

GASTON COUNTY NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

PREPARED BY: FINANCE DEPARTMENT

GASTON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION

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GASTON COUNTY FINANCE DEPARTMENT

P.O. Box 1578 – Gastonia, N.C. 28053-1578 Phone (704) 866-3111 – Fax (704)866-3518

December 11, 2020

The Honorable Chairman and Members of the Board of Commissioners
Gaston County
Gastonia, North Carolina

It is our pleasure to present the Comprehensive Annual Financial Report of Gaston County, North Carolina for the fiscal year ended June 30, 2020, with comparative numbers for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of Gaston County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Gaston County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Gaston County's financial statements have been audited by Martin, Starnes & Associates, CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Then the independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Gaston County's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was a part of a broader, federally mandated "Single Audit" and state mandated "State Single Audit Implementation Act" designed to meet the special needs of the federal and state grantor agencies.

The standards governing Single Audit engagement requires the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal

Mission Statement

Gaston County seeks to be among the finest counties in North Carolina. It will provide effective, efficient and affordable services leading to a safe, secure and healthy community, an environment for economic growth, and promote a favorable quality of life.

controls and compliance with legal requirements, with special emphasis on the internal controls and legal requirements involving the administration of the federal and state awards. These reports are presented in a separately bound presentation.

This report is consistent with the Governmental Accounting Standards Board Statements No. 34, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments” and No. 14, “The Financial Reporting Entity”. The report presents the County’s basic financial statements. The County’s basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis. This letter of transmittal is designed to complement the Management Discussion and Analysis and should be read in conjunction with it. The County’s MD&A can be found immediately following the report of the independent auditors.

GENERAL DESCRIPTION OF THE COUNTY

Gaston County was created on December 21, 1846 by the North Carolina General Assembly. Located in the south central part of the Piedmont region of the State approximately 15 miles west of Charlotte, Gaston County encompasses an area of 364.5 square miles. The County is bound on the east by the Catawba River and Mecklenburg County, on the south by York County, South Carolina, on the west by Cleveland County and on the north by Lincoln County. The County’s 2020 population was estimated at 223,842.

There are 14 active municipalities and one inactive municipal unit fully contained within the County limits. A portion of the City of Kings Mountain (majority located in Cleveland County) lies in the western section of the County. The municipalities range in size from the City of Gastonia, the County seat, with a 2018 estimated population of 76,593 to the Town of McAdenville with an estimated population of 651. The incorporated/unincorporated population mix is approximately 62% to 38%.

The topography of the County is gently rolling to hilly, with several pronounced ridges, including Kings Mountain Pinnacle, Spencer Mountain, Jackson’s Knob, Paysour Mountain, and Crowders Mountain. Elevations above sea level in Gaston County range from 587 feet in the southeast corner to 1,705 feet at the Pinnacle of the Kings Mountain ridge in the southwest. The average elevation is estimated at 825 feet.

The County is traversed from east to west by Interstate Highway I-85 and U.S. Highway 29/74 and north to south by U.S. Highway 321. This segment of U.S. Highway 321 is a controlled access four-lane highway that now connects two major interstate routes, I-85 in the County and Interstate Highway 40 in Catawba County. Two major railroad lines serve the County: Norfolk/Southern Railroad System, and CSX Railroad System. These railroads provide freight and limited passenger transportation to interchange points with other railroads throughout the eastern United States.

Gastonia Municipal Airport is located south of the City of Gastonia and is owned and operated by the City of Gastonia. The facility has one lighted runway measuring 3,750 feet and one unlighted emergency runway measuring 2,500 feet. Charlotte-Douglas International Airport, west of the City of Charlotte, provides regularly scheduled airline passenger and freight service, on both a national and

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international schedule. Over 50 freight and trucking companies as well as a national bus line carrier serve the County.

The County operates under the manager form of government. Policy making and legislative authority are vested in a Board of Commissioners consisting of seven members who are elected for four-year terms on a two-year staggered basis. The County Manager is appointed by the Board and is responsible for the administration of the affairs of the County. The County is responsible for and maintains a full range of services inherent in the operation of a county government. These services include general government, public safety, human services, cultural and recreational activities, education, economic and physical development, and environmental protection. The County also operates a landfill on a user charge basis. This report includes all the County's activities in maintaining these services.

The County operates under an annual budget ordinance, adopted in accordance with the provisions of the Local Government Budget and Fiscal Control Act. Budgetary control is maintained on a function basis and may be amended as changing conditions warrant.

LOCAL ECONOMY

The County has traditionally been a center for textile goods production but after the economic downturn of the earlier years of this century, many of the textile jobs have been eliminated. The County has made significant advances in diversifying and expanding the local economy. Today, the County's economy is more diversified with a variety of industry, trade and tourism sectors. In 2019, approximately 21% of the workforce in the County was employed in the manufacturing, 16% in health care and social assistance, 13% in retail trade, 10% in accommodation and food services, 8% in education, and the remaining 31% in transportation, communication, entertainment, information, real estate, management, construction, professional services, public administration, utilities, wholesale trade, and other services.

Major business and institutional employers in the County includes Gaston County Schools, CaroMont Healthcare, Freightliner Corporation, Gaston County Government, Wal-Mart Stores, and American & Efird, Inc.

In 1977, the Board of Commissioners established a County-wide Economic Development Commission ("EDC"). The purpose of the EDC is to actively promote and market the County to corporate site location decision-makers throughout the U.S. and the world. The EDC works with the North Carolina Department of Commerce and the Charlotte Regional Partnership to promote the area. The EDC has been actively involved in the development of four new business parks since 1997. These new parks created an additional 1,000 acres of business site inventory located primarily along Interstate Highway 85. This inventory ensures that sites are available for the location of new business and the expansion of existing businesses. Not only do the new parks increase the acreage available but they also provide a wide range of sites to accommodate small and large corporate facilities.

The County continues to emphasize the attraction of new and diverse industry, while providing support for the existing commercial and industrial community.

Major investments and announcements in the County since January of 2010 include the following:

- Owens Corning, a company that develops and produces insulation, roofing and fiberglass

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composites has built an 180,000 square foot building in the Gastonia Technology Park with a \$135 million investment in 2013 and became operational in 2016.

- US Leisure, an Israeli company that manufactures outdoor resin furniture and storage products, expanded its facilities by 155,650 square feet in 2013 and invested \$10 million.
- Aichele, a German company that makes cutting equipment for the nonwovens and paper industries, invested over \$2 million in an 11,000 square foot building in the Gastonia Technology Park in 2014.
- Dalton Dynamics, a Brazilian industrial adhesive manufacturer, located to the County in 2014, making a \$2 million investment and creating 25 projected jobs.
- Faist Chemtec, a company that manufactures sound insulation and weight reduction products for automotive, appliance and construction industries expanded by 24,000 square feet.
- Tosaf, an Israeli company that produces polymers and compounds, announced a \$13.1 million investment in December of 2014 in the SouthRidge Business Park.
- Dixon Valve & Coupling announced a 70,000 square foot expansion and an investment of \$3 million in 2014. This is an expansion of its original investment of \$14 million in 2013.
- Lanxess, a German chemical company, announced a \$15 million expansion in 2014. The first phase was a \$22 million investment and employs about 40 people.
- Hanesbrands began a \$4.6 million expansion in February of 2015.
- Daimler announced the creation of 605 jobs at its Mt. Holly truck assembly facility in 2015.
- Modern Polymers announced 11 new jobs and an investment of \$4.6 million in 2015.
- Maistro Investments constructed a 50,000 square-foot speculative industrial building
- Firestone Fibers & Textiles is expanding their North American headquarters and advanced manufacturing plant in Kings Mountain, a total investment of \$19.7 million.
- Era Polymers Pty Ltd. will locate its newest polyurethane operation in the 139,678 square foot facility of the former DSM plant in Stanley. The company intends to invest \$9.2 million which includes the purchase of the building and machinery & equipment and creation of approximately 20 jobs.
- Sonic Automotive Inc. will locate its newest operations in Lowell. The facility will house marketing and advanced customer care operations and create approximately 500 jobs and invest \$11.2 million.
- Mt. Holly Hotel LLC and Marriott International will construct the Fairfield Inn and Suites. The \$13 million investment is the first phase in the development of the 21 acre site and will create 61 jobs.
- Advanced Drainage System intends to invest \$928,031 in facility improvements and \$2.5 million in machinery & equipment for a total investment of approximately \$3.4 million.

The County's estimated unemployment rate of 3.9% for 2020 was lower than the 2019 figure of 4.4%. The economic outlook is cautiously optimistic as consumer/investor confidence consistently improves.

LONG-TERM FINANCIAL PLANNING

Available fund balance in the general fund (17.89% of general fund expenditures and transfers-out) is a within the policy guidelines set by the Board of Commissioners for budgetary and planning purposes (10% - 20% of general fund expenditures and transfers-out). The excess amount has proven valuable in light of today's economy. With the adoption of the fiscal year 2019/2020 budget, the Board of Commissioners sought to align expenditures with revenues so that we will have a long term solution to

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the voter approved debt service, procurement of replacement vehicles for our aging fleet and funding increases in the health insurance premiums. These efforts continued with the adoption of the fiscal year 2020/2021 budget.

MAJOR INITIATIVES

Fiscal year 2019/2020 has been a steady year, with some progress made on several broad initiatives and important services in Gaston County. All of these major initiatives will carry into fiscal year 2020/2021 and beyond.

EDUCATION

The voters of Gaston County approved \$250,000,000 in general obligation bonds for additional school buildings and other school plant facilities, enlarging, reconstructing, renovating, existing school buildings, and acquiring any land, furnishings, equipment and appurtenant facilities. The first \$60,000,000 of these authorized bonds was issued in November of 2018.

JAIL EXPANSION

Investments in public safety continue to be a prominent feature in the FY21 budget. The jail infill project is moving forward and, while alternatives to incarceration are more effective in reducing recidivism, there is no doubt that the 75-80 new beds will be needed. The number of programs managed in the jail has expanded greatly, while there remains a clear need to minimize the amount of drugs illicitly brought into the jail. The medical cost for jail inmates has also increased by over \$60,000. The COVID-19 pandemic has changed operations at the Sheriff's Office. The safety of employees and inmates is paramount. In a sector where social distancing is challenging at best, the use of personal protective equipment is vital. While the jail population has decreased significantly during the early onset of the pandemic, as restrictions are loosened, that trend is likely to reverse.

