

**TOWN OF GAMEWELL
GAMEWELL, NORTH CAROLINA**

**BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

Boggs, Crump & Brown, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Morganton, North Carolina

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JUNE 30, 2019**

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Boggs, Crump & Brown, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Gamewell, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Gamewell, North Carolina as of June 30, 2019, 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 ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 4 - 10, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 and Other Information

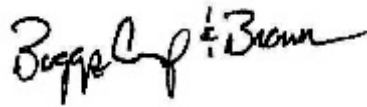
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Gamewell, North Carolina. The introductory information, combining and individual fund statements, budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Town of Gamewell
Gamewell, North Carolina

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The introductory information has not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

A handwritten signature in black ink, appearing to read "Boggs Crump & Brown". The signature is written in a cursive, flowing style.

Boggs, Crump & Brown, P.A.
Certified Public Accountants

September 27, 2019
Morganton, North Carolina

Management's Discussion and Analysis

As management of the Town of Gamewell, we offer readers of the Town of Gamewell's financial statements this narrative overview and analysis of the financial activities of the Town of Gamewell for the fiscal year ended June 30, 2019. 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.

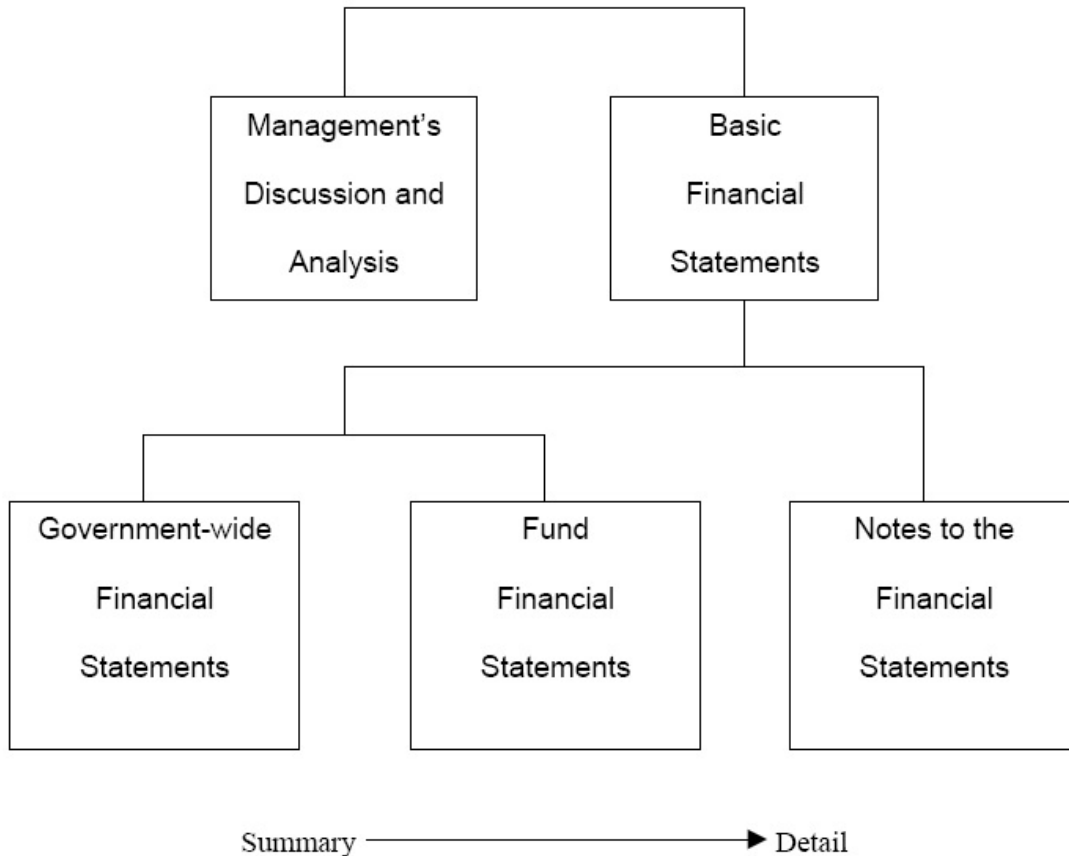
Financial Highlights

- 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 \$10,314,018.
- The government's total net position increased by \$526,334 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 \$7,360,630. Approximately 56% of this total amount, or \$4,087,106, 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 \$4,087,106 or 402% 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 the 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 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 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 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 inflow 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 environmental protection, parks and recreation, and general administration. Sales taxes finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town of Gamewell.

