
TOWN OF GAMEWELL

Financial Statements, Supplemental Schedules,
and Independent Auditor's Report
For the Year Ended June 30, 2024

C. Randolph CPA, PLLC
Certified Public Accountant

TOWN OF GAMEWELL

Town Officials

Town Council Members

Barbara C. Pennell
Mayor

Wilford Beane
Mayor Pro-Tempore

Ronald Lackey

Mike Kent

Crystal Brooks

John Hall

Administrative and Financial Staff

Ronald Lackey
Finance Officer

Bonnie Caudle
Town Administrator

TOWN OF GAMEWELL

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Independent Auditor's Report

To the Honorable Mayor and
Members of the Town Council
Gamewell, North Carolina

Report on the Audit of Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Gamewell (the "Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Gamewell, as of June 30, 2024, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Gamewell and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the Town of Gamewell's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but it not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Gamewell's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Gamewell's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

C. Randolph CPA, PLLC

West Jefferson, North Carolina

October 29, 2024

Management's Discussion and Analysis

As management of Town of Gamewell, we offer readers of Town of Gamewell's financial statements this narrative overview and analysis of the financial activities of Town of Gamewell for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

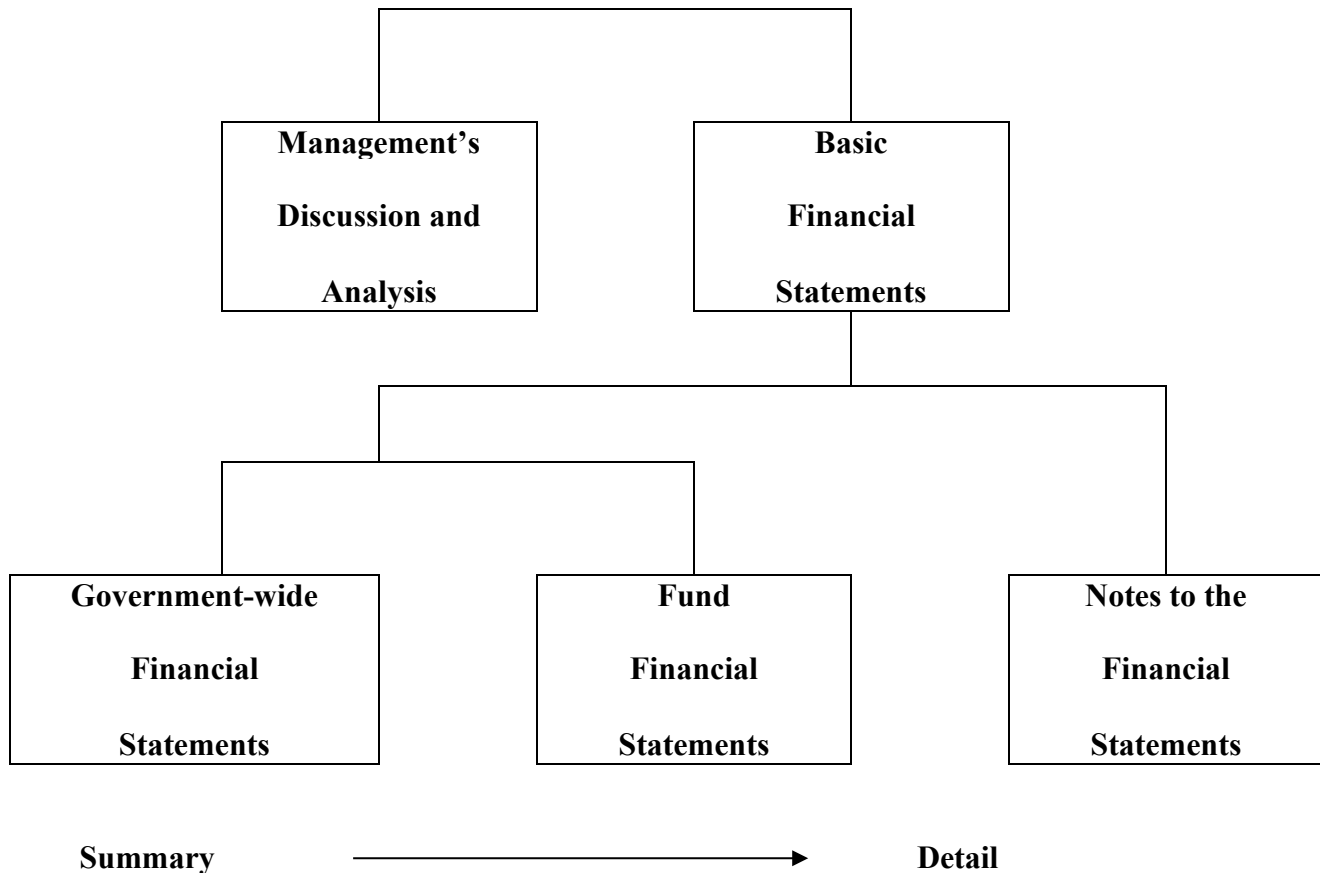
Financial Highlights

- The assets and deferred outflows of resources of the Town of Gamewell exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$14,077,789.
- The government's total net position increased by \$896,590 primarily due to increases in the governmental fund activities net position.
- As of the close of the current fiscal year, the Town of Gamewell's governmental funds reported combined ending fund balances of \$8,744,343. Approximately 99% of this total amount, or \$8,679,484, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,679,484, or 677%, of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of Gamewell's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Town of Gamewell.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Supplemental Information** is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, transportation, and general administration. The utility franchise tax distributions and investment earnings funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. This includes the water service offered by the Town of Gamewell to citizens and businesses that were covered in the first phase of the Town's water system.