ANIMAL CARE AND ENFORCEMENT

The new Animal Control and Enforcement Facility, despite construction delays, was opened on May 18, 2020. Due to community demand, both shelter and enforcement activities have increased significantly. Although the new facility's animal capacity is only marginally greater than the current one, it will operate much more efficiently. In addition, ACE has dramatically improved its operations leading to a significant reduction in the euthanasia rate exceptional rescue and adoption programs as well as a growing foster pet program.

INTERNAL CONTROLS

Internal controls are designed to insure that the assets of the County are protected from loss, theft or misuse, and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met for both internal and external reporting purposes.

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Refining internal controls is an ongoing process that is necessary to provide assurances.

The County's most significant internal control is the budget used to monitor and manage expenditures. North Carolina General Statutes require the adoption of an annual budget for all funds except fiduciary funds, internal service funds, and those funds for which expenditures are authorized by project ordinance.

The annual budget is adopted on the modified accrual basis of accounting, as mandated by statutes, and is an integral part of the County's accounting system and daily operations.

Under modified accrual accounting, revenues are recorded when they are both measurable and available. The County makes every attempt to maintain a diverse and stable revenue base to shelter it from short and long-term fluctuations in any one revenue source. Aggressive collection policies are in place to ensure the highest collection percentage possible for County revenues. User charges and fees are reviewed annually to establish amounts that support the cost of service provision.

Expenditures are recorded when a liability is incurred, except for interest on long-term debt and accrued vacation benefits. The Board of County Commissioners can only amend the budget since it creates a legal limit on spending authorizations. Once the budget is adopted, budgetary control is maintained to ensure compliance with the budget as adopted or amended. The level of budgetary control is established by function within each individual fund as deemed appropriate. At the end of the fiscal year, encumbrances are reported as a reservation of fund balance. Unencumbered balances lapse for the annually adopted budget.

It is believed that the County's internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions.

FUND BALANCE

The County, as per the Local Government Commission (Department of State Treasurer) guidelines, must maintain, at a minimum, undesignated fund balance of 8.33% - an amount equal to one month of General Fund operations. It is the County's stated goal to respect the integrity of the fund balance and use it sparingly, maintaining a minimum available fund balance of at least 10-20% at the end of each fiscal year. Obviously where we fall within this general range depends upon a variety of factors including pending capital projects and economic conditions. The County's General Fund available fund balance at June 30, 2020 is \$45,541,073, 17.89% of total expenditures and transfers-out.

GRANTS

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. The County's single audit for the fiscal year ended June 30, 2020 and the report, along with any areas of concern, are included in the comprehensive annual report and available through the Finance Department.

Mission Statement

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DEBT

Gaston County constantly assesses its capital needs and, where appropriate, addresses the need for long-term financing. The County strives to confine long-term borrowing to terms of 20 years or less, paying attention to the expected useful life of the project. Long-term debt will not be used as a source of funding for current operations. The County maintains a sound relationship with all bond rating agencies and lending institutions. For fiscal year 2019/2020, the County had an Aa2 bond rating with Moody's Investor Service and an AA+ bond rating with Standard & Poor's Corporation.

INDEPENDENT AUDIT

North Carolina General Statutes require an annual independent audit of all local government units in the state. Martin Starnes & Associates, CPAs, P.A., a firm of independent certified public accountants, has audited the financial records of the County and its opinion has been included in this report. The firm's audit was made in accordance with generally accepted auditing standards and, included examining, on a test basis, evidence supporting the amounts and disclosures in Gaston County's basic financial statements as well as assessing the accounting principles used and significant estimates made by management. The firm's opinion indicates that the accompanying Gaston County's basic financial statements for the fiscal year ended June 30, 2020, have been prepared in conformity with GAAP.

OTHER RELEVANT INFORMATION

The financial statements have been prepared in compliance with applicable General Statutes of North Carolina and in conformance with standards set forth by:

- *The Government Accounting Standards Board (GASB)
- *The State Auditor, State of North Carolina
- *The Government Finance Officers Association of the United States and Canada (GFOA)
- *The American Institute of Certified Public Accountants and its Committee on Governmental Accounting and Auditing

There has been significant summarizing of financial detail to make the report easily readable and understandable.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Gaston County, North Carolina for its comprehensive annual report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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ACKNOWLEDGMENTS

We wish to express our appreciation to each member of the Finance Department who has assisted in the preparation of this report. Due to their professional competency and dedicated services, this Comprehensive Annual Financial Report was prepared and contains complete financial information about the County's operations. We would also like to recognize the cooperation of each County department as we work together to service the needs of all the residents of Gaston County. Additional thanks are due to the members of the Board of Commissioners for their continued guidance and support throughout the past year. The Commission has played a vital role in enabling Gaston County to achieve and maintain a high degree of fiscal responsibility. We believe this report reflects the financial health of the County which we submit to you with pride as a tribute to your leadership.

Respectfully submitted,



Kimberly Eagle
County Manager



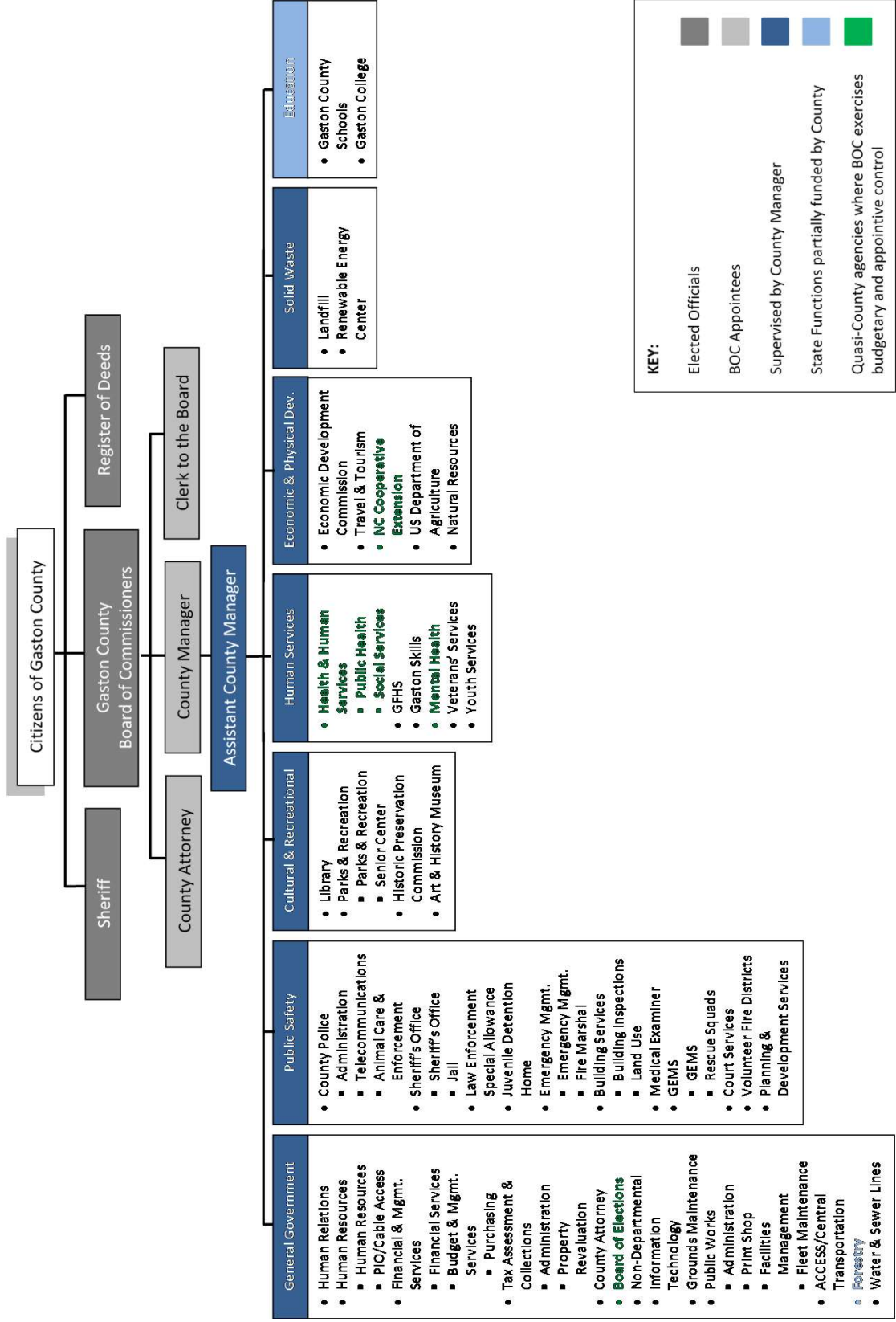
Tiffany Murray
Finance Director

Mission Statement

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Gaston County Organizational Chart



GASTON COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2020

Board of Commissioners

Tracy Philbeck, Chairman
Jack Brown, Vice-Chairman
Chad Brown, Commissioner
Allen Fraley, Commissioner
Bob Hovis, Commissioner
Tom Keigher, Commissioner
Ronnie Worley, Commissioner

Principal Officials

Dr. Kimberly Eagle, County Manger
Matthew Rhoten, Assistant County Manager
Michael Halford, Assistant County Manager
Pam Overcash, Area Manager
Donna Buff, Clerk to the Board of Commissioners
Janet Schafer, Budget Manager
Brian Sciba, Building Services Director
Joe Ramey, Chief of Police
David Fogarty, Cooperative Extension Director
Jonathan Sink, County Attorney
Kyle Sutherland, County Auditor
Adam Ragan, Director of Elections
Donny Hicks, Economic Development Director
Kevin Gordon, Emergency Management Director
Mark Lamphiear, Emergency Medical Services Director
Tiffany Murray, Finance Officer
Tara Joyner, Hope United Survivor Network Director
Amia Massey, Human Resources Director
Ricky Johnson, Information Technology Director
Laurel Morris, Library Director
Jason Luker, Museum Director
David Freeman, Natural Resources Director
David Williams, Planning & Development Services Director
Steve Eaton, Public Health Director
Adam Gaub, Public Information Officer
Ray Maxwell, Public Works Director
Cathy Hart, Recreation Director
Susan Lockridge, Register of Deeds
Alan Cloninger, Sheriff
Angela Karchmer, Social Services Director
Cecil Jackson, Tax Director
Michael Applegate, Travel & Tourism Director
Kurt Geske, Veterans Services Administrator



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Gaston County
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Independent Auditor's Report

To the Board of Commissioners
Gaston County
Gastonia, North Carolina

Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gaston County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gaston County, North Carolina, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Public Assistance Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Other Post-Employment Benefits' Schedules of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions, 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 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 consist 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 Gaston County's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary schedules, other schedules, statistical tables, and the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, on our consideration of Gaston County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gaston County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering Gaston County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 11, 2020

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Management's Discussion and Analysis

The management of Gaston County provides the readers of the County's financial statements the following narrative summary and analysis of the financial activities of Gaston County for the fiscal year ended June 30, 2020. We encourage readers to read this information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follows this narrative.