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

Fund Financial Statements

The fund financial statements (see Figure 2) 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. The 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.

The Town of Gamewell adopts an annual budget for its General Fund and Capital Reserve 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 statement provided for the General Fund demonstrates 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The Town of Gamewell has one proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of Gamewell uses the enterprise fund to account for its sewer operations. These funds are the same as those functions 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 are on pages 21 - 30 of this report.

Government-Wide Financial Analysis

**The Town of Gamewell’s Net Position
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Current assets	\$7,363,396	\$7,239,558	\$ 15,647	\$ 25,106	\$7,379,043	\$ 7,264,664
Other assets						
Capital assets	<u>1,252,466</u>	<u>771,046</u>	<u>1,685,275</u>	<u>1,754,780</u>	<u>2,937,741</u>	<u>2,525,826</u>
Total assets and deferred outflow of resources	<u>8,615,862</u>	<u>8,010,604</u>	<u>1,700,922</u>	<u>1,779,886</u>	<u>10,316,784</u>	<u>9,790,490</u>
Other liabilities	<u>2,766</u>	<u>2,806</u>			<u>2,766</u>	<u>2,806</u>
Total liabilities and deferred inflow of resources	<u>2,766</u>	<u>2,806</u>			<u>2,766</u>	<u>2,806</u>
Net position:						
Net Investment in capital assets	1,252,466	771,046	1,685,275	1,754,780	2,937,741	2,525,826
Restricted	3,273,524	3,201,346	11,695	11,056	3,285,219	3,212,402
Unrestricted	<u>4,087,106</u>	<u>4,035,406</u>	<u>3,952</u>	<u>14,050</u>	<u>4,091,058</u>	<u>4,049,456</u>
Total net position	<u>\$8,613,096</u>	<u>\$ 8,007,798</u>	<u>\$1,700,922</u>	<u>\$1,779,886</u>	<u>\$10,314,018</u>	<u>\$9,787,684</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 the Town of Gamewell exceeded liabilities and deferred inflows by \$10,314,018 as of June 30, 2019. The Town's net position *increased* by \$526,334 for the fiscal year ended June 30, 2019. However, a large portion (23%) reflects the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town of Gamewell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of \$4,091,058 is unrestricted.

Several particular aspects of the Town'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 Changes in Net Position
Figure 3**

	Governmental Activities		Business-type Activities		Total	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenues:						
Program revenues:						
Charges for services	\$ 350	\$	\$ 57,086	\$ 54,071	\$ 57,436	\$ 54,071
Other operating funds						
General revenues:						
Other taxes	1,041,583	974,716			1,041,583	974,716
Other Revenue	<u>99,062</u>	<u>11,605</u>			<u>99,062</u>	<u>11,605</u>
Total revenues	<u>1,140,995</u>	<u>986,321</u>	<u>57,086</u>	<u>54,071</u>	<u>1,198,081</u>	<u>1,040,392</u>
Expenses:						
General government	360,621	338,670			360,621	338,670
Public safety						
Streets		707				707
Sanitation	124,732	126,984			124,732	126,984
Culture and recreation	50,344	64,827			50,344	64,827
Water and sewer			<u>136,050</u>	<u>149,885</u>	<u>136,050</u>	<u>149,885</u>
Total expenses	<u>535,697</u>	<u>531,188</u>	<u>136,050</u>	<u>149,885</u>	<u>671,747</u>	<u>681,073</u>
Increase (decrease) in net position	605,298	455,133	(78,964)	(95,814)	526,334	359,319
Transfers		<u>(21,213)</u>		<u>21,213</u>		<u>-</u>
Increase (decrease) in net position	605,298	433,920	(78,964)	(74,601)	526,334	359,319
Net position, July 1	<u>8,007,798</u>	<u>7,573,878</u>	<u>1,779,886</u>	<u>1,854,487</u>	<u>9,787,684</u>	<u>9,428,365</u>
Net position, June 30	<u>\$8,613,096</u>	<u>\$8,007,798</u>	<u>\$1,700,922</u>	<u>\$1,779,886</u>	<u>\$10,314,018</u>	<u>\$9,787,684</u>

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 the Town of Gamewell's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Gamewell's financing requirements. Specifically, unassigned 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 the Town of Gamewell. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,087,106 while total fund balance reached \$7,360,630. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 402% of total General Fund expenditures.