The government-wide financial statements are Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Town of Gamewell, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Gamewell can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Town of Gamewell adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund demonstrate how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – The Town of Gamewell has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Gamewell uses an enterprise fund to account for its water-related activity. This fund is the same as the function shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Interdependence with Other Entities - Town of Gamewell depends on financial resources flowing from, or associated with, both Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

Town of Gamewell's Net Position Figure 2

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current assets	\$8,744,343	\$9,064,622	\$2,108,973	\$1,531,571	\$10,853,316	\$10,596,193
Capital assets	<u>1,886,723</u>	<u>1,817,275</u>	<u>1,337,750</u>	<u>1,407,255</u>	<u>3,224,473</u>	<u>3,224,530</u>
Total assets	<u>10,631,066</u>	<u>10,881,897</u>	<u>3,446,723</u>	<u>2,938,826</u>	<u>14,077,789</u>	<u>13,820,723</u>
Deferred outflows of resources	—	—	—	—	—	—
Total assets and deferred outflows of resources	<u>10,631,066</u>	<u>10,881,897</u>	<u>3,446,723</u>	<u>2,938,826</u>	<u>14,077,789</u>	<u>13,820,723</u>
Other liabilities	-	639,524	-	639,524	-	639,524
Deferred inflows of resources	—	—	—	—	—	—
Total liabilities and deferred inflows of resources	—	<u>639,524</u>	—	—	—	<u>639,524</u>
Net position:						
Net investment in capital assets	1,886,723	1,817,275	1,337,750	1,407,255	3,224,473	3,224,530
Restricted	64,859	3,606,719	-	-	64,859	3,606,719
Unrestricted	<u>8,679,484</u>	<u>4,818,379</u>	<u>2,108,973</u>	<u>1,531,571</u>	<u>10,788,457</u>	<u>6,349,950</u>
Total net position	<u>\$10,631,066</u>	<u>\$10,242,373</u>	<u>\$3,446,723</u>	<u>\$2,938,826</u>	<u>\$14,077,789</u>	<u>\$13,181,200</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of Town of Gamewell exceeded liabilities and deferred inflows by \$14,077,789 as of June 30, 2024. The Town's net position increased by \$896,590 for the fiscal year ended June 30, 2024. However, the largest portion (23%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Gamewell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Town of Gamewell's net position, \$64,859, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,788,457 is unrestricted.

Several particular aspects of the Town of Gamewell's financial operations positively influenced the total unrestricted governmental net position:

- Diligence in keeping expenditures as low as possible
- Increase in local option sales tax

Town of Gamewell's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 99,170	\$ 72,330	\$ 99,170	\$ 72,330
General revenues:						
Unrestricted intergovernmental	1,389,985	1,367,265	-	-	1,389,985	1,367,265
Restricted intergovernmental	449,719	1,487,011	-	-	449,719	1,487,011
Unrestricted investment earnings	425,515	166,944	24,711	2,970	450,226	169,914
Miscellaneous	<u>1,889</u>	<u>53,871</u>	<u>-</u>	<u>1,643</u>	<u>1,889</u>	<u>55,514</u>
Total revenues	<u>2,267,108</u>	<u>3,075,091</u>	<u>123,881</u>	<u>76,943</u>	<u>2,390,989</u>	<u>3,152,034</u>
Expenses:						
General government	508,665	650,337	-	-	508,665	650,337
Transportation	-	-	-	-	-	-
Environmental protection	158,839	151,492	-	-	158,839	151,492
Culture & recreation	682,072	287,575	-	-	682,072	287,575
ARPA expenditures	-	691,756	-	-	-	691,756
Sewer	<u>-</u>	<u>-</u>	<u>144,823</u>	<u>122,579</u>	<u>144,823</u>	<u>122,579</u>
Total expenses	<u>1,349,576</u>	<u>1,781,160</u>	<u>144,823</u>	<u>122,579</u>	<u>1,494,399</u>	<u>1,903,739</u>
Increase (decrease) in net position before transfers	917,532	1,293,931	(20,942)	(45,636)	896,590	1,248,295
Transfers	<u>528,839</u>	<u>(260,552)</u>	<u>528,839</u>	<u>260,552</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$388,693</u>	<u>\$1,033,379</u>	<u>\$507,897</u>	<u>\$214,916</u>	<u>\$896,590</u>	<u>\$1,248,295</u>
Net position, as previously reported	\$10,242,373	\$10,406,085	\$2,938,826	\$1,526,820	\$13,181,199	\$11,932,905
Prior period adjustment	<u>-</u>	<u>(1,197,090)</u>	<u>-</u>	<u>1,197,090</u>	<u>-</u>	<u>-</u>
Net position – as restated	10,242,373	9,208,995	2,938,826	2,723,910	13,181,199	11,932,905
Increase (decrease) in net position	<u>388,693</u>	<u>1,033,379</u>	<u>507,897</u>	<u>214,916</u>	<u>896,590</u>	<u>1,248,295</u>
Net position – ending	<u>\$10,631,066</u>	<u>\$10,242,373</u>	<u>\$3,446,723</u>	<u>\$2,938,826</u>	<u>\$14,077,789</u>	<u>\$13,181,200</u>