Financial Highlights

- The liabilities and deferred inflows of resources of Gaston County exceed its assets and deferred outflows of resources at the end of the fiscal year by (\$1,485,931) (net position).
- The County's net position of governmental activities increased by \$9,916,566, and business-type activities increased by \$1,030,960.
- As of June 30, 2020, Gaston County's governmental funds reported combined ending fund balances of \$177,337,402, after a net decrease in fund balance of \$36,436,610. Approximately 55% of this total amount, or \$97,273,310, is restricted or non-spendable.
- At the end of the current fiscal year, available fund balance for the General Fund was \$45,541,073, or 17.88%, of total General Fund expenditures and transfers to other funds for the fiscal year.
- Gaston County's total debt, excluding premium on refunding, compensated absences, net pension obligations and other post-employment benefits, decreased by \$35,723,205 during the current fiscal year.
- The County maintained the following bond ratings:

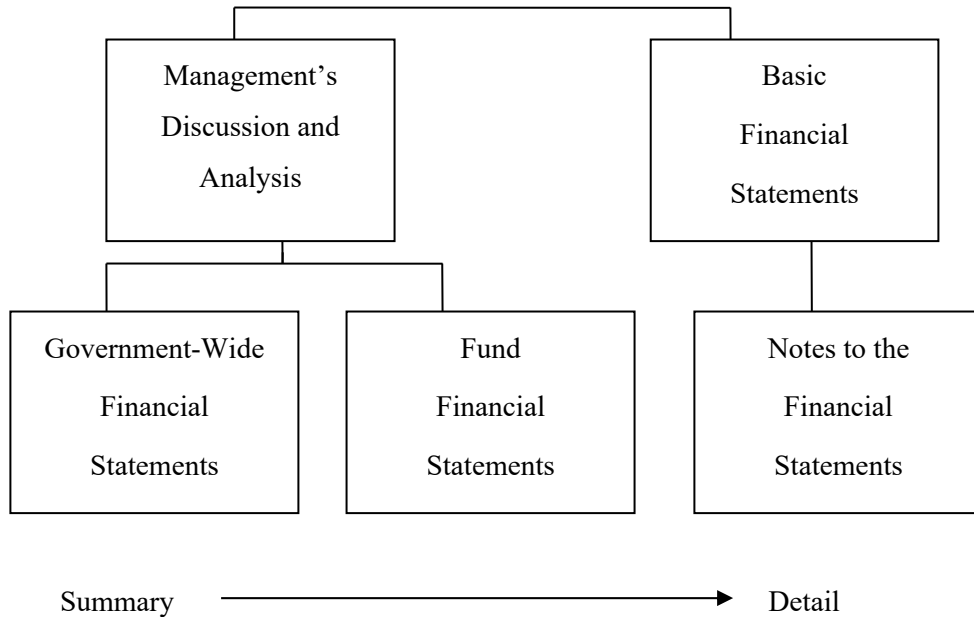
Moody's	Aa3
Standard & Poor's	AA+

Overview of the Financial Statements

This discussion and analysis is an introduction to Gaston County's basic financial statements. The County'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 County 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 Gaston County.

Required Components of the Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the **government-wide financial statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits C through K) are **fund financial statements**. These statements focus on the activities of the individual parts of Gaston County government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial statements: (1) the governmental funds statements, (2) the budgetary comparison statements, (3) the proprietary fund statements, and (4) the fiduciary 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 Gaston County's nonmajor governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County'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 County's financial condition as a whole.

The two government-wide statements report the County's net position and how they have changed. Net position is the difference between the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County'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 County's basic services, such as public safety, health and social services, parks and recreation, and general administration. Property taxes and federal and state grants finance most of these activities. The business-type activities are those that the County charges customers to provide. In Gaston County, only landfill services are reported as a business-type activity.

The government-wide financial statements are found on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County'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. Gaston County, 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 County's budget ordinance. All of the funds of Gaston County 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 County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow, both 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. This method also has a current financial resources 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 County's programs. The relationship between governmental 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.

Gaston County 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 and management of the County and the decisions of the Board of Commissioners about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County 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 Public Assistance Fund; and (4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds. Gaston County 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. Gaston County uses an enterprise fund to account for its solid waste services. 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.

Agency (Fiduciary) Funds. Agency funds are used to account for assets the County holds on behalf of others. Gaston County has six agency funds.

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 start on page 28 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Gaston County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 78 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The liabilities and deferred inflows of resources of Gaston County exceeded its assets and deferred outflows of resources by (\$1,485,931) as of June 30, 2020. The County's net position increased by \$10,947,526 for the fiscal year ended June 30, 2020.

The largest portion of net position in the amount of \$102,065,180 reflects the County's net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Gaston County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Gaston County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Gaston County's net position, \$46,751,723 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$150,302,834) is unrestricted.

The net deficit in unrestricted net position results from a situation somewhat unique to North Carolina in that counties record the debt for school bonds issued, but title to the land and buildings resides with the school system. The County's outstanding school debt at June 30, 2020 was \$199,266,875.

Gaston County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 224,101,985	\$ 253,419,995	\$ 17,927,407	\$ 14,101,917	\$ 242,029,392	\$ 267,521,912
Capital assets	121,435,862	107,670,924	23,891,906	24,639,770	145,327,768	132,310,694
Total assets	<u>345,537,847</u>	<u>361,090,919</u>	<u>41,819,313</u>	<u>38,741,687</u>	<u>387,357,160</u>	<u>399,832,606</u>
Deferred Outflows of Resources	<u>33,607,566</u>	<u>36,425,074</u>	<u>483,827</u>	<u>524,818</u>	<u>34,091,393</u>	<u>36,949,892</u>
Liabilities:						
Long-term liabilities						
outstanding	349,776,199	379,414,583	14,572,216	12,533,426	364,348,415	391,948,009
Other liabilities	47,873,310	48,667,881	2,284,323	2,337,119	50,157,633	51,005,000
Total liabilities	<u>397,649,509</u>	<u>428,082,464</u>	<u>16,856,539</u>	<u>14,870,545</u>	<u>414,506,048</u>	<u>442,953,009</u>
Deferred Inflows of Resources	<u>8,317,091</u>	<u>6,171,282</u>	<u>111,345</u>	<u>91,664</u>	<u>8,428,436</u>	<u>6,262,946</u>
Net Position:						
Net investment in						
capital assets	78,593,203	67,300,111	23,471,977	23,345,048	102,065,180	90,645,159
Restricted	46,751,723	77,311,495	-	-	46,751,723	77,311,495
Unrestricted	<u>(152,166,113)</u>	<u>(181,349,359)</u>	<u>1,863,279</u>	<u>959,248</u>	<u>(150,302,834)</u>	<u>(180,390,111)</u>
Total net position	<u>\$ (26,821,187)</u>	<u>\$ (36,737,753)</u>	<u>\$ 25,335,256</u>	<u>\$ 24,304,296</u>	<u>\$ (1,485,931)</u>	<u>\$ (12,433,457)</u>

Several particular aspects of the County's financial operations negatively influenced the total unrestricted governmental net position:

- Increases to education operating funds for school resources officers, and teacher supplements, in addition to increases in debit service from the 2019 GO bond issuance and increases to capital.
- Investment in general government public safety, facilities, and economic development.
- Continued investment in staff compensation in order to get closer to market.

The County continues to monitor and control operating expenditures in light of current economic conditions as well as balance the available funding with the needs of the residents.

Gaston County Changes in Net Position

Figure 3

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues:						
Charges for services	\$ 35,504,360	\$ 42,663,074	\$ 12,141,271	\$ 12,001,498	\$ 47,645,631	\$ 54,664,572
Operating grants and contributions	22,914,117	21,485,233	-	-	22,914,117	21,485,233
Capital grants and contributions	11,743,926	9,243,139	-	-	11,743,926	9,243,139
General revenues:						
Property taxes	172,021,975	151,938,625	-	-	172,021,975	151,938,625
Other taxes	41,081,488	39,003,754	-	-	41,081,488	39,003,754
Other	13,217,860	10,883,484	146,945	141,003	13,364,805	11,024,487
Total revenues	<u>296,483,726</u>	<u>275,217,309</u>	<u>12,288,216</u>	<u>12,142,501</u>	<u>308,771,942</u>	<u>287,359,810</u>
Expenses:						
General government	35,595,530	24,163,717	-	-	35,595,530	24,163,717
Public safety	62,939,205	79,215,465	-	-	62,939,205	79,215,465
Environmental protection	100,204	54,555	-	-	100,204	54,555
Economic and physical development	21,538,252	21,773,076	-	-	21,538,252	21,773,076
Human services	61,986,901	57,901,271	-	-	61,986,901	57,901,271
Cultural and recreational	6,770,357	5,214,468	-	-	6,770,357	5,214,468
Education	88,040,979	69,334,401	-	-	88,040,979	69,334,401
Interest on long-term debt	9,595,732	6,603,577	-	-	9,595,732	6,603,577
Solid waste management	-	-	11,257,256	9,097,588	11,257,256	9,097,588
Total expenses	<u>286,567,160</u>	<u>264,260,530</u>	<u>11,257,256</u>	<u>9,097,588</u>	<u>297,824,416</u>	<u>273,358,118</u>
Change in net position	<u>9,916,566</u>	<u>10,956,779</u>	<u>1,030,960</u>	<u>3,044,913</u>	<u>10,947,526</u>	<u>14,001,692</u>
Net Position:						
Beginning of year - July 1	(36,737,753)	(42,916,998)	24,304,296	21,259,383	(12,433,457)	(21,657,615)
Restatement	-	(4,777,534)	-	-	-	(4,777,534)
Beginning of year - restated	<u>(36,737,753)</u>	<u>(47,694,532)</u>	<u>24,304,296</u>	<u>21,259,383</u>	<u>(12,433,457)</u>	<u>(26,435,149)</u>
End of year - June 30	<u>\$ (26,821,187)</u>	<u>\$ (36,737,753)</u>	<u>\$ 25,335,256</u>	<u>\$ 24,304,296</u>	<u>\$ (1,485,931)</u>	<u>\$ (12,433,457)</u>

Governmental Activities. Governmental activities increased the County's net position by \$9,916,566, thereby accounting for 90.58% of the total change in the net position of Gaston County. Key element in this change is as follows:

- The County overall expenses for education increased mainly due to increase in debt service, ongoing capital projects, and operating.
- Property tax revenues and other general revenues collections continue to be wrong and were higher over FY19, due to increase in the assessed value in the 2019 revaluation.
- Increase in sales tax revenue due to approval of the additional half cent for education, FY20 is the first full year of collection.