At June 30, 2019, the governmental funds of Town of Gamewell reported a combined fund balance of \$7,360,630.

General Fund Budgetary Highlights: During the fiscal year, the Town had no budget amendments. Generally, budget amendments fall into a couple of categories: 1) amendments to record transfers necessary to fund sewer expansion; and 2) amendments to transfer expenditures between departments.

Proprietary Funds. The Town's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$15,647. The Water and Sewer Fund's net position decreased by \$78,964. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town of Gamewell's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$2,937,741 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities and sewer lines.

Town of Gamewell's Capital Assets
Figure 4

	<u>Governmental Activities</u> <u>2019</u>	<u>Business-type Activities</u> <u>2019</u>	<u>Total Primary Government</u> <u>2019</u>
Land and improvements	\$ 465,853	\$	\$ 465,853
Building and systems	<u>786,613</u>	<u>1,685,275</u>	<u>2,471,888</u>
Total	<u>\$1,252,466</u>	<u>\$1,685,275</u>	<u>\$2,937,741</u>

Additional information on the Town's capital assets can be found in notes 1 and 2 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic factors reflect the growth of the Town:

- Healthy fund balances for investment purposes
- Continued diligence in keeping expenditures as low as possible

Budget Highlights for the Fiscal Year Ending June 30, 2019

Governmental Activities: Revenues are expected to be flat due to general economic conditions.

Budgeted expenditures in the General Fund will be comparable to the prior year.

Business-type Activities: The water and sewer rates in the Town will remain constant. The Town of Gamewell purchases sewer treatment from the City of Lenoir.

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 Mary Carter, Town Administrator, at (828) 754-1991.

**TOWN OF GAMEWELL, NORTH CAROLINA
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	PRIMARY GOVERNMENT		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,089,872	\$ 1,186	\$ 4,091,058
Accounts receivable (net)	200,119	11,695	211,814
Due from other funds		2,766	2,766
Restricted cash	3,073,405		3,073,405
Total current assets	7,363,396	15,647	7,379,043
Capital assets (Note 1):			
Land, non-depreciable improvements, and construction in progress	465,853		465,853
Other capital assets, net of depreciation	786,613	1,685,275	2,471,888
Total capital assets	1,252,466	1,685,275	2,937,741
Total assets	8,615,862	1,700,922	10,316,784
LIABILITIES			
Current liabilities:			
Accrued liabilities	-		-
Due to other funds	2,766		2,766
Total liabilities	2,766		2,766
NET POSITION			
Net investment in capital assets	1,252,466	1,685,275	2,937,741
Restricted for:			
Stabilization by State Statute	200,119	11,695	211,814
Capital projects	3,073,405		3,073,405
Unrestricted	4,087,106	3,952	4,091,058
Total net position	\$ 8,613,096	\$ 1,700,922	\$ 10,314,018

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

**TOWN OF GAMEWELL, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ (360,621)	350		
Public safety				
Transportation	-			
Special appropriations				
Environmental protection	(124,732)			
Cultural and recreation	(50,344)			
Total governmental activities	(535,697)	350		
Business-type activities:				
Water and sewer	(136,050)	57,086		
Total business-type activities	(136,050)	57,086		
Total primary government	\$ (671,747)	\$ 57,436	\$	\$ -
General revenues:				
Taxes:				
Other taxes				
Unrestricted Intergovernmental revenues				
Restricted Intergovernmental revenues				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues, special items, and transfers				
Change in net assets				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business- type Activities	Total
\$ (360,271)	\$ -	\$ (360,271)
-		-
(124,732)		(124,732)
(50,344)		(50,344)
<u>(535,347)</u>		<u>(535,347)</u>
	<u>(78,964)</u>	<u>(78,964)</u>
	<u>(78,964)</u>	<u>(78,964)</u>
<u>(535,347)</u>	<u>(78,964)</u>	<u>(614,311)</u>
921,071		921,071
120,512		120,512
97,462		97,462
1,600		1,600
-	-	-
<u>1,140,645</u>	<u>-</u>	<u>1,140,645</u>
605,298	(78,964)	526,334
<u>8,007,798</u>	<u>1,779,886</u>	<u>9,787,684</u>
<u>\$ 8,613,096</u>	<u>\$ 1,700,922</u>	<u>\$ 10,314,018</u>