Governmental Activities – Governmental activities increased the Town’s net position by \$388,693. The increase in net position was the result of increases in unrestricted intergovernmental revenues and decreases in total expenditures.

Business-type activities - Business-type activities increased the Town of Gamewell’s net position by \$507,897.

Financial Analysis of the Town’s Funds

As noted earlier, the Town of Gamewell uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of Town of Gamewell' governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Town of Gamewell’s financing requirements. Specifically, unreserved fund balance can be a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of Town of Gamewell. At the end of the current fiscal year, Town of Gamewell’s fund balance available in the general fund was \$8,679,484 while total fund balance reached \$8,881,343. The Town currently has an available fund balance of 677% of General Fund expenditures, while total fund balance represents 693% of the same amount.

At June 30, 2024, the governmental funds of Town of Gamewell reported a combined fund balance of \$8,744,343, with a increase in fund balance of \$319,245.

General Fund Budgetary Highlights - During the fiscal year, the Town revised the budget several times. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

There were several reasons the town revised its budget throughout the year. The Town amended the budget to accurately reflect changes in expenditures in the General Fund.

Proprietary Funds. The Town’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Sewer Fund at the end of the fiscal year amounted to \$2,108,973. The total increase in net positions for the fund were \$507,897.

Other factors concerning the finances of this fund have already been addresses in the discussion of the Town’s business-type activities.

Capital Assets - Town of Gamewell's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$3,224,473 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and sewer lines.

**Town of Gamewell's Capital Assets
(Net of Accumulated Depreciation)**

Figure 4

	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land and improvements	\$602,853	\$ 465,853	\$ -	\$ -	\$ 602,853	\$ 465,853
Buildings and system	<u>1,283,870</u>	<u>1,351,422</u>	<u>1,337,750</u>	<u>1,407,255</u>	<u>2,621,620</u>	<u>2,758,677</u>
Total	<u>\$1,886,723</u>	<u>\$1,817,275</u>	<u>\$1,337,750</u>	<u>\$1,407,255</u>	<u>\$3,224,473</u>	<u>\$3,224,530</u>

Additional information on the Town's capital assets can be found in Note III of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- Continued healthy fund balances for investment opportunities.
- Continued filing of Sales and Use Tax reimbursements.
- Continued diligence keeping expenditures as low as possible.
- Possible grant opportunities in the future.

Budget Highlights for the Fiscal Year Ending June 30, 2025

Governmental Activities:

Revenues are expected to remain close to the current year.

Business-Type Activities:

Sewer rates increased again to offset the continued increase from the City of Lenoir for the sewer treatment fees each month. The increase in patron rates should generate enough revenue to cover the current year maintenance expenditures. The Viability Grant has been instrumental in identifying areas that need to be addressed in the future

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Administrator, Bonnie Caudle, Town of Gamewell, 2754 Old Morganton Rd, Lenoir, NC 28645. You can also call (828) 754-1991 for more information.

**BASIC FINANCIAL
STATEMENTS**

TOWN OF GAMEWELL**Exhibit 1****Statement of Net Position
June 30, 2024**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 8,542,484	\$ 2,088,992	\$ 10,631,476
Accounts receivable (net)	1,274	19,981	21,255
Due from other governments	<u>200,585</u>	<u>-</u>	<u>200,585</u>
Total current assets	<u>8,744,343</u>	<u>2,108,973</u>	<u>10,853,316</u>
Capital assets (Note 1):			
Land, non-depreciable improvements, and construction in progress	602,853	-	602,853
Other capital assets, net of depreciation	<u>1,283,870</u>	<u>1,337,750</u>	<u>2,621,620</u>
Total capital assets	<u>1,886,723</u>	<u>1,337,750</u>	<u>3,224,473</u>
Total assets	<u>10,631,066</u>	<u>3,446,723</u>	<u>14,077,789</u>
Liabilities			
Current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Net investment in capital assets	1,886,723	1,337,750	3,224,473
Restricted for:			
Stabilization by State Statute	201,859	-	201,859
Capital projects	(137,000)	-	(137,000)
Unrestricted	<u>8,679,484</u>	<u>2,108,973</u>	<u>10,788,457</u>
Total net position	<u>\$ 10,631,066</u>	<u>\$ 3,446,723</u>	<u>\$ 14,077,789</u>