Business-Type Activities. Business-type activities increased the County's net position by \$1,030,960, which was 9.42% of the total change of the County's net position. Key elements in this change are as follows:

- Overall decrease in operating expenditures over 2019/2020
- Investments in capital assets
- Increases in revenue for landfill operations

Financial Analysis of the County's Funds

As noted earlier, Gaston County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Gaston County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Gaston County's financing requirements. Specifically, fund balance available for appropriation 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 County. At the end of the current fiscal year, Gaston County's fund balance available in the General Fund was \$45,541,073, while total fund balance decreased to \$54,080,431. The governing body of Gaston County has determined that the County should maintain an available fund balance of 10% to 20% of General Fund expenses in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 17.88% of General Fund expenses and transfers to other funds, while total fund balance represents 21.23% of the same amount. The County took a position to spend down excess fund balance in the years approaching revaluation knowing it would gain in the valuation and replenish fund balance. Additional appropriations were made from fund balance for public safety to address jail overcrowding and capital needs, for economic development for the purchase of apple creek corporate center property for future development and increase to community college operating.

The Public Assistance Fund, a major fund, had a decrease in fund balance during the current year of \$1,219,123 to bring the year-end fund balance to \$16,167,463. The decrease in fund balance was mainly due to transfers from the General Fund in support of the County-wide coronavirus response in implementing the Gaston County CARE Plan.

The Capital Improvements Fund, a major fund, had a decrease in fund balance during the current year of \$34,936,818 to bring the year-end fund balance to \$89,670,552. The decrease in fund balance was mainly due to several ongoing projects for schools, public safety, general government, and economic development.

The Debt Service Fund, a major fund, had an increase in fund balance during the current year of \$2,530,094 to bring the year-end fund balance to \$11,930,860. The increase in fund balance was mainly due to the debt service payments made during the year and increase to sales tax revenue.

At June 30, 2020, the governmental funds of Gaston County reported a combined fund balance of \$177,337,402, a 17.04% decrease over last year. The primary reason for the decrease is retirement of debt and capital outlay, primarily for Gaston County schools, public safety, and economic development.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. 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. Various budget amendments accounted for a \$8,557,154 increase in the revenue estimates for the General Fund, the result of additional federal and state funding and increase in miscellaneous revenues. Other amendments appropriated a total of \$13,439,180 from the fund balance of the General Fund.

As a result of management's efforts to control expenditures in light of current economic conditions, the General Fund's actual expenditures were \$20,958,396 under budgeted expenditures. The Gaston County Health Department expenditures were \$5,385,153 under budget. The remaining amount was spread over numerous operating expenditures and capital outlay accounts.

Proprietary Funds. Gaston County's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$1,863,279. The total increase in net position for that fund was \$1,030,960. Other factors concerning the finances of this fund have already been addressed in the discussion of Gaston County's business-type activities.

Capital Asset and Debt Administration

Capital Assets. Gaston County's net investment in capital assets for its governmental and business-type activities as of June 30, 2020 totals \$145,327,768 (net of accumulated depreciation). These assets include land, buildings, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Various additions and renovations of county buildings, including the administration building, ADA renovations, animal care facility, jail infill, and library branches
- Acquisition of new vehicles for the County's departments to replace aging models
- Continued development of Apple Creek Industrial Park

**Gaston County's Capital Assets
(net of depreciation)**

Figure 4

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 24,998,483	\$ 25,449,929	\$ 3,480,415	\$ 3,009,535	\$ 28,478,898	\$ 28,459,464
Buildings and improvements	59,893,719	62,732,933	17,419,720	18,348,681	77,313,439	81,081,614
Equipment	2,558,132	2,788,573	1,625,634	1,877,698	4,183,766	4,666,271
Vehicles and motorized equipment	7,611,304	7,065,092	625,656	685,694	8,236,960	7,750,786
Construction in progress	26,374,224	9,634,397	740,481	718,162	27,114,705	10,352,559
Total	<u>\$ 121,435,862</u>	<u>\$ 107,670,924</u>	<u>\$ 23,891,906</u>	<u>\$ 24,639,770</u>	<u>\$ 145,327,768</u>	<u>\$ 132,310,694</u>

Additional information on the County's capital assets can be found in Note 2.E of the basic financial statements.

Long-Term Debt. As of June 30, 2020, Gaston County had total bonded debt outstanding of \$225,701,000, all of which is debt backed by the full faith and credit of the County.

Gaston County's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 200,411,000	\$ 220,130,000	\$ -	\$ -	\$ 200,411,000	\$ 220,130,000
Limited obligation bonds	25,290,000	26,785,000	-	-	25,290,000	26,785,000
Capitalized leases	4,658,896	17,927,200	78,858	284,004	4,737,754	18,211,204
Installment purchases	4,393,302	4,759,410	341,071	1,010,718	4,734,373	5,770,128
Total	<u>\$ 234,753,198</u>	<u>\$ 269,601,610</u>	<u>\$ 419,929</u>	<u>\$ 1,294,722</u>	<u>\$ 235,173,127</u>	<u>\$ 270,896,332</u>

Gaston County's total debt decreased by \$35,723,205 during the past fiscal year due to the retirement of debt, primarily of general obligation bonds.

Pursuant to the North Carolina General Statutes, the County's outstanding general obligation debt is subject to a legal limitation based on 8% of the total assessed valuation of taxable property located within the government's bounties. As of June 30, 2020, the County's legal debt limit was approximately \$1,580,000,000. The outstanding debt subject to this limit was \$234,753,198, leaving a net legal debt margin of approximately \$1,370,000,000.

Gaston County was upgraded to an "AA+" rating from Standard & Poor's and an "Aa2" rating from Moody's Investors Service for general obligation debt.

Additional information regarding the County's long-term debt can be found beginning on page 48 of this report.

Economic Factors and Next Year's Budgets and Rates

Economic Factors

The following key indicators reflect the economic condition of the County:

Gaston County is located within the Charlotte, North Carolina, Metropolitan Area, one of the fastest growing and most affluent areas in the Country. The Charlotte Metropolitan Area is the second largest financial center in the United States.

The County has an estimated population of 224,529, an increase of approximately 858 from last fiscal year. The County's unemployment rate was 8.3% in June 2020, compared to 4.4% in June 2019. Comparable rates for the State of North Carolina were 7.7% and 4.4%, respectively.

Construction within the County increased as indicated by the number of permits issued. In 2019/2020, the following permits were issued: 1,708 residential permits, 277 commercial permits, and 593 zoning permits. In addition to the overall increase in permits from 2018/2019, the number of inspections conducted slightly decreased.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities: The Board of County Commissioners adopted the 2020/2021 budget with a decrease of 1 cent in the tax rate (83 cents per \$100) and appropriated \$5,268,733 of fund balance in the General Fund. Despite the decrease in tax rate, budgeted ad valorem taxes was decreased by \$1,971,302 due to the uncertainty of collections related to the coronavirus pandemic. Budgeted sales tax revenue was also budgeted at a decrease over FY20, indicating uncertainty with the economy.

Budgeted expenditures and transfers-out in the General Fund are \$222,024,122. The largest component of those expenditures is the funding of the compensation and benefits of the County's employees. The County budgeted a 3% merit-based salary adjustment (1.5% effectively as it will be implemented mid-year), for its employees in 2020/2021. Health insurance premiums, co-pays, and cost of prescriptions increased, increases in health insurance costs absorb by the County with no impact to employees. The County implemented a hiring freeze through the end of second quarter of FY2021 for non-critical. The 2020/2021 budget included fourteen additional full-time positions for the following departments: building services (1), DHHS (11), and landfill (1).

In the 2020/2021 budget, education funding for Gaston County schools and Gaston College totaled \$83,552,934, a decrease of \$3,599,520 from the previous fiscal year. The funding breakdown is as follows: \$57,425,116 for operating, \$24,203,599 for debt service, and \$1,924,219 for capital. The decrease was driven by a decrease in debt service resulting in increase in debt capacity.

The County maintained approximately the same level of operating appropriations in most departments, with \$2 million reduction to the general fund over FY20. The County purchased 45 new or replacement vehicles. Twenty-five of those vehicles were for the following public safety departments: County police (12), sheriff's office (8), animal care and enforcement (1), Gaston emergency medical services (3), and emergency management (1). The other 20 vehicles were for the following departments: public works (2), building services (2), economic development (1), DHHS (12), and landfill (3).

The Building Services Fund totaled \$2,674,902 in the 2020/2021 budget, a \$190,632 increase from 2019/2020. This is due to increased personnel, capital, and vehicle debt as a result of an increased demand and need for a newly fully funded position.

The building services fee structure remained flat over 2019/2020. The County saw an increase in residential and zoning permit fees while seeing a decrease in all other fees.

Business-Type Activities: The County's landfill fee structure included five increases for 2020/2021: a \$1 increase in the cost per ton for municipal solid waste, \$1 increase in illegal tires per ton, a \$2.75 increase in track loader w/operator per hour, a \$0.15 increase in dozer w/operator per hour, and \$3 increase in dump truck w/operator per hour.

Requests for Information

This report is designed to provide an overview of the County'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 Gaston County Director of Financial Services, P.O. Box 1578, Gastonia, North Carolina 28053-1578.