**TOWN OF GAMEWELL, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Major Funds General	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 4,089,872	\$ 4,089,872
Receivables, net		
Accounts	200,119	200,119
Due from other funds		
Restricted cash	3,073,405	3,073,405
Total assets	7,363,396	7,363,396
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	-	-
Due to other funds	2,766	2,766
Total liabilities	2,766	2,766
Fund balances:		
Restricted:		
Stabilization by State Statute	200,119	200,119
Capital projects	3,073,405	3,073,405
Assigned:		
Subsequent years expenditures		
Unassigned	4,087,106	4,087,106
Total fund balances	7,360,630	7,360,630
Total liabilities deferred inflows of resources and fund balances	\$ 7,363,396	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

	1,252,466
Net position of governmental activities	\$ 8,613,096

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

**TOWN OF GAMEWELL, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Major Funds General	Total Governmental Funds
REVENUES		
Other taxes	\$ 921,071	\$ 921,071
Unrestricted intergovernmental	120,512	120,512
Restricted intergovernmental		-
Permits and fees	350	350
Investment earnings	97,462	97,462
Miscellaneous	1,600	1,600
	<u>1,140,995</u>	<u>1,140,995</u>
Total revenues		
EXPENDITURES		
Current:		
General government	860,464	860,464
Transportation	-	-
Environmental protection	124,732	124,732
Culture and recreation	31,921	31,921
	<u>1,017,117</u>	<u>1,017,117</u>
Total expenditures		
Excess (deficiency) of revenues over expenditures	<u>123,878</u>	<u>123,878</u>
OTHER FINANCING SOURCES (USES)		
Transfers from other funds		
Transfers to other funds	-	-
	<u>-</u>	<u>-</u>
Total other financing sources (uses)		
Net changes in fund balance	123,878	123,878
Fund balances - beginning	7,236,752	7,236,752
	<u>7,360,630</u>	<u>7,360,630</u>
Fund Balances - Ending	<u>\$ 7,360,630</u>	<u>\$ 7,360,630</u>

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

**TOWN OF GAMEWELL, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

Net changes in fund balances - total governmental funds	\$ 123,878
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 capital outlay exceeded depreciation in the current period	<u>481,420</u>
Total changes in net position of governmental activities	<u><u>\$ 605,298</u></u>

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

**TOWN OF GAMEWELL, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	General Fund			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Other taxes	\$ 850,000	\$ 850,000	\$ 921,071	\$ 71,071
Unrestricted intergovernmental	112,500	112,500	120,512	8,012
Restricted intergovernmental				-
Permits and fees			350	350
Investment earnings	3,000	3,000	59,212	56,212
Miscellaneous	1,700	1,700	1,600	(100)
Total Revenues	967,200	967,200	1,102,745	135,545
Expenditures:				
Current:				
General government	1,013,400	1,013,400	860,464	152,936
Transportation	22,000	22,000	-	22,000
Environmental protection	130,000	130,000	124,732	5,268
Cultural and recreation	62,300	62,300	31,921	30,379
Total expenditures	1,227,700	1,227,700	1,017,117	210,583
Revenues over (under) expenditures	(260,500)	(260,500)	85,628	346,128
Other financing sources (uses):				
Transfers from other funds	260,500	260,500	-	(260,500)
Transfers to other funds	-	-	-	-
Appropriated Fund balance				
Total other financing sources (uses)	260,500	260,500	-	(260,500)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	85,628	\$ 85,628
Fund balance, beginning			4,182,754	
Fund balance, ending			4,268,382	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Interest income			38,250	
Fund balance, beginning			3,053,998	
Fund balance, ending (Exhibit 4)			\$ 7,360,630	

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

**TOWN OF GAMEWELL, NORTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Enterprise Fund
	Water and Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,186
Accounts receivable	11,695
Due from other funds	2,766
Total current assets	15,647
Capital assets:	
Other capital assets, net of depreciation	1,685,275
Capital assets, net	1,685,275
Total assets	\$ 1,700,922
LIABILITIES	
Current Liabilities:	
Due to other funds	\$ -
Total liabilities	-
NET POSITION	
Net investment in capital assets	1,685,275
Unrestricted	15,647
Total net position	\$ 1,700,922
Net position of business-type activities	\$ 1,700,922