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

TOWN OF GAMEWELL

Exhibit 2

Statement of Activities For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business- type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 508,665	\$ -	\$ -	\$ -	\$ 508,665	\$ -	\$ 508,665
Environmental protection	158,839	-	-	-	158,839	-	158,839
Cultural and recreation	682,072	-	-	-	682,072	-	682,072
Total governmental activities	1,349,576	-	-	-	1,349,576	-	1,349,576
Business-type activities:							
Water and sewer	144,823	99,170	-	-	-	(45,653)	(45,653)
Total business-type activities	144,823	99,170	-	-	-	(45,653)	(45,653)
Total primary government	1,494,399	99,170	-	-	1,349,576	(45,653)	1,303,923
General revenues:							
Taxes:							
Unrestricted Intergovernmental revenues					1,389,985	-	1,389,985
Restricted Intergovernmental revenues					449,719	-	449,719
Unrestricted investment earnings					425,515	24,711	450,226
Miscellaneous					1,889		1,889
Transfers					(528,839)	528,839	-
Total general revenues, special items, and transfers					1,738,269	553,550	2,291,819
Change in net assets					388,693	507,897	896,590
Net position - beginning					10,242,373	2,938,826	13,181,199
Net position - ending					\$ 10,631,066	\$ 3,446,723	\$ 14,077,789

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

TOWN OF GAMEWELL**Exhibit 3****Balance Sheet
Governmental Funds
For the Year Ended June 30, 2024**

	<u>Major Fund General</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 8,679,484	\$ (137,000)	\$ 8,542,484
Receivables, net			
Accounts	1,274	-	1,274
Due from other governments	200,585	-	200,585
Restricted cash	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 8,881,343</u>	<u>\$ (137,000)</u>	<u>\$ 8,744,343</u>
Liabilities and Fund Balances			
Liabilities:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	201,859	-	201,859
Capital projects	-	(137,000)	(137,000)
Unassigned	<u>8,679,484</u>	<u>-</u>	<u>8,679,484</u>
Total fund balances	<u>8,881,343</u>	<u>(137,000)</u>	<u>8,744,343</u>
Total liabilities deferred inflows of resources and fund balances	<u>\$ 8,881,343</u>	<u>\$ (137,000)</u>	<u>\$ 8,744,343</u>

Amounts reported in governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances, governmental funds	\$ 8,744,343
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>1,886,723</u>
Net position of governmental activities	<u>\$ 10,631,066</u>

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

TOWN OF GAMEWELL**Exhibit 4****Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024**

	<u>Major Fund General</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Unrestricted intergovernmental	\$ 1,389,985	\$ -	\$ 1,389,985
Restricted intergovernmental	449,719	-	449,719
Investment earnings	425,515	-	425,515
Miscellaneous	<u>1,889</u>	<u>-</u>	<u>1,889</u>
Total revenues	<u>2,267,108</u>	<u>-</u>	<u>2,267,108</u>
Expenditures:			
General government	441,113	-	441,113
Environmental protection	158,839	-	158,839
Culture and recreation	682,072	-	682,072
Capital outlay	<u>-</u>	<u>137,000</u>	<u>137,000</u>
Total expenditures	<u>1,282,024</u>	<u>137,000</u>	<u>1,419,024</u>
Excess (deficiency) of revenues over expenditures	<u>985,084</u>	<u>(137,000)</u>	<u>848,084</u>
Other Financing Sources (Uses)			
Other financing sources (uses)	<u>(528,839)</u>	<u>-</u>	<u>(528,839)</u>
Net changes in fund balance	<u>\$ 456,245</u>	<u>\$ (137,000)</u>	<u>\$ 319,245</u>
Fund balances - beginning, as previously reported	\$ 5,050,454	\$ -	\$ 5,050,454
Prior period adjustment	<u>3,374,644</u>	<u>-</u>	<u>3,374,644</u>
Fund balances - beginning, as restated	8,425,098	-	8,425,098
Net changes in fund balance	<u>456,245</u>	<u>(137,000)</u>	<u>319,245</u>
Fund balances - ending	<u>\$ 8,881,343</u>	<u>\$ (137,000)</u>	<u>\$ 8,744,343</u>

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

TOWN OF GAMEWELL**Exhibit 5****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, 2024**

Amounts reported for governmental activities in the statement of
activities are different because:

Net changes in fund balances - total governmental funds	\$ 319,245
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Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense. This is the amount by
which depreciation exceeded capital outlay in the current period.

<u>69,448</u>

Total changes in net position of governmental activities	<u>\$ 388,693</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF GAMEWELL

Exhibit 6

Statement of Revenues, Expenditures, and Changes in Fund Balances General Fund Budget and Actual For the Year Ended June 30, 2024