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BASIC FINANCIAL STATEMENTS

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GASTON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total Primary Government
Assets:			
Current assets:			
Cash and cash equivalents	\$ 138,057,571	\$ 16,789,864	\$ 154,847,435
Ad valorem taxes receivable, net	1,889,103	-	1,889,103
Accounts receivable, net	28,492,110	1,108,861	29,600,971
Inventories	349,215	28,682	377,897
Prepaid items	73,289	-	73,289
Restricted cash and cash equivalents	52,907,791	-	52,907,791
Total current assets	221,769,079	17,927,407	239,696,486
Non-current assets:			
Net pension asset - ROD	2,332,906	-	2,332,906
Capital assets:			
Land, improvements, and construction in progress	51,372,707	4,220,896	55,593,603
Other capital assets, net of accumulated depreciation	70,063,155	19,671,010	89,734,165
Total capital assets	121,435,862	23,891,906	145,327,768
Total non-current assets	123,768,768	23,891,906	147,660,674
Total assets	345,537,847	41,819,313	387,357,160
Deferred Outflows of Resources:			
OPEB deferrals	6,102,729	112,715	6,215,444
Pension deferrals	20,447,472	371,112	20,818,584
Deferred charge on refunding	7,057,365	-	7,057,365
Total deferred outflows of resources	33,607,566	483,827	34,091,393
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	18,482,536	740,071	19,222,607
Liabilities payable from restricted assets	1,367	-	1,367
Advance from grantor	1,674,376	-	1,674,376
Prepaid fees	1,248,472	-	1,248,472
Due in less than one year	26,466,559	1,544,252	28,010,811
Total current liabilities	47,873,310	2,284,323	50,157,633
Long-term liabilities:			
Net pension liability - LGERS	30,014,101	627,663	30,641,764
Total pension liability - LEOSSA	13,289,055	-	13,289,055
Total OPEB liability	73,027,001	1,348,685	74,375,686
Due in more than one year	233,446,042	12,595,868	246,041,910
Total long-term liabilities	349,776,199	14,572,216	364,348,415
Total liabilities	397,649,509	16,856,539	414,506,048
Deferred Inflows of Resources:			
OPEB deferrals	5,926,978	109,469	6,036,447
Pension deferrals	2,153,128	1,876	2,155,004
Prepaid taxes	236,985	-	236,985
Total deferred inflows of resources	8,317,091	111,345	8,428,436
Net Position:			
Net investment in capital assets	78,593,203	23,471,977	102,065,180
Restricted for:			
Stabilization by state statute	27,410,970	-	27,410,970
Medicaid maximization	15,050,052	-	15,050,052
Fire protection	522,448	-	522,448
Public safety protection	859,545	-	859,545
Emergency telephone	858,595	-	858,595
Register of Deeds	1,295,014	-	1,295,014
Register of Deeds - pension plan	755,099	-	755,099
Unrestricted net position	(152,166,113)	1,863,279	(150,302,834)
Total net position	\$ (26,821,187)	\$ 25,335,256	\$ (1,485,931)

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

		Program Revenues		
			Operating	Capital
	Expenses	Charges for	Grants and	Grants and
		Services	Contributions	Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 35,595,530	\$ 7,899,710	\$ -	\$ 4,902,786
Public safety	62,939,205	15,709,718	71,705	-
Environmental protection	100,204	2,859,411	-	-
Economic and physical development	21,538,252	26,824	-	-
Human services	61,986,901	8,825,029	22,842,412	4,476,540
Cultural and recreational	6,770,357	183,668	-	-
Education	88,040,979	-	-	2,364,600
Interest expense and fees	9,595,732	-	-	-
Total governmental activities	<u>286,567,160</u>	<u>35,504,360</u>	<u>22,914,117</u>	<u>11,743,926</u>
Business-Type Activities:				
Solid waste	11,257,256	12,141,271	-	-
Total primary government	<u>\$ 297,824,416</u>	<u>\$ 47,645,631</u>	<u>\$ 22,914,117</u>	<u>\$ 11,743,926</u>

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs:			
Primary Government:			
Governmental Activities:			
General government	\$ (22,793,034)	\$ -	\$ (22,793,034)
Public safety	(47,157,782)	-	(47,157,782)
Environmental protection	2,759,207	-	2,759,207
Economic and physical development	(21,511,428)	-	(21,511,428)
Human services	(25,842,920)	-	(25,842,920)
Cultural and recreational	(6,586,689)	-	(6,586,689)
Education	(85,676,379)	-	(85,676,379)
Interest expense and fees	(9,595,732)	-	(9,595,732)
Total governmental activities	(216,404,757)	-	(216,404,757)
Business-Type Activities:			
Solid waste	-	884,015	884,015
Total primary government	(216,404,757)	884,015	(215,520,742)
General Revenues:			
Taxes:			
Ad valorem taxes	172,021,975	-	172,021,975
Sales tax	41,081,488	-	41,081,488
Real estate transfer taxes	10,441,771	-	10,441,771
Investment earnings	2,776,089	146,945	2,923,034
Total general revenues	226,321,323	146,945	226,468,268
Change in net position	9,916,566	1,030,960	10,947,526
Net Position:			
Beginning of year - July 1	(36,737,753)	24,304,296	(12,433,457)
End of year - June 30	<u>\$ (26,821,187)</u>	<u>\$ 25,335,256</u>	<u>\$ (1,485,931)</u>

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	Major				Nonmajor	Total
	General Fund	Public Assistance Fund	Capital Improvements Fund	Debt Service Fund	Other Governmental Funds	Governmental Funds
Assets:						
Cash and cash equivalents	\$ 56,347,651	\$ 14,230,762	\$ 32,796,927	\$ 7,297,826	\$ 4,991,352	\$ 115,664,518
Ad valorem taxes receivable, net	1,767,879	-	-	-	121,224	1,889,103
Accounts receivable	9,729,687	3,746,622	10,110,933	4,633,034	220,044	28,440,320
Inventories	313,555	35,660	-	-	-	349,215
Prepaid items	67,582	5,707	-	-	-	73,289
Restricted cash and cash equivalents	1,674,376	-	50,854,182	-	379,233	52,907,791
Total assets	\$ 69,900,730	\$ 18,018,751	\$ 93,762,042	\$ 11,930,860	\$ 5,711,853	\$ 199,324,236
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 9,272,770	\$ 1,851,288	\$ 4,091,490	\$ -	\$ 101,166	\$ 15,316,714
Liabilities payable from restricted assets	-	-	-	-	1,367	1,367
Advance from grantor	1,674,376	-	-	-	-	1,674,376
Prepaid fees	1,248,472	-	-	-	-	1,248,472
Total liabilities	12,195,618	1,851,288	4,091,490	-	102,533	18,240,929
Deferred Inflows of Resources:						
Prepaid taxes	236,985	-	-	-	-	236,985
Unavailable taxes	1,767,879	-	-	-	121,224	1,889,103
Unavailable revenue	1,619,817	-	-	-	-	1,619,817
Total deferred inflows of resources	3,624,681	-	-	-	121,224	3,745,905
Fund Balances:						
Non-Spendable:						
Inventories	313,555	35,660	-	-	-	349,215
Prepays	67,582	5,707	-	-	-	73,289
Restricted:						
Stabilization by state statute	8,158,221	3,746,622	10,110,933	4,633,034	762,160	27,410,970
Restricted for Medicaid maximization	15,050,052	-	-	-	-	15,050,052
Education	-	-	40,405,207	-	-	40,405,207
Fire protection	-	-	-	-	522,448	522,448
Sheriff protection	859,545	-	-	-	-	859,545
Capital projects	-	-	10,448,975	-	-	10,448,975
Emergency telephone	-	-	-	-	858,595	858,595
Register of Deeds	1,295,014	-	-	-	-	1,295,014
Committed:						
Future capital projects	-	-	-	-	-	-
Tax revaluation	-	-	-	-	377,866	377,866
Assigned:						
Insurance reserves	4,256,175	-	-	-	-	4,256,175
Subsequent year's expenditures	17,070,268	-	28,705,437	-	-	45,775,705
Gaston County tap fees	181,777	-	-	-	-	181,777
Public assistance	-	12,379,474	-	-	-	12,379,474
Parking	-	-	-	-	1,236,029	1,236,029
Travel and tourism	-	-	-	-	911,320	911,320
Public safety	-	-	-	-	819,678	819,678
Debt service	-	-	-	7,297,826	-	7,297,826
Unassigned	6,828,242	-	-	-	-	6,828,242
Total fund balances	54,080,431	16,167,463	89,670,552	11,930,860	5,488,096	177,337,402
Total liabilities, deferred inflows of resources, and fund balances	\$ 69,900,730	\$ 18,018,751	\$ 93,762,042	\$ 11,930,860	\$ 5,711,853	\$ 199,324,236

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA**RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Amounts reported for governmental activities in the Statement of
Net Position are different because:

Total fund balances, per Exhibit C	\$ 177,337,402
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	121,435,862
Net pension asset - ROD	2,332,906
Net pension liability - LGERS	(30,014,101)
Total pension liability - LEOSSA	(13,289,055)
Total OPEB liability	(73,027,001)
Assets and liabilities of the Self-Insurance Internal Service Fund used by management to account for certain insurance costs are included in governmental activities in the Statement of Net Position.	19,279,021
Deferred inflows of resources in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.	3,508,920
Charges related to refundings issued	7,057,365
Deferred outflows of resources related to pension are not reported in the funds.	20,447,472
Deferred outflows of resources related to OPEB are not reported in the funds.	6,102,729
Deferred inflows of resources related to pension are not reported in the funds.	(2,153,128)
Deferred inflows of resources related to OPEB are not reported in the funds.	(5,926,978)
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(259,912,601)</u>
Net position of governmental activities, per Exhibit A	<u>\$ (26,821,187)</u>