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

TOWN OF GAMEWELL, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Enterprise Fund
	Water and Sewer Fund
OPERATING REVENUES	
Charges for services	\$ 57,086
Total operating revenues	57,086
OPERATING EXPENSES	
Waste collection and treatment	43,595
Depreciation	69,505
Maintenance and repairs	22,950
Total operating expenses	136,050
Operating income (loss)	(78,964)
NONOPERATING REVENUES (EXPENSES)	
Grant	
Investment earnings	
Interest and other charges	
Total nonoperating revenue (expenses)	
Income (loss) before contributions and transfers	(78,964)
Transfers from other funds	-
Change in net position	(78,964)
Total net position - beginning	1,779,886
Total net position - ending	\$ 1,700,922
Net position - business-type activities	\$ 1,700,922

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

**TOWN OF GAMEWELL, NORTH CAROLINA
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Enterprise Fund Water and Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 56,447
Cash paid for services	<u>(66,545)</u>
Net cash provided (used) by operating activities	<u>(10,098)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from Capital Reserve Fund	<u>-</u>
Total cash flows from noncapital financing activities	<u>\$ -</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	
Grant revenues	<u>-</u>
Net cash (used) by capital and related financing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(10,098)
Balances - beginning of year	<u>11,284</u>
Balances - end of year	<u>\$ 1,186</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	<u>\$ (78,964)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	69,505
Increase in accounts receivable	<u>(639)</u>
Total adjustments	<u>68,866</u>
Net cash provided (used) by operating activities	<u>\$ (10,098)</u>

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

**TOWN OF GAMEWELL
NOTES TO THE BASIC FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

I. Summary of Significant Accounting Policies:

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

A. Reporting Entity:

The Town of Gamewell is a municipal corporation which 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. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

I. Summary of Significant Accounting Policies - (Continued):

B. Basis of Presentation - (Continued):

The Town reports the following major governmental funds:

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 State sales tax, and various other taxes and licenses. The primary expenditures are for street maintenance and construction, sanitation services, and buildings and grounds. Additionally, the Town has legally adopted a Capital Reserve Special Revenue Fund. Under GASB 54 guidance the Capital Reserve Fund is consolidated in the General Fund. The budgetary comparison for the Capital Reserve Fund has been included in the supplemental information.

The Town reports the following major enterprise funds:

Water and Sewer Fund. This fund is used to account for the Town's water and sewer operations.

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. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. 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 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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 nonoperating revenues and expenses.

I. Summary of Significant Accounting Policies - (Continued):

C. Measurement Focus and Basis of Accounting - (Continued):

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 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 position 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, the Capital Reserve Special Revenue 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 departmental level for all annually budgeted funds. Any revisions made to the original budget must be approved by the governing board. During the year no amendments to the original budget were necessary. 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.

I. Summary of Significant Accounting Policies - (Continued):

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©] 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 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

Money in the Capital Reserve Fund is classified as restricted because its use is restricted by revenue source for capital projects.

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: land, \$2,500; Buildings, improvements, substations, lines, and other plant and distribution systems, \$2,000; infrastructure, \$5,000; furniture and equipment, \$1,000; and vehicles, \$2,500. 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

I. Summary of Significant Accounting Policies - (Continued):

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity - (Continued):

4. Capital Assets - (Continued):

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>
Infrastructure	30
Buildings	50
Improvements	25
Vehicles	6
Furniture and equipment	10
Computer equipment	3
Sewer lines	40

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. The Town has no items that meets this criterion. 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 has no items that meets this criterion.

6. Net Position/Fund Balances:

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted; and unrestricted. Restricted net position represent 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 balances is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

I. Summary of Significant Accounting Policies - (Continued):

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity - (Continued):

6. Net Position/Fund Balances - (Continued):

Fund Balances - (Continued)

The governmental fund types classify fund balances as follows:

Non-spendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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 - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Capital Projects - portion of fund balance restricted for capital projects.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Gamewell's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance - portion of fund balance that Town of Gamewell 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; however the budget ordinance authorizes the finance officer to modify the appropriations by resource or appropriation within funds up to \$100,000.

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

The Town of Gamewell has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

I. Summary of Significant Accounting Policies - (Continued):

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity - (Continued):

6. Net Position/Fund Balances - (Continued):

Fund Balances - (Continued)

The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

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 are collateralized with securities held by the Town's agents in these units' names. 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 names. 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 policy regarding custodial credit risk for deposits.