	General Fund			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Unrestricted intergovernmental	\$ 1,346,600	\$ 1,351,921	\$ 1,389,985	\$ 38,064
Restricted intergovernmental	-	503,504	449,719	(53,785)
Permits and fees	500	500	-	(500)
Investment earnings	44,500	364,000	425,515	61,515
Miscellaneous	4,000	2,300	1,889	(411)
Total Revenues	1,395,600	2,222,225	2,267,108	44,883
Expenditures:				
Current:				
General government	806,981	517,331	441,113	76,218
Transportation	50,000	144,250	-	144,250
Environmental protection	160,000	160,000	158,839	1,161
Cultural and recreation	127,450	847,154	682,072	165,082
Total expenditures	1,144,431	1,668,735	1,282,024	386,711
Revenues over (under) expenditures	251,169	553,490	985,084	431,594
Other financing sources (uses):				
Contingency	(251,169)	(553,490)	-	553,490
Transfers from other funds	-	-	(528,839)	(528,839)
Total other financing sources (uses)	(251,169)	(553,490)	(528,839)	24,651
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	\$ 456,245	\$ 456,245
Fund balance, beginning, as previously report			\$ 5,050,454	
Prior period adjustment			3,374,644	
Fund balance, beginning, as restated			8,425,098	
Revenues and other sources over (under) expenditures and other uses			456,245	
Fund balance, ending			\$ 8,881,343	

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

TOWN OF GAMEWELL**Exhibit 7****Statement of Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2024**

	Enterprise Fund Sewer Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 2,088,992
Accounts receivable	<u>19,981</u>
Total current assets	2,108,973
Capital assets:	
Other capital assets, net of depreciation	<u>1,337,750</u>
Total assets	<u>\$ 3,446,723</u>
Liabilities	
Current Liabilities:	
Due to other funds	\$ <u>-</u>
Total liabilities	<u>-</u>
Net Position	
Net investment in capital assets	1,337,750
Unrestricted	<u>2,108,973</u>
Total net position	<u>\$ 3,446,723</u>

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

TOWN OF GAMEWELL**Exhibit 8****Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2024**

	Enterprise Fund Sewer Fund
Operating Revenues:	
Charges for services	\$ 99,170
Total operating revenues	<u>99,170</u>
Operating Expenses:	
Waste collection and treatment	56,587
Depreciation	69,505
Maintenance and repairs	<u>18,731</u>
Total operating expenses	<u>144,823</u>
Operating income (loss)	(45,653)
Nonoperating Revenues (Expenses):	
Investment earnings	<u>24,711</u>
Total nonoperating revenue (expenses)	<u>24,711</u>
Income (loss) before contributions and transfers	(20,942)
Transfer from other funds	<u>528,839</u>
Change in net position	507,897
Total net position - beginning	<u>2,938,826</u>
Total net position - ending	<u><u>\$ 3,446,723</u></u>

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

TOWN OF GAMEWELL**Exhibit 9****Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2024**

	Enterprise Fund Sewer Fund
Cash Flows From Operating Activities:	
Cash received from customers	\$ 98,341
Cash paid for services	<u>(75,318)</u>
Net cash provided (used) by operating activities	23,023
Cash Flows From Noncapital Financing Activities:	
Transfer from other funds	528,839
Cash Flows From Investing Activities:	
Interest earned	<u>24,711</u>
Net increase (decrease) in cash and cash equivalents	576,573
Balances - beginning of year	<u>1,512,419</u>
Balances - end of year	<u><u>\$ 2,088,992</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	<u>\$ (45,653)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	69,505
Increase (decrease) in accounts receivable	(3,595)
Increase (decrease) in due from other funds	<u>2,766</u>
Total adjustments	<u>68,676</u>
Net cash provided (used) by operating activities	<u><u>\$ 23,023</u></u>

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

TOWN OF GAMEWELL

Notes to the Financial Statements For the Year Ended June 30, 2024

I. Summary of Significant Accounting Policies

The accounting policies of Town of Gamewell, North Carolina conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Town of Gamewell, North Carolina is a municipal corporation that is governed by an elected mayor and a five-member council.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental fund:

General Fund: - The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are stated-shared revenues. The primary expenditures are for the general government.

The Town reports the following major enterprise fund:

Water and Sewer Fund – This fund is used to account for the Town’s water and sewer operations. A Water and Sewer Capital Project Fund has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Project Fund has been included in the supplemental information.

The Town reports the following non-major governmental fund:

Capital Projects Fund – This fund accounts for the construction of various general fund capital projects, which include Gamewell Park, Town Hall building and grounds, and Hartland Road property.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements: The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include (a) charges to customers or applicants for goods, services, or privileges provided, (b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

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 Town enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 60 days after year-end. The Town has no property taxes.

Sales taxes collected and held by the State at the year-end on behalf of the Town, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program.

It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The budget is amended by the governing body on a periodic basis as required by changing conditions. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget presented reflects the amended budget at June 30, 2024. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. In accordance with G.S. 159-13 (a), the Town makes appropriations by department.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity

1. Deposits and Investments

All deposits of the Town are made in board-designated official depositories and are secured as required by State law (G.S. 159-31). The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

State law (G.S. 159-30 (c)) authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of

commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

The Town's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

As of June 30, 2024, the Town had no restricted cash.

4. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: \$2,500 for land; \$2,000 for building, improvements, substations, lines, and other plant and distribution systems; \$5,000 for infrastructure; \$1,000 for furniture; and \$2,500 for vehicles. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and equipment	50
Sewer lines	40
Infrastructure	30
Improvements	25
Furniture and equipment	10
Vehicles	6
Computer equipment	3

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town currently has no items that meet this criterion.

6. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of three classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), this is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body.

Assigned Fund Balance - portion of fund balance that the Town intends to use for specific purposes.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance - the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

7. Leases

Governmental Accounting Standards Board (GASB) Statement 87, Leases, went into effect beginning July 1, 2021. GASB Statement 87 requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the lease contract. Under the statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The current leases of the Town have been reviewed by management and determined to be immaterial to the overall financial statements, thus not recognized as assets or liabilities on the statement of net position. All future leasing arrangements will be reviewed and recognized as assets or liabilities as deemed appropriate.

II. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods.

Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level is collateralized with securities held by the Town's agents in this unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The

Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the Town's deposits had a carrying amount of \$6,836,854, and a bank balance of \$6,910,546. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

At June 30, 2024, the Town had \$1,229,229 (Amortized Cost) invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's and AAA-mf by Moody's Investors Service. The Town also had various certificates of deposits that totaled \$3,094,232 at June 30, 2024. The Town does not have a formal investment policy or credit risk policy.

3. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2024, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	<u>\$465,853</u>	<u>\$137,000</u>	<u>\$ -</u>	<u>\$602,853</u>
Total capital assets not being depreciated	<u>465,853</u>	<u>137,000</u>	<u>-</u>	<u>602,853</u>
Capital assets being depreciated:				
Buildings	1,252,260	-	-	1,252,260
Furniture and equipment	389,642	-	-	389,642
Leasehold improvements	<u>293,767</u>	<u>-</u>	<u>-</u>	<u>293,767</u>
Total capital assets being depreciated	<u>1,935,669</u>	<u>-</u>	<u>-</u>	<u>1,935,669</u>
Less accumulated depreciation for:				
Buildings	183,726	30,236	-	213,962
Furniture and equipment	246,468	19,369	-	265,838
Leasehold improvements	<u>154,083</u>	<u>17,947</u>	<u>-</u>	<u>172,030</u>
Total accumulated depreciation	<u>584,247</u>	<u>67,552</u>	<u>-</u>	<u>651,830</u>
Total capital assets being depreciated, net	<u>1,351,422</u>			<u>1,283,839</u>
 Governmental activity capital assets, net	 <u>\$1,817,275</u>			 <u>\$1,886,723</u>

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

General government	\$49,605
Cultural and recreation	<u>17,947</u>
	<u>\$67,552</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total capital assets not being depreciated	_____ -	_____ -	_____ -	_____ -
Capital assets being depreciated:				
Plant and distribution system	<u>2,780,186</u>	_____ -	_____ -	<u>2,780,186</u>
Total capital assets being depreciated	<u>2,780,186</u>	_____ -	_____ -	<u>2,780,186</u>
Less accumulated depreciation for:				
Plant and distribution system	<u>1,372,931</u>	<u>69,505</u>	_____ -	<u>1,442,436</u>
Total accumulated depreciation	<u>1,372,931</u>	<u>69,505</u>	_____ -	<u>1,442,436</u>
Total capital assets being depreciated, net				
Business-type activity capital assets, net	<u>\$1,407,255</u>			<u>\$1,337,750</u>

B. Liabilities

1. Deferred Outflows and Inflows of Resources

The Town has no deferred outflows of resources.

2. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance-General Fund	\$8,881,343
Less:	
Stabilization by State Statute	<u>201,859</u>
Remaining fund balance	<u>\$8,679,484</u>

III. 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, through a commercial carrier, has property liability coverage of \$150,000 on buildings and \$5,000 on contents per occurrence. Claims have not exceeded coverage in any of the last three fiscal years.

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets and errors. The Town has general liability coverage up to \$1,000,000, personal injury coverage up to \$1,000,000 with a limit of \$1,000,000 per occurrence. In addition, the Town has fire

damage coverage up to \$310,332. The Town carries commercial insurance on all of the above risks. There were no claims in the past three years and there are no pending claims.

The Town does not carry flood insurance, as the Town is not in an area of the State designated as a flood plain, and the expense does not warrant the purchase of coverage.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance-bonded through a commercial surety bond. The finance officer is bonded for \$340,000 and the town administrator is bonded for \$50,000.

IV. Summary Disclosure of Significant Contingencies

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

V. Prior Period Adjustment

A prior period adjustment in the amount of \$3,374,644 was made to the general fund due to combining the capital reserve fund and the general fund in the current year per the Local Government Commission recommendation.