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Major				Nonmajor	
	General	Public	Capital	Debt	Other	Total
	Fund	Assistance	Improvements	Service	Governmental	Governmental
	Fund	Fund	Fund	Fund	Funds	Funds
Revenues:						
Ad valorem taxes	\$ 166,030,558	\$ -	\$ -	\$ -	\$ 5,284,080	\$ 171,314,638
Other taxes and licenses	32,442,106	-	10,105,045	8,222,301	753,807	51,523,259
Restricted intergovernmental revenues	10,842,678	22,842,412	-	2,364,600	71,705	36,121,395
Fees, licenses, and permits	6,484,384	-	-	-	-	6,484,384
Sales and services	19,980,373	-	-	-	-	19,980,373
E911 surcharge	-	-	-	-	698,276	698,276
Investment earnings	721,706	36,708	1,688,146	63,873	67,120	2,577,553
Miscellaneous revenues	2,087,173	365,881	26,824	-	156,895	2,636,773
Total revenues	<u>238,588,978</u>	<u>23,245,001</u>	<u>11,820,015</u>	<u>10,650,774</u>	<u>7,031,883</u>	<u>291,336,651</u>
Expenditures:						
Current:						
General government	34,216,591	-	-	-	105,769	34,322,360
Public safety	68,813,755	-	-	-	6,368,568	75,182,323
Environmental protection	69,718	-	-	-	-	69,718
Economic and physical development	3,529,470	-	-	-	864,077	4,393,547
Human services	19,328,790	39,922,545	-	-	-	59,251,335
Cultural and recreational	6,064,538	-	-	-	-	6,064,538
Education	57,591,462	-	-	-	-	57,591,462
Capital outlay	-	-	47,436,706	-	-	47,436,706
Debt service:						
Principal retirement	12,991,158	47,203	-	21,580,108	1,329,670	35,948,139
Interest and fees	466,031	1,703	-	9,753,126	-	10,220,860
Total expenditures	<u>203,071,513</u>	<u>39,971,451</u>	<u>47,436,706</u>	<u>31,333,234</u>	<u>8,668,084</u>	<u>330,480,988</u>
Revenues over (under) expenditures	<u>35,517,465</u>	<u>(16,726,450)</u>	<u>(35,616,691)</u>	<u>(20,682,460)</u>	<u>(1,636,201)</u>	<u>(39,144,337)</u>
Other Financing Sources (Uses):						
Debt issued	1,099,727	-	-	-	-	1,099,727
Transfers in	12,770,171	16,707,327	11,643,201	23,212,554	210,000	64,543,253
Transfers out	(50,509,829)	(1,200,000)	(10,963,328)	-	(262,096)	(62,935,253)
Total other financing sources (uses)	<u>(36,639,931)</u>	<u>15,507,327</u>	<u>679,873</u>	<u>23,212,554</u>	<u>(52,096)</u>	<u>2,707,727</u>
Net change in fund balances	(1,122,466)	(1,219,123)	(34,936,818)	2,530,094	(1,688,297)	(36,436,610)
Fund Balances:						
Beginning of year - July 1	<u>55,202,897</u>	<u>17,386,586</u>	<u>124,607,370</u>	<u>9,400,766</u>	<u>7,176,393</u>	<u>213,774,012</u>
End of year - June 30	<u>\$ 54,080,431</u>	<u>\$ 16,167,463</u>	<u>\$ 89,670,552</u>	<u>\$ 11,930,860</u>	<u>\$ 5,488,096</u>	<u>\$ 177,337,402</u>

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

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

Net change in fund balances - total governmental funds (Exhibit E)	\$ (36,436,610)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	21,103,901
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(7,305,722)
The sale/disposal of capital assets is reported as a revenue in the governmental funds statement without subtracting the net book value of the capital assets sold.	(33,241)
Exhibit E reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:	
Property taxes	707,337
Sales and services	714,543
Expenses related to compensated absences and Law Enforcement Officers' Separation Allowance and total pension liability and net pension liability that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(945,507)
Pension expense - LEOSA	(797,147)
Pension expense - LGERS	(6,498,227)
Pension expense - ROD	453,514
OPEB plan expense	1,362,990
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities.	(1,099,727)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	35,948,139
Changes in premium related to bonds and changes in deferred charge on refunding	625,128
Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type	<u>2,117,195</u>
Change in net position of governmental activities - Exhibit B	<u><u>\$ 9,916,566</u></u>

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND AND ANNUALLY BUDGETED SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund			
	Original Budget	Final Budget	Actual	Variance Over/Under
Revenues:				
Ad valorem taxes	\$ 165,414,047	\$ 165,414,047	\$ 166,030,558	\$ 616,511
Other taxes and licenses	32,131,083	32,131,083	32,442,106	311,023
Restricted intergovernmental revenues	6,061,414	14,407,455	10,842,678	(3,564,777)
Permits and fees	4,840,138	4,840,138	6,484,384	1,644,246
Sales and services	19,965,326	19,965,326	19,980,373	15,047
Investment earnings	1,500,000	1,500,249	721,706	(778,543)
Miscellaneous	1,094,458	1,305,322	2,087,173	781,851
Total revenues	231,006,466	239,563,620	238,588,978	(974,642)
Expenditures:				
General government	34,773,269	43,643,685	34,216,591	9,427,094
Public safety	66,540,985	72,940,817	68,813,755	4,127,062
Environmental protection	90,149	90,149	69,718	20,431
Economic and physical development	3,836,891	3,979,785	3,529,470	450,315
Human services	21,489,959	25,303,364	19,328,790	5,974,574
Cultural and recreational	6,154,055	6,630,167	6,064,538	565,629
Education	57,934,522	57,934,522	57,591,462	343,060
Principal retirement	2,546,530	13,024,433	12,991,158	33,275
Interest and fees	106,231	482,987	466,031	16,956
Total expenditures	193,472,591	224,029,909	203,071,513	20,958,396
Revenues over (under) expenditures	37,533,875	15,533,711	35,517,465	19,983,754
Other Financing Sources (Uses):				
Appropriated fund balance	9,033,375	22,472,555	-	(22,472,555)
Installment purchase contracts issued	-	1,099,728	1,099,727	(1)
Transfers in	1,608,000	12,770,171	12,770,171	-
Transfers (out)	(48,175,250)	(51,876,165)	(50,509,829)	1,366,336
Total other financing sources (uses)	(37,533,875)	(15,533,711)	(36,639,931)	(21,106,220)
Net change in fund balances	\$ -	\$ -	(1,122,466)	\$ (1,122,466)
Fund Balances:				
Beginning of year - July 1			55,202,897	
End of year - June 30			\$ 54,080,431	

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND AND ANNUALLY BUDGETED SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Public Assistance Fund			
	Original Budget	Final Budget	Actual	Variance Over/Under
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-
Restricted intergovernmental revenues	25,303,697	25,968,691	22,842,412	(3,126,279)
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	36,708	36,708
Miscellaneous	178,872	357,380	365,881	8,501
Total revenues	<u>25,482,569</u>	<u>26,326,071</u>	<u>23,245,001</u>	<u>(3,081,070)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	-	-	-	-
Economic and physical development	-	-	-	-
Human services	44,397,405	47,445,068	39,922,545	7,522,523
Cultural and recreational	-	-	-	-
Education	-	-	-	-
Principal retirement	58,129	55,201	47,203	7,998
Interest and fees	3,515	3,563	1,703	1,860
Total expenditures	<u>44,459,049</u>	<u>47,503,832</u>	<u>39,971,451</u>	<u>7,532,381</u>
Revenues over (under) expenditures	<u>(18,976,480)</u>	<u>(21,177,761)</u>	<u>(16,726,450)</u>	<u>4,451,311</u>
Other Financing Sources (Uses):				
Appropriated fund balance	998,003	4,304,098	-	(4,304,098)
Installment purchase contracts issued	-	-	-	-
Transfers in	17,978,477	18,073,663	16,707,327	(1,366,336)
Transfers (out)	-	(1,200,000)	(1,200,000)	-
Total other financing sources (uses)	<u>18,976,480</u>	<u>21,177,761</u>	<u>15,507,327</u>	<u>(5,670,434)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(1,219,123)</u>	<u>\$ (1,219,123)</u>
Fund Balances:				
Beginning of year - July 1			<u>17,386,586</u>	
End of year - June 30			<u>\$ 16,167,463</u>	

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities	Governmental Activities
	Enterprise Solid Waste Fund	Internal Service Fund
Assets:		
Current assets:		
Cash and cash equivalents	\$ 16,789,864	\$ 22,393,053
Accounts receivable, net	1,108,861	51,790
Inventories	28,682	-
Total current assets	17,927,407	22,444,843
Non-current assets:		
Land, improvements, and construction in progress	4,220,896	-
Capital assets, net	41,570,763	-
Accumulated depreciation	(21,899,753)	-
Total non-current assets	23,891,906	-
Total assets	41,819,313	22,444,843
Deferred Outflows of Resources:		
OPEB deferrals	112,715	-
Pension deferrals	371,112	-
Total deferred outflows of resources	483,827	-
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	740,071	3,165,822
Compensated absences	39,276	-
Current portion of notes payable and capital leases	419,929	-
Current portion of closure and post-closure care	1,085,047	-
Total current liabilities	2,284,323	3,165,822
Non-current liabilities:		
Net pension liability	627,663	-
Compensated absences	117,828	-
Total OPEB liability	1,348,685	-
Landfill closure and post-closure care	12,478,040	-
Total non-current liabilities	14,572,216	-
Total liabilities	16,856,539	3,165,822
Deferred Inflows of Resources:		
OPEB deferrals	109,469	-
Pension deferrals	1,876	-
Total deferred inflows of resources	111,345	-
Net Position:		
Net investment in capital assets	23,471,977	-
Unrestricted net position	1,863,279	19,279,021
Total net position	\$ 25,335,256	\$ 19,279,021

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities	Governmental Activities
	Enterprise Solid Waste Fund	Internal Service Fund
Operating Revenues:		
Charges for services	\$ 9,076,553	\$ 23,568,253
Energy charges	2,449,523	-
Other operating revenues	615,195	-
Total operating revenues	12,141,271	23,568,253
Operating Expenses:		
Operating expenses	8,743,851	20,041,594
Renewable energy department	1,177,910	-
Depreciation	1,299,087	-
Total operating expenses	11,220,848	20,041,594
Operating income (loss)	920,423	3,526,659
Non-Operating Revenues (Expenses):		
Interest expense	(36,408)	-
Investment earnings	146,945	198,536
Total non-operating revenues (expenses)	110,537	198,536
Income (loss) before transfers	1,030,960	3,725,195
Transfers out	-	(1,608,000)
Change in net position	1,030,960	2,117,195
Net Position:		
Beginning of year - July 1	24,304,296	17,161,826
End of year - June 30	\$ 25,335,256	\$ 19,279,021

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities	Governmental Activities
	Enterprise Solid Waste Fund	Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from customers	\$ 11,574,410	\$ 2,504,515
Receipts from interfund charges for insurance programs	-	21,021,717
Other operating receipts	615,195	-
Cash paid to employees for services	(2,070,502)	-
Cash paid for goods and services	(4,931,988)	(20,427,249)
Net cash provided (used) by operating activities	<u>5,187,115</u>	<u>3,098,983</u>
Cash Flows From Non-Capital Financing Activities:		
Transfer in (out)	-	(1,608,000)
Cash Flows from Capital and Related Financing Activities:		
Principal payments	(874,793)	-
Acquisition of capital assets	(551,223)	-
Interest expense	(36,408)	-
Net cash provided (used) by capital and related financing activities	<u>(1,462,424)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest income (loss)	<u>146,945</u>	<u>198,536</u>
Net increase (decrease) in cash and cash equivalents	3,871,636	1,689,519
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>12,918,228</u>	<u>20,703,534</u>
End of year - June 30	<u>\$ 16,789,864</u>	<u>\$ 22,393,053</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 920,423	\$ 3,526,659
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,299,087	-
Landfill closure and post-closure care cost	2,620,420	-
Changes in Assets and Liabilities:		
Increase (decrease) in net pension liability	83,831	-
(Increase) decrease in deferred outflows of resources for pensions	53,103	-
(Increase) decrease in deferred outflows of resources for OPEB	(12,112)	-
Increase (decrease) in deferred inflows of resources for pensions	(4,318)	-
Increase (decrease) in deferred inflows of resources for OPEB	23,999	-
Increase (decrease) in OPEB liability	(37,089)	-
(Increase) decrease in accounts receivable	48,334	(42,021)
(Increase) decrease in inventories and prepaid expenses	(2,188)	-
Increase (decrease) in accounts payable	192,037	(385,655)
Increase (decrease) in accrued payroll and other liabilities	<u>1,588</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 5,187,115</u>	<u>\$ 3,098,983</u>

The accompanying notes are an integral part of the financial statements.