At June 30, 2019, the Town's deposits had a carrying amount of \$7,164,463 and a bank balance of \$7,353,243. Of the bank balance, \$1,249,323 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

II. Detail Notes on All Funds - (Continued):

A. Assets - (Continued):

2. Capital Assets:

Capital asset activity for the primary government for the year ended June 30, 2019 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 and improvements	\$ 465,853	\$ _____	\$ _____	\$ 465,853
Total capital assets not being depreciated	<u>465,853</u>	_____	_____	<u>465,853</u>
Capital assets being depreciated:				
Buildings	214,051	507,083		721,134
Equipment	228,964			228,964
Leasehold improvements	<u>199,325</u>	_____	_____	<u>199,325</u>
Total capital assets being depreciated	<u>642,340</u>	<u>507,083</u>	_____	<u>1,149,423</u>
Less accumulated depreciation for:				
Buildings	71,478	4,281		75,759
Equipment	191,755	6,201		197,956
Leasehold improvements	<u>73,914</u>	<u>15,181</u>	_____	<u>89,095</u>
Total accumulated depreciation	<u>337,147</u>	<u>25,663</u>	_____	<u>362,810</u>
Total capital assets being Depreciated, net	<u>\$305,193</u>	<u>\$481,420</u>	<u>\$ _____</u>	<u>\$ 786,613</u>

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

General government	\$ 7,240
Cultural and Recreation	<u>18,423</u>
Total depreciation expense	<u>\$25,663</u>

II. Detail Notes on All Funds - (Continued):

A. Assets - (Continued):

2. Capital Assets - (Continued):

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<i>Water and Sewer Fund</i>				
Capital assets not being depreciated:				
Land	\$	\$	\$	\$
Construction in progress	_____	_____	_____	_____
Total capital assets not being depreciated	_____	_____	_____	_____
Capital assets being depreciated:				
Plant and distribution systems	<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 systems	<u>1,025,406</u>	<u>69,505</u>	_____	<u>1,094,911</u>
Total accumulated depreciation	<u>1,025,406</u>	<u>\$ 69,505</u>	<u>\$ _____</u>	<u>1,094,911</u>
Total capital assets being depreciated, net	<u>1,754,780</u>			<u>1,685,275</u>
Business-type activities capital assets, net	<u>\$1,754,780</u>			<u>\$1,685,275</u>

B. Liabilities:

1. Long-Term Debt:

The Town of Gamewell had no long-term debt at June 30, 2019.

2. 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.

II. Detail Notes on All Funds - (Continued):

B. Liabilities - (Continued):

2. Risk Management - (Continued):

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 carries no flood insurance coverage.

In accordance with G.S. 159-29, the Town's employee that has access at any given time to the Town's funds is performance bonded through a commercial surety bond. The finance officer and this employee are each individually bonded for \$50,000 each.

III. Segment Information for Enterprise Fund:

The accompanying financial statements include one enterprise fund which provides sewer services. Segment information for the fiscal year ended June 30, 2019, is as follows:

	<u>Sewer Fund</u>
Operating Revenues	\$ 57,086
Depreciation Expense	69,505
Operating Income (Loss)	(78,964)
Net Income (Loss)	(78,964)
Plant, Property and Equipment:	
Additions	-
Net Working Capital	15,647
Total Assets	1,700,922
Bonds and Other Long-Term Liabilities:	
Payable from Operating Revenues	-
Total Equity	\$1,700,922

IV. Summary Disclosure of Significant Contingencies:

Federal and State Assisted Programs:

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.

VI. Significant Effects of Subsequent Events:

The Town has evaluated subsequent events through September 27, 2019, the date which the financial statements were available to be issued.

**TOWN OF GAMEWELL, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018)**

	2019			2018 Actual
	Budget	Actual	Positive (Negative) Variances	
REVENUES:				
Other Taxes:				
Local Option Sales Tax	\$ 850,000	\$ 921,071	\$ 71,071	\$ 852,197
Total	850,000	921,071	71,071	852,197
Unrestricted intergovernmental revenues:				
Franchise and utilities tax	110,000	117,683	7,683	119,773
Solid waste tax	2,500	2,829	329	2,746
Sales tax refund				
Total	112,500	120,512	8,012	122,519
Restricted intergovernmental revenues:				
Lower Creek Grant			-	-
Total	-	-	-	-
Investment Earnings:				
Interest earned	3,000	59,212	56,212	4,026
Total	3,000	59,212	56,212	4,026
Permits and fees:				
Zoning fees	-	350	350	
Permit fees				
Total		350	350	
Miscellaneous				
Contributions				
Rental income	1,700	1,600	(100)	2,200
Miscellaneous				
Total	1,700	1,600	(100)	2,200
Total revenues	967,200	1,102,745	135,545	980,942

