u>		
Pooled cash and investments	\$ 94,487	\$ 73,587
Interest receivable	755	652
Room tax receivable	<u>2,095</u>	<u>2,597</u>
 Total assets	 <u>\$ 97,337</u>	 <u>\$ 76,836</u>
 <u>LIABILITIES:</u>		
Accounts payable	<u>\$ 2,414</u>	<u>\$ -</u>
 <u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	76,836	58,025
Undesignated	<u>18,087</u>	<u>18,811</u>
 Total fund balance	 <u>94,923</u>	 <u>76,836</u>
 Total liabilities and fund balance	 <u>\$ 97,337</u>	 <u>\$ 76,836</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance- Positive (Negative)	2008 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Room tax	\$ 20,000	\$ 23,311	\$ 3,311	\$ 24,382
Other:				
Interest	<u>-</u>	<u>3,285</u>	<u>3,285</u>	<u>3,182</u>
Total revenues	20,000	26,596	6,596	27,564
Expenditures:				
Culture and recreation:				
Services and supplies	<u>78,025</u>	<u>8,509</u>	<u>69,516</u>	<u>6,753</u>
Excess (deficiency) of revenues over expenditures	(58,025)	18,087	76,112	20,811
Fund balance:				
Beginning of year	<u>58,025</u>	<u>76,836</u>	<u>18,811</u>	<u>56,025</u>
End of year	<u>\$ -</u>	<u>\$ 94,923</u>	<u>\$ 94,923</u>	<u>\$ 76,836</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-MURAL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	2009	2008
<u>ASSETS:</u>		
Pooled cash and investments	\$ 17,459	\$ 14,100
Interest receivable	<u>143</u>	<u>118</u>
Total assets	<u>\$ 17,602</u>	<u>\$ 14,218</u>
<u>LIABILITIES:</u>		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
<u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	17,602	9,818
Undesignated	<u>-</u>	<u>4,400</u>
Total fund balance	<u>17,602</u>	<u>14,218</u>
Total liabilities and fund balance	<u>\$ 17,602</u>	<u>\$ 14,218</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-MURAL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance- Positive (Negative)	2008 Actual
	Budget	Actual		
Revenues:				
Other:				
Interest	\$ -	\$ 584	\$ 584	\$ 500
Donations	<u>4,000</u>	<u>2,800</u>	<u>(1,200)</u>	<u>8,400</u>
Total revenues	4,000	3,384	(616)	8,900
Expenditures:				
Culture and recreation:				
Capital outlay	<u>13,818</u>	<u>-</u>	<u>13,818</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(9,818)	3,384	13,202	8,900
Fund balance:				
Beginning of year	<u>9,818</u>	<u>14,218</u>	<u>4,400</u>	<u>5,318</u>
End of year	<u>\$ -</u>	<u>\$ 17,602</u>	<u>\$ 17,602</u>	<u>\$ 14,218</u>

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For the year ended June 30, 2009

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Projects Fund is used to account for general acquisitions of the Town as well as purchase of public safety equipment.

Special Ad Valorem Fund is used to account for a special tax levy to be used for capital improvement.

Mining Parks Capital Projects Fund is used to account for grants received for improvements to the park

**TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET**

June 30, 2009

(With Comparative Totals for June 30, 2008)

	Capital Projects	Special Ad Valorem	Mining Capital Project	Totals 2009	Totals 2008
<u>ASSETS:</u>					
Pooled cash and investments	\$ 19,125	\$ 258,051	\$ 35,144	\$ 312,320	\$ 276,929
Interest receivable	<u>156</u>	<u>1,895</u>	<u>288</u>	<u>2,339</u>	<u>2,246</u>
 Total assets	 <u>\$ 19,281</u>	 <u>\$ 259,946</u>	 <u>\$ 35,432</u>	 <u>\$ 314,659</u>	 <u>\$ 279,175</u>
<u>LIABILITIES:</u>					
Accounts payable	\$ -	\$ 21,897	\$ -	\$ 21,897	\$ -
<u>FUND BALANCE:</u>					
Unreserved:					
Designated for subsequent year	19,281	218,653	34,066	272,000	223,384
Undesignated	<u>-</u>	<u>19,396</u>	<u>1,366</u>	<u>20,762</u>	<u>55,791</u>
 Total fund balance	 <u>19,281</u>	 <u>238,049</u>	 <u>35,432</u>	 <u>292,762</u>	 <u>279,175</u>
 Total liabilities and fund balance	 <u>\$ 19,281</u>	 <u>\$ 259,946</u>	 <u>\$ 35,432</u>	 <u>\$ 314,659</u>	 <u>\$ 279,175</u>

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For the year ended June 30, 2009