GASTON COUNTY, NORTH CAROLINA**STATEMENT OF FIDUCIARY NET POSITION****FIDUCIARY FUNDS****JUNE 30, 2020**

	Agency Funds
	<hr/>
Assets:	
Cash and cash equivalents	\$ 593,398
Total assets	<hr/> <u>\$ 593,398</u>
 Liabilities:	
Fiduciary depository accounts	\$ 593,398
Total liabilities	<hr/> <u>\$ 593,398</u>

The accompanying notes are an integral part of the financial statements.

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GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

1. Summary of Significant Accounting Policies

The accompanying financial statements and the following accounting policies of Gaston County, North Carolina (the "County"), conform to accounting principles generally accepted in the United States of America as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a seven-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component unit, a legally separate entity for which the County is financially accountable. The blended component unit, although a separate legal entity, is, in substance, part of the County's operations.

Blended Component Unit

The Gaston County Soil and Water Conservation District ("District"), exists to provide leadership and conservation assistance to the people of Gaston County, to improve and sustain their soil, water, air, plant, and wildlife resources. The District almost exclusively benefits the County even though it does not provide services directly to it. Therefore, the District is reported as part of the general governmental activities in the County's financial statements. The Board for the Blended Component Unit is the same as the County's Board of Commissioners.

B. Basis of Presentation

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government net position. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. 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 County and for each function of the County'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 fees and charges paid by the recipients of goods or services offered by the programs and 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.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. The County only has one proprietary fund.

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 County reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Public Assistance Special Revenue Fund. The Public Assistance Special Revenue Fund is used to account for the activities of the Department of Social Services. The transactions included proceeds of federal and state revenue sources for various assistance programs (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Improvements Capital Project Fund. The Capital Improvements Capital Project Fund is used to account for financial resources for capital improvements for all County departments, as well as the Gaston County schools and Gaston College.

Debt Service Fund. The Debt Service Fund is used to account for debt service payments for the County.

The County reports the following major proprietary fund:

Solid Waste Fund. The Solid Waste Fund is used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the governing body has decided that the periodic determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Additionally, the County reports the following fund types:

Fiduciary Funds. Fiduciary funds account for assets being held by the government in a trust or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Fiduciary funds include the following fund type:

Agency Funds. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds. They are custodial in nature and do not involve measurement of results of operations. The County's agency funds are used to account for monies deposited with the County's Department of Social Services for the benefit of certain individuals for whom the County acts as an agent, to account for funds collected by the Tax Collector's office on behalf of other municipal entities within the County, to account for monies held on behalf of inmates of the County jail, to report various legal fines and forfeitures that the County is required to remit to the Gaston County schools, to account for funds collected by the Tax Collector's office for penalties paid from personal and business properties for late listing and insufficient funds, and defeased bond payments to escrow agents in relation to the refunding of County debt in the current year.

Internal Service Funds. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis. The measurement focus is upon determination of net income, financial position, and changes in financial position. The generally accepted accounting principles here are those applicable to similar businesses in the private sector and, thus, these funds are maintained on the accrual basis. The County has one internal service fund, the Self-Insurance Internal Service Fund.

Nonmajor Funds. The County maintains seven legally budgeted funds. The Travel and Tourism Fund, Property Revaluation Fund, Emergency Telephone System Fund, Drug Forfeitures Fund, Controlled Substance Abuse Tax Fund, Parking Fee Fund, and the Fire District Fund are reported as nonmajor special revenue funds.

C. Measurement Focus and Basis of Accounting

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

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus, and 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 County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, 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.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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 County enterprise funds are charges to customers for sales and services. 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 in the accounting period when they become susceptible to accrual (i.e., when they are "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 long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes collected and held by the state at year-end on behalf of the County 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. All taxes including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under terms of grant agreements, the County 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 County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Public Assistance Fund, Debt Service Fund, Capital Improvements Fund, Travel and Tourism Fund, Property Revaluation Fund, Emergency Telephone System Fund, Drug Forfeitures Fund, Controlled Substance Abuse Tax Fund, Parking Fee Fund, Fire District Fund, and the enterprise funds. All budgets are prepared using the modified accrual basis of accounting.

Budgetary control is exercised in all funds except the agency funds. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The County Manager and/or the Finance Director may make transfers of appropriations between and within a department. The budget amounts presented in the financial statements are the final amounts budgeted as of June 30, 2020. The budget was prepared on the modified accrual basis of accounting as required by North Carolina General Statutes. During the year, several immaterial 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.

E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

Deposits and Investments

All deposits of the County are made in Board-designated official depositories and are secured as required by state law [G.S.159-31]. The County may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the County 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 County 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 County's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, an 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.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Cash and Cash Equivalents

The County 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.

Restricted Assets

CARES Act funds (advance from grantor) are classified as restricted cash because they must be expended in accordance with the guidance and section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act. Unspent bond proceeds in the Capital Improvements Fund are classified as restricted assets because their use is restricted to the purpose for which the bonds were originally issued. Money in the Property Revaluation Fund is classified as restricted assets, because its use is restricted per North Carolina General Statute 153A-150.

Governmental Activities:

General Fund - Major	
CARES Act funds	\$ 1,674,376
Capital Improvements Fund - Major:	
Unspent bond proceeds	50,854,182
Nonmajor other governmental funds:	
Tax revaluation	<u>379,233</u>
Total restricted cash	<u>\$ 52,907,791</u>

Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date), but penalties do not begin to accrue until the following January 6. The taxes are based on the assessed values as of January 1, 2019.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

	General Fund	Nonmajor Special Revenue Fund	Solid Waste Fund
Taxes receivable	\$ 4,000,000	\$ 125,000	\$ -
Emergency Medical Services (GEMS)	5,507,495	-	-
Health department	14,212	-	-
Accounts receivable	-	-	10,000
Total	<u>\$ 9,521,707</u>	<u>\$ 125,000</u>	<u>\$ 10,000</u>

Inventories and Prepaid Items

The inventories of the County are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the County's Enterprise Fund consists of materials and supplies held for consumption. The cost of the inventory carried in the Enterprise Fund is recorded as an expense as it is consumed.

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

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical 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 of the County generally have an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Capital assets are depreciated on the straight-line method over their estimated useful lives:

<u>Assets</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	20-30 years
Vehicles	5 years
Equipment	7-15 years

The County holds title to certain Gaston County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit certificates of participation financing of acquisition and construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education once all restrictions of the financing agreements have been met. The properties are reflected as capital assets in the financial statements of the Gaston County Board of Education.

Interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset constructed.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow 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 County has several items that meet these criteria – a deferred charge on refunding, pension and OPEB related deferrals. In addition to liabilities, the Statement of Net Position can also 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 County has several items that meet the criteria for this category – prepaid taxes, unavailable revenue and unavailable taxes, and pension and OPEB related deferrals.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as another financing source.

Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty (30) days of earned vacation leave, with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary related payments are recorded as the leave is earned.

The sick leave policy of the County provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are 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, laws or regulations of other governments, or imposed by law through state statutes.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Fund Balances

In the governmental fund financial statements, fund balance is composed of five 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:

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.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of inventories, which are not spendable resources.

Prepays – portion of fund balance that is not an available resource because it represents the year-end balance of prepaids, which are not spendable resources.

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), 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.

Restricted for Education – portion of fund balance that can only be used for school capital per G.S. 159-18-22. The Capital Improvements Fund had \$40,405,207 in unspent bond proceeds at June 30, 2020.

Restricted for Fire Protection – portion of fund balance restricted by revenue source for fire protection expenditures.

Restricted for Sheriff Protection – portion of fund balance restricted by revenue source for sheriff protection expenditures.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Restricted for Capital Projects – portion of fund balance restricted for capital expenditures and projects. The Capital Improvements Fund had \$10,448,975 in unspent bond proceeds at June 30, 2020.

Restricted for Emergency Telephone – portion of fund balance restricted for expenditures to enhance the state's 911 system.

Restricted for Register of Deeds – portion of fund balance restricted by state statute for automation enhancement (software) improvements.

Restricted for Medicaid Maximization – portion of fund balance budgeted by the Board for Gaston County Health Department expenditures.

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent bond proceeds of \$50,854,182 and Register of Deeds pension plan of \$755,099 at June 30, 2020.

Committed Fund Balance

This classification represents the portion of fund balance that can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing body is the highest level of decision-making authority for the government that 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.

Committed for Tax Revaluation – portion of fund balance that can only be used for tax revaluation.

Assigned Fund Balance

Assigned fund balance is the portion of fund balance that Gaston County intends to use for specific purposes. The County's governing body has the authority to assign fund balance.

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 Manager to make certain modifications utilizing a contingency line item without requiring Board approval.

Assigned for Insurance Reserves – portion of fund balance budgeted by the Board for future insurance expenditures and catastrophic events.

Assigned for Public Assistance – portion of fund balance budgeted by the Board for public assistance expenditures.

Assigned for Parking – portion of fund balance budgeted by the Board for expenditures related to the County's parking facilities.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Assigned for Travel and Tourism – portion of fund balance budgeted by the Board for travel and tourism expenditures.

Assigned Debt Service – portion of fund balance budgeted by the Board for debt service expenditures.