EXPENDITURES:

General government:

Administration:

Insurance bond	350	350	-	350
Dues and subscriptions	10,250	10,174	76	9,672
Auditing and accounting	7,250	7,015	235	6,830
Supplies and materials	2,000	1,717	283	1,408
Election expense	-	-	-	5,230
Travel and training	5,500	2,253	3,247	2,619
Legal	1,500	1,500	-	1,500

	2019			2018 Actual
	Budget	Actual	Positive (Negative) Variances	
EXPENDITURES - (Continued):				
General government - (Continued):				
Administration - (Continued):				
Contracted services	\$ 1,500	\$ 1,651	\$ (151)	\$ 1,436
Donations	73,250	72,850	400	10,750
Council compensation	6,000	4,590	1,410	4,840
Zoning	14,000	12,907	1,093	11,756
Salaries	18,000	17,778	222	17,260
Payroll taxes	1,500	1,402	98	1,225
Miscellaneous	2,500	437	2,063	576
Senior citizens	350	350	-	350
County - interlocal agreement	189,000	189,000	-	189,000
Storm water program	14,000	13,294	706	13,294
Total administration	346,950	337,268	9,682	278,096
Buildings and Grounds:				
Utilities	3,950	4,187	(237)	3,152
Insurance	6,500	5,842	658	5,714
Maintenance	6,000	6,084	(84)	5,855
Capital Outlay	650,000	507,083	142,917	-
Professional Fees	-	-	-	41,940
Total buildings and grounds	666,450	523,196	143,254	56,661
Transportation:				
Streets and Highways:				
Street signs	2,000	-	2,000	657
Street improvements	20,000	-	20,000	50
Total transportation	22,000	-	22,000	707
Environmental protection:				
Sanitation:				
Waste pick-up	130,000	124,732	5,268	122,259
Recycling program	-	-	-	4,725
Total environmental protection	130,000	124,732	5,268	126,984
Culture and recreation:				
Parks and recreation:				
Special Events	3,500	-	3,500	-
Park Maintenance	55,000	29,333	25,667	32,026
Utilities	3,800	2,588	1,212	3,251
Capital outlay	-	-	-	-
Total culture and recreation	62,300	31,921	30,379	35,277
Total expenditures	1,227,700	1,017,117	210,583	497,725
Revenues over (under) expenditures	(260,500)	85,628	346,128	483,217

	2019			2018 Actual
	Budget	Actual	Positive (Negative) Variances	
Other Financing Sources (Uses):				
Operating transfer (to) from Capital Reserve Fund	\$ 260,500	\$ -	\$ (260,500)	\$ -
Water and Sewer Fund	-	-	-	(21,213)
Appropriated fund balance			-	
Total other financing sources (uses)	260,500	-	(260,500)	(21,213)
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	85,628	<u>\$ 85,628</u>	462,004
Fund Balances:				
Beginning of year, July 1		<u>4,182,754</u>		<u>3,720,750</u>
End of year, June 30		<u>\$ 4,268,382</u>		<u>\$ 4,182,754</u>

**TOWN OF GAMEWELL, NORTH CAROLINA
SPECIAL REVENUE - CAPITAL RESERVE
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018)**

	<u>2019</u>			<u>2018 Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
Revenues:				
Investment Earnings:				
Interest earned	\$ 2,000	\$ 38,250	\$ 36,250	\$ 5,379
Total revenues	<u>2,000</u>	<u>38,250</u>	<u>36,250</u>	<u>5,379</u>
Expenditures:				
Sewer construction	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	2,000	38,250	36,250	5,379
Other Financing (uses):				
Transfer from General Fund				
Transfer to General Fund	(260,500)	-	260,500	
Transfer to Sewer Fund	(150,000)		150,000	
Appropriated Fund Balance	<u>408,500</u>		<u>(408,500)</u>	
Total other financing (uses)	<u>(2,000)</u>		<u>2,000</u>	
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>38,250</u>	<u>\$ 38,250</u>	<u>5,379</u>
Fund Balance:				
Beginning of year - July 1, 2018		3,053,998		3,048,619
		<u>-</u>		<u>3,048,619</u>
End of year - June 30, 2019		<u>\$ 3,092,248</u>		<u>\$ 3,053,998</u>