VI. Significant Effects of Subsequent Events

Management has evaluated subsequent events through October 29, 2024, the date on which the financial statements were available to be issued and concluded that the following subsequent event has occurred that would require recognition or disclosure in these financial statements:

**INDIVIDUAL FUND
STATEMENTS AND
OTHER SCHEDULES**

TOWN OF GAMEWELL

Schedule 1

Page 1 of 3

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June, 30, 2023)

	2024		Positive (Negative) Variances	2023 Actual
	Budget	Actual		
Revenues:				
Unrestricted intergovernmental revenues:				
Local option sales tax	\$1,243,600	\$ 1,277,793	\$ 34,193	\$ 1,227,389
Franchise and utilities tax	100,000	105,121	5,121	106,599
Solid waste tax	3,000	2,957	(43)	2,887
Sales tax refund	5,321	4,114	(1,207)	30,390
Total	<u>1,351,921</u>	<u>1,389,985</u>	<u>38,064</u>	<u>1,367,265</u>
Restricted intergovernmental revenues:				
Viability grant	82,000	28,215	(53,785)	-
Abingdon Creek reimbursements	421,504	421,504	-	213,496
Total	<u>503,504</u>	<u>449,719</u>	<u>(53,785)</u>	<u>213,496</u>
Investment Earnings:				
Interest earned	<u>364,000</u>	<u>425,515</u>	<u>61,515</u>	<u>166,944</u>
Permits and fees:				
Zoning fees	<u>500</u>	<u>-</u>	<u>(500)</u>	<u>-</u>
Miscellaneous				
Contributions	-	-	-	100
Rent	2,300	1,800	(500)	2,150
Miscellaneous	-	89	89	45,212
Total	<u>2,300</u>	<u>1,889</u>	<u>(411)</u>	<u>47,462</u>
Total revenues	<u>2,222,225</u>	<u>2,267,108</u>	<u>44,883</u>	<u>1,795,167</u>

Expenditures:

General government:

Administration:

Insurance bond	2,150	2,125	25	1,470
Dues and subscriptions	22,500	20,056	2,444	11,297
Auditing and accounting	17,500	12,107	5,393	9,916
Supplies and materials	8,000	3,063	4,937	7,189
Travel and training	8,000	3,001	4,999	3,172
Legal	9,000	6,934	2,066	7,626
				cont.

TOWN OF GAMEWELL

Schedule 1

Page 2 of 3

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June, 30, 2023)

	2024			
	Budget	Actual	Positive (Negative) Variances	2023 Actual
General government:				
Administration:				
Contracted services	\$ 57,881	\$ 50,776	\$ 7,105	\$ 10,294
Board of election	7,000	4,424	2,576	-
Donations	30,150	30,150	-	203,487
Council compensation	6,000	4,190	1,810	4,165
Zoning	-	-	-	18,789
Salaries	50,000	43,224	6,776	38,069
Payroll taxes	7,500	3,493	4,007	2,959
Miscellaneous	8,200	4,264	3,936	3,625
Office equipment	14,500	5,689	8,811	-
County - interlocal agreement	189,000	189,000	-	189,000
Stormwater program	-	-	-	14,299
Code Enforcement	-	-	-	7,860
Total administration	<u>437,381</u>	<u>382,496</u>	<u>54,885</u>	<u>533,217</u>
Buildings and Grounds:				
Utilities	16,650	14,654	1,996	14,796
Insurance	13,000	10,910	2,090	9,356
Maintenance	50,300	33,053	17,247	16,769
Old Town Hall	-	-	-	8,647
Capital Outlay	-	-	-	3,883
Total buildings and grounds	<u>79,950</u>	<u>58,617</u>	<u>21,333</u>	<u>53,451</u>
Transportation:				
Streets and Highways:				
Street signs	44,250	-	44,250	-
Street improvements	100,000	-	100,000	-
Total transportation	<u>144,250</u>	<u>-</u>	<u>144,250</u>	<u>-</u>
Environmental protection:				
Sanitation:				
Waste pick-up	160,000	158,839	1,161	151,492
Total environmental protection	<u>160,000</u>	<u>158,839</u>	<u>1,161</u>	<u>151,492</u>

cont.

TOWN OF GAMEWELL**Schedule 1**
Page 3 of 3, cont.

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June, 30, 2023)

	2024		Positive (Negative) Variances	2023 Actual
	Budget	Actual		
Culture and recreation:				
Parks and recreation:				
Special Events	\$ 21,150	\$ 3,107	\$ 18,043	\$ 1,000
Park Maintenance	78,000	67,098	10,902	48,360
Utilities	3,800	3,326	474	3,016
Abingdon Creek Project	600,504	576,079	24,425	232,539
Viability grant expenses	82,000	27,215	54,785	-
Holiday Decorations	61,700	5,247	56,453	2,660
Capital outlay	-	-	-	52,921
Total culture and recreation	<u>847,154</u>	<u>682,072</u>	<u>165,082</u>	<u>340,496</u>
 Total expenditures	 <u>1,668,735</u>	 <u>1,282,024</u>	 <u>386,711</u>	 <u>1,078,656</u>
 Revenues over (under) expenditures	 553,490	 985,084	 431,594	 716,511
 Other Financing Sources (Uses):				
Operating transfer (to) from:				
ARPA fund	-	-	-	52,921
Sewer capital project	-	(528,839)	(528,839)	-
Capital Project Fund	(517,000)	-	517,000	-
Contingency	<u>(36,490)</u>	<u>-</u>	<u>36,490</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(553,490)</u>	 <u>(528,839)</u>	 <u>24,651</u>	 <u>52,921</u>
 Revenues and other financing sources over expenditures and other financing uses	 <u>\$ -</u>	 <u>\$ 456,245</u>	 <u>\$456,245</u>	 <u>\$ 769,432</u>
 Fund Balances:				
Beginning of year, as previously reported		\$ 5,050,454		\$ 5,478,112
Prior period adjustment		<u>3,374,644</u>		<u>(1,197,090)</u>
 Beginning of year, as restated		8,425,098		4,281,022
Revenues and other financing sources over expenditures and other financing uses		<u>456,245</u>		<u>769,432</u>
End of year		<u>\$ 8,881,343</u>		<u>\$ 5,050,454</u>