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, 2009

(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Capital Projects	Special Ad Valorem	Mining Capital Project	Totals 2009	Totals 2008
Revenues:					
Intergovernmental	\$ -	\$ 31,975	\$ -	\$ 31,975	\$ 28,606
Charges for services	1,012	-	-	1,012	2,210
Other	<u>811</u>	<u>8,758</u>	<u>1,366</u>	<u>10,935</u>	<u>11,401</u>
 Total revenues	 1,823	 40,733	 1,366	 43,922	 42,217
Expenditures:					
Current	-	11,153	-	11,153	2,865
Capital projects	<u>1,998</u>	<u>17,184</u>	<u>-</u>	<u>19,182</u>	<u>6,838</u>
 Total expenditures	 <u>1,998</u>	 <u>28,337</u>	 <u>-</u>	 <u>30,335</u>	 <u>9,703</u>
 Excess (deficiency) of revenues over expenditures	 (175)	 12,396	 1,366	 13,587	 32,514
Fund balance:					
Beginning of year	<u>19,456</u>	<u>225,653</u>	<u>34,066</u>	<u>279,175</u>	<u>246,661</u>
 End of year	 <u>\$ 19,281</u>	 <u>\$ 238,049</u>	 <u>\$ 35,432</u>	 <u>\$ 292,762</u>	 <u>\$ 279,175</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	2009	2008
<u>ASSETS:</u>		
Pooled cash and investments	\$ 19,125	\$ 19,273
Interest receivable	<u>156</u>	<u>183</u>
 Total assets	 <u>\$ 19,281</u>	 <u>\$ 19,456</u>
<u>LIABILITIES:</u>		
Accounts payable	\$ <u>-</u>	\$ <u>-</u>
<u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	19,281	14,887
Undesignated	<u>-</u>	<u>4,569</u>
 Total fund balance	 <u>19,281</u>	 <u>19,456</u>
 Total liabilities and fund balance	 <u>\$ 19,281</u>	 <u>\$ 19,456</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance- Positive (Negative)	2008 Actual
	Budget	Actual		
Revenues:				
Charges for services:				
Rescue runs	\$ 4,000	\$ 1,012	\$ (2,988)	\$ 2,210
Other:				
Interest	-	811	811	1,062
Total revenues	4,000	1,823	(2,177)	3,272
Expenditures:				
Current	-	-	-	2,865
Capital projects	18,887	1,998	16,889	6,838
Total expenditures	18,887	1,998	16,889	9,703
Excess (deficiency) of revenues over expenditures	(14,887)	(175)	14,712	(6,431)
Fund balance:				
Beginning of year	14,887	19,456	4,569	25,887
End of year	\$ -	\$ 19,281	\$ 19,281	\$ 19,456

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	2009	2008
<u>ASSETS:</u>		
Pooled cash and investments	\$ 258,051	\$ 223,894
Interest receivable	<u>1,895</u>	<u>1,759</u>
Total assets	<u>\$ 259,946</u>	<u>\$ 225,653</u>
<u>LIABILITIES:</u>		
Accounts payable	<u>\$ 21,897</u>	<u>\$ -</u>
<u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	218,653	176,000
Undesignated	<u>19,396</u>	<u>49,653</u>
Total fund balance	<u>238,049</u>	<u>225,653</u>
Total liabilities and fund balance	<u>\$ 259,946</u>	<u>\$ 225,653</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, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		Variance- Positive (Negative)	2008 Actual
	Budget	Actual		
Revenues:				
Intergovernmental	\$ 24,000	\$ 31,975	\$ 7,975	\$ 28,606
Other:				
Interest	<u>-</u>	<u>8,758</u>	<u>8,758</u>	<u>8,770</u>
Total revenues	24,000	40,733	16,733	37,376
Expenditures:				
Current	-	11,153	(11,153)	-
Capital projects	<u>200,000</u>	<u>17,184</u>	<u>182,816</u>	<u>-</u>
Total expenditures	<u>200,000</u>	<u>28,337</u>	<u>171,663</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(176,000)	12,396	188,396	37,376
Fund balance:				
Beginning of year	<u>176,000</u>	<u>225,653</u>	<u>49,653</u>	<u>188,277</u>
End of year	<u>\$ -</u>	<u>\$ 238,049</u>	<u>\$ 238,049</u>	<u>\$ 225,653</u>

TOWN OF TONOPAH, NEVADA
NONMAJOR FUND-MINING CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	2009	2008
<u>ASSETS:</u>		
Pooled cash and investments	\$ 35,144	\$ 33,762
Interest receivable	<u>288</u>	<u>304</u>
 Total assets	 <u>\$ 35,432</u>	 <u>\$ 34,066</u>
<u>FUND BALANCE:</u>		
Unreserved:		
Designated for subsequent year	\$ 34,066	\$ 32,497
Undesignated	<u>1,366</u>	<u>1,569</u>
 Total fund balance	 <u>\$ 35,432</u>	 <u>\$ 34,066</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, 2009
(With Comparative Amounts for the Year Ended June 30, 2008)

	2009		Variance-	
	Budget	Actual	Positive (Negative)	2008 Actual
Revenues:				
Interest	\$ -	\$ 1,366	\$ 1,366	\$ 1,569
Expenditures:				
Capital projects	<u>32,497</u>	<u>-</u>	<u>32,497</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(32,497)	1,366	33,863	1,569
Fund balance:				
Beginning of year	<u>32,497</u>	<u>34,066</u>	<u>1,569</u>	<u>32,497</u>
End of year	<u>\$ -</u>	<u>\$ 35,432</u>	<u>\$ 35,432</u>	<u>\$ 34,066</u>

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For the year ended June 30, 2009

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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

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

Honorable Members of the Town Board
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, 2009, which collectively comprise the Town's basic financial statements and have issued my report thereon dated November 3, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Honorable Town Board, management, others within the Town, and officials of applicable state and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Dennis M. M...". The signature is written in a cursive style with a large initial "D".

Las Vegas, Nevada
November 3, 2009