**TOWN OF GAMEWELL, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018)**

	<u>2019</u>		Variance Positive (Negative)	2018 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Water and sewer charges	\$ 53,000	\$ 57,086	\$ 4,086	\$ 54,071
Total operating revenues	<u>53,000</u>	<u>57,086</u>	<u>4,086</u>	<u>54,071</u>
Nonoperating revenues:				
Grant				
Interest earnings				
Total revenues	<u>53,000</u>	<u>57,086</u>	<u>4,086</u>	<u>54,071</u>
Expenditures:				
Waste collection and treatment:				
Sewage collection system:				
Waste treatment	40,000	43,595	(3,595)	43,942
Other operating expenditures	<u>100,000</u>	<u>2,500</u>	<u>97,500</u>	<u>25,248</u>
Total	<u>140,000</u>	<u>46,095</u>	<u>93,905</u>	<u>69,190</u>
Water and sewer maintenance:				
Other operating expenditures	<u>63,000</u>	<u>20,450</u>	<u>42,550</u>	<u>11,190</u>
Total	<u>63,000</u>	<u>20,450</u>	<u>42,550</u>	<u>11,190</u>
Capital outlay:				
Sewer extension	-	-	-	-
Total expenditures	<u>203,000</u>	<u>66,545</u>	<u>136,455</u>	<u>80,380</u>
Other financing sources (uses):				
Transfer to other fund:				
Transfer From Capital Reserve Fund	150,000	-	\$ (150,000)	
Transfer From General Fund	-	-	\$ -	21,213
Appropriated Retained Earnings				
Total other financing sources (uses)	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ (150,000)</u>	<u>\$ 21,213</u>

	<u>2019</u>		<u>Variance</u>	<u>2018</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
			<u>(Negative)</u>	
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	\$ (9,459)	<u>\$ (9,459)</u>	\$ (5,096)
Reconciling items:				
Capital outlay				
Depreciation		<u>(69,505)</u>		<u>(69,505)</u>
Total		<u>(69,505)</u>		<u>(69,505)</u>
Net Income		<u>\$ (78,964)</u>		<u>\$ (74,601)</u>

**TOWN OF GAMEWELL
GASB 34 CALCULATION OF MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Type of Fund</u>	<u>Assets</u>	<u>Computes "X" if Meets</u>		<u>Liabilities</u>	<u>Computes "X" if Meets</u>	
		<u>10% Rule</u>	<u>5% Rule</u>		<u>10% Rule</u>	<u>5% Rule</u>
General Fund	\$ 8,615,862	N/A	N/A	\$ 2,766	N/A	N/A
Total Government Funds	<u>\$ 8,615,862</u>			<u>\$ 2,766</u>		
10% of Total Governmental Funds	<u>\$ 861,586</u>			<u>\$ 277</u>		
Enterprise Funds:						
Water and Sewer Fund	\$ 1,700,922	X	X	\$ -		
Total Enterprise Funds	<u>\$ 1,700,922</u>			<u>\$ -</u>		
10% of Total Enterprise Funds	<u>\$ 170,092</u>			<u>\$ -</u>		
Total Governmental and Enterprise Funds	<u>\$ 10,316,784</u>			<u>\$ 2,766</u>		
5% of Total Governmental and Enterprise Funds	<u>\$ 515,839</u>			<u>\$ 138</u>		

Revenue	Computes "X" if Meets		Expenditures/ Expenses	Computes "X" if Meets		Computes "MAJOR" if Fund is Major If a "Category" Has an "X" in Both Columns, Then Fund is a Major Fund
	10% Rule	5% Rule		10% Rule	5% Rule	
\$ 1,140,645	N/A	N/A	\$ 535,697	N/A	N/A	YES - ALWAYS MAJOR
\$ 1,140,645			\$ 535,697			
\$ 114,065			\$ 53,570			
\$ 57,086			\$ 136,050	X	X	MAJOR
\$ 57,086			\$ 136,050			
\$ 5,709			\$ 13,605			
\$ 1,197,731			\$ 671,747			
\$ 59,887			\$ 33,587			