TOWN OF GAMEWELL**Schedule 2**

Capital Projects - General Fund
Schedule of Revenues and Expenditures and Changes in Fund Balance
Budget and Actual
From Inception and For the Year Ended June 30, 2024

		<u>Actual</u>			Variance
	Project	Prior	Current	Total to	Positive
	Authorization	Years	Year	Date	(Negative)
Revenues:					
Intergovernmental:	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures:					
Capital outlay	517,000	-	137,000	137,000	380,000
Total expenditures	517,000	-	137,000	137,000	380,000
Revenues over expenditures	(517,000)	-	(137,000)	(137,000)	380,000
Other Financing (uses):					
Transfer from General Fund	517,000	-	-	-	(517,000)
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	(137,000)	\$ (137,000)	\$ (137,000)
Fund balance - beginning			-		
Fund balance - ending			<u>\$ (137,000)</u>		

TOWN OF GAMEWELL**Schedule 3**

**Special Revenue Fund
American Rescue Plan Grant
Schedule of Revenues and Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2024**

	2024		Variance Positive (Negative)
	Budget	Actual	
Intergovernmental:			
Federal Grant ARP Funds	\$ 1,273,515	\$ 528,839	\$ (744,676)
Total revenues	<u>1,273,515</u>	<u>528,839</u>	<u>(744,676)</u>
Expenditures:			
Administration	280,173	528,839	(248,666)
Capital outlay	280,173	-	280,173
Maintenance and repairs	<u>713,169</u>	<u>-</u>	<u>713,169</u>
Total expenditures	<u>1,273,515</u>	<u>528,839</u>	<u>744,676</u>
Other financing sources (uses):			
Transfer to other fund:			
Transfer to the general fund	-	(519,418)	(519,418)
Total other financing sources (uses)	<u>-</u>	<u>(519,418)</u>	<u>(519,418)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	(519,418)	<u>\$ (519,418)</u>
Fund balance, beginning of year		<u>519,418</u>	
Fund balance, end of year		<u>\$ -</u>	

TOWN OF GAMEWELL

Schedule 4

Sewer Fund Schedule of Revenues and Expenditures Budget and Actual (Non-GAAP) For the Year Ended June 30, 2024

(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2023)

	2024		Variance	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Water and sewer charges	\$ 80,610	\$ 99,170	\$ 18,560	\$ 72,330
Total operating revenues	80,610	99,170	18,560	72,330
Nonoperating revenues:				
Sales tax refund	450	-	(450)	1,643
Interest earnings	26,000	24,711	(1,289)	2,970
Total revenues	107,060	123,881	16,821	76,943
Expenditures:				
Waste collection and treatment:				
Sewage collection system:				
Waste treatment	59,000	56,587	2,413	43,654
Water and sewer maintenance:				
Other operating expenditures	48,060	18,731	29,329	9,420
Total expenditures	107,060	75,318	31,742	53,074
Other financing sources (uses):				
Transfer to other fund:				
Transfer from capital reserve fund	-	-	-	251,132
Transfer from ARPA fund	-	-	-	9,420
Total other financing sources (uses)	-	-	-	260,552
Revenues and other sources over (under) expenditures and other uses	\$ -	48,563	\$ 48,563	284,421
Reconciling items:				
Depreciation		(69,505)		(69,505)
Sewer capital project:				
Revenues and other sources over expenditures		(51,980)		-
Professional services		51,980		-
Transfer from general fund		528,839		-
Change in net position		\$ 507,897		\$ 214,916

TOWN OF GAMEWELL**Schedule 5**

Sewer Capital Project - Kincaid Hill/Gamewell Heights
Schedule of Revenues and Expenditures and Changes in Fund Balance
Budget and Actual
From Inception and For the Year Ended June 30, 2024

		<u>Actual</u>			Variance
	Project	Prior	Current	Total to	Positive
Revenues:	Authorization	Years	Year	Date	(Negative)
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Sewer construction	856,333	-	-	-	-
Professional services	<u>98,839</u>	<u>-</u>	<u>51,980</u>	<u>51,980</u>	<u>46,859</u>
Total expenditures	<u>955,172</u>	<u>-</u>	<u>51,980</u>	<u>51,980</u>	<u>46,859</u>
Revenues over expenditures	(955,172)	-	(51,980)	(51,980)	903,192
Other Financing (uses):					
Transfer from General Fund	528,839	-	528,839	528,839	-
Transfer from Sewer Fund	<u>426,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(426,333)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	476,859	<u>\$ 476,859</u>	<u>\$ 476,859</u>
Fund balance - beginning			<u>-</u>		
Fund balance - ending			<u>\$ 476,859</u>		