Assigned for Gaston County Tap Fees – portion of fund balance budgeted by the Board for tap fee expenditures.

Assigned for Public Safety – portion of fund balance budgeted by the Board for public safety expenditures.

Unassigned Fund Balance

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes or other funds. Only the General Fund may report a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Gaston County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-County funds, and/or County 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. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

Gaston County has also adopted a minimum fund balance policy for the General Fund, which instructs management to conduct the business of the County in such a manner that available fund balance in the range of 10% to 20% of the prior year's expenditures.

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	\$ 54,080,431
Less:	
Inventories	313,555
Prepays	67,582
Stabilization by state statute	8,158,221
Fund balance available for appropriation	<u>\$ 45,541,073</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	<u>General Fund</u>	<u>Nonmajor Funds</u>
Encumbrances	<u>\$ 48,351</u>	<u>\$ 542,116</u>

F. Defined Benefit Cost-Sharing Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

G. Management Estimates

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

H. Other Resources

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as "transfers out" in the General Fund and "transfers in" in the receiving fund.

2. Detail Notes On All Funds

A. Assets

Deposits

All of the County's deposits of the County are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits over the federal depository insurance coverage are collateralized with securities held by the County's agent in the County'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

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of 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 County or the escrow agent. Because of the inability to measure the exact amount of collateral provided for the County under the Pooling Method, the potential exists for under collateralization. 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 County has no formal policy regarding custodial 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 County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the carrying amount of the County's deposits was \$27,103,935, and the related bank balance was \$33,321,362. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$32,821,362 in deposits were covered by collateral held under the Pooling Method. The County had \$11,545 cash on hand.

B. Investments

All investments are stated at cost, which approximates fair value. The County distributes interest earned to the various funds based on each fund's proportionate equity in pooled cash and investments during each month of the year.

At June 30, 2020, the County had the following investments and maturities:

Investment Type	Valuation	Book Value	Within 12 Months	1-3 Years	Over 3 Years
	Measurement Method				
US government agencies	Fair Value Level 2	\$ 14,877,643	\$ -	\$ 14,877,643	\$ -
NC Capital Management Trust - Term Portfolio*	Fair Value Level 1	87,071,705	87,071,705	-	-
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	79,283,796	N/A	N/A	-
Total		<u>\$ 181,233,144</u>	<u>\$ 87,071,705</u>	<u>\$ 14,877,643</u>	<u>\$ -</u>

*Because the NC Capital Management Trust Term Portfolio had a duration of 0.15 years, it was presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Level of Fair Value Hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchase of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2020. The County's investments in the NC Capital Management Trust Term Portfolio are unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US agencies (Federal Home Loan Bank) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk. The County does not have a policy that places a limit on the amount that the County may invest in any one issuer. More than 5% of the County's investments are in interest-bearing Federal Farm Credit Bank. These investments are 100%, respectively, of the County's total investments in U.S. government agencies.

C. Property Tax Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forestland may be taxed by the County at the present use-value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,169,895	\$ 383,141	\$ 1,553,036
2018	1,162,189	276,020	1,438,209
2019	1,176,220	173,492	1,349,712
2020	1,360,621	78,236	1,438,857
Total	<u>\$ 4,868,925</u>	<u>\$ 910,889</u>	<u>\$ 5,779,814</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

D. Accounts Receivable

Accounts receivable at the government-wide level at June 30, 2020 were as follows:

	Governmental Activities	Business-Type Activities
Emergency Medical Services (GEMS), net	\$ 2,583,154	\$ -
Landfill fees, net	-	1,108,861
Health department fees, net	125,514	-
Accrued sales tax distribution	1,230,896	-
Due from other governments, public assistance	3,746,622	-
Due from other governments, capital improvement	10,110,933	-
Due from other governments, Special Revenue Fund	216,881	-
Internal Service Fund	51,790	-
Sales tax paid	1,416,576	-
Other	9,009,744	-
Accounts receivable	<u>\$ 28,492,110</u>	<u>\$ 1,108,861</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

E. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 25,449,929	\$ -	\$ -	\$ (451,446)	\$ 24,998,483
Construction in progress	9,634,397	16,739,827	-	-	26,374,224
Total non-depreciable capital assets	<u>35,084,326</u>	<u>16,739,827</u>	<u>-</u>	<u>(451,446)</u>	<u>51,372,707</u>
Depreciable Capital Assets:					
Buildings and improvements	132,645,748	695,744	(33,241)	451,446	133,759,697
Equipment	21,429,724	656,732	-	-	22,086,456
Vehicles and motorized equipment	22,447,708	3,011,598	(1,750,083)	-	23,709,223
Total depreciable capital assets	<u>176,523,180</u>	<u>4,364,074</u>	<u>(1,783,324)</u>	<u>451,446</u>	<u>179,555,376</u>
Less Accumulated Depreciation:					
Buildings and improvements	69,912,815	3,953,163	-	-	73,865,978
Equipment	18,641,151	887,173	-	-	19,528,324
Vehicles and motorized equipment	15,382,616	2,465,386	(1,750,083)	-	16,097,919
Total accumulated depreciation	<u>103,936,582</u>	<u>\$ 7,305,722</u>	<u>\$ (1,750,083)</u>	<u>\$ -</u>	<u>109,492,221</u>
Total depreciable capital assets, net	<u>72,586,598</u>				<u>70,063,155</u>
Governmental activities					
capital assets, net	<u>\$ 107,670,924</u>				<u>\$ 121,435,862</u>

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

General government	\$ 2,373,192
Public safety	3,103,971
Economic and physical development	79,607
Human services	1,201,630
Cultural and recreational	547,322
Total depreciation expense	<u>\$ 7,305,722</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
Business-Type Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 3,009,535	\$ 470,880	\$ -	\$ -	\$ 3,480,415
Construction in progress	718,162	22,319	-	-	740,481
Total non-depreciable capital assets	<u>3,727,697</u>	<u>493,199</u>	<u>-</u>	<u>-</u>	<u>4,220,896</u>
Depreciable Capital Assets:					
Buildings and improvements	31,083,687	49,390	-	-	31,133,077
Equipment	3,107,791	8,634	-	-	3,116,425
Vehicles and motorized equipment	7,321,261	-	-	-	7,321,261
Total depreciable capital assets	<u>41,512,739</u>	<u>58,024</u>	<u>-</u>	<u>-</u>	<u>41,570,763</u>
Less Accumulated Depreciation:					
Buildings and improvements	12,735,006	978,351	-	-	13,713,357
Equipment	1,230,093	260,698	-	-	1,490,791
Vehicles and motorized equipment	6,635,567	60,038	-	-	6,695,605
Total accumulated depreciation	<u>20,600,666</u>	<u>\$ 1,299,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>21,899,753</u>
Total depreciable capital assets, net	<u>20,912,073</u>				<u>19,671,010</u>
Business-type activities capital assets, net	<u>\$ 24,639,770</u>				<u>\$ 23,891,906</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2020 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	\$ 121,435,862	\$ 23,891,906
Less:		
Long-term debt	(252,558,509)	(419,929)
Add:		
Debt related to assets not owned by the County	199,266,875	-
Unspent debt proceeds related to debt for assets owned by the County*	<u>10,448,975</u>	<u>-</u>
Total	<u>(42,842,659)</u>	<u>(419,929)</u>
Net investment in capital assets	<u>\$ 78,593,203</u>	<u>\$ 23,471,977</u>

*Unexpended debt proceeds related to education debt in the amount of \$40,405,207 is not included in the calculation of governmental net investment in capital assets.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Construction Commitments

A summary of the remaining commitments on the County's open construction projects is as follows:

<u>Project</u>	<u>Remaining Commitment</u>
ADA Compliance Upgrades	\$ 5,276,778
Animal Shelter Design/ Renov/Upgrades/New Facility	177,316
Dallas Park CMAQ Trail	625,024
Dallas Park Expansion	459,716
Jail Infill/Expansion	799,415
Building Controls Upgrade Yr 3	288,983
Land Purchase and Development	140,350
Apple Creek Business Park	21,669,682
CDBG Program Income	24,086
Cherryville Business Park	295,874
ERP System	79,889
Facility Master Plan	6,277
Other Improv & Cap Outlay	814,197
Parking Lot Improvements	3,264,257
Poston Park Trails/Parks	100,552
Total	<u><u>\$ 34,022,396</u></u>

F. Payables

Payables at the government-wide level at June 30, 2020 were as follows:

	<u>Vendors</u>	<u>Accrued Expenses</u>	<u>Total</u>
Governmental Activities:			
General	\$ -	\$ 9,272,770	\$ 9,272,770
Public assistance	-	1,851,288	1,851,288
Capital improvement	4,091,490	-	4,091,490
Nonmajor special revenue	-	101,166	101,166
Internal Service Fund	3,165,822	-	3,165,822
Total governmental activities	<u><u>\$ 7,257,312</u></u>	<u><u>\$ 11,225,224</u></u>	<u><u>\$ 18,482,536</u></u>
Business-Type Activities:			
Solid waste	<u><u>\$ -</u></u>	<u><u>\$ 740,071</u></u>	<u><u>\$ 740,071</u></u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

G. Closure and Post-Closure Costs

In October 1991, the US Environmental Protection Agency issued its rule entitled “Solid Waste Disposal Facility Criteria” (the “EPA rule”). The effect of the EPA rule is to obligate all municipal solid waste landfill owners and operators to perform certain closing functions and certain post-closure monitoring and maintenance functions as a condition for the right to continue operating existing landfill sites. Beginning in April 1995, owners and operators were also required to provide assurance that financial resources would be available to provide for the closure and post-closure care costs.

The County is continuing to develop and modify closure plans and assess post-closure monitoring methods and strategies. Engineering cost estimates continue to be refined consistent with current regulatory requirements and anticipated rule changes. Such costs, which are to include the cost of all equipment and facilities, the cost of providing final cover, and the cost of monitoring and maintaining the landfill area during the 30-year post-closure period are likely to be significant.

Federal and state laws and regulations required the County to close by December 31, 1997 the last remaining unlined landfill cell in which the County was burying solid waste. Just prior to January 1, 1998, as required by law, the County opened its first landfill cell containing a synthetic liner to capture any leachate from the solid waste. The County obtained approval for an operating permit for only the one cell in which the liner was installed. Much of the 300 acres of the original tract purchased for landfill purposes will remain unpermitted until the need for additional cells arises. Consequently, the County considers only the cell currently in use to calculate its estimate of landfill closure and post-closure care costs for this landfill.

The County’s current landfill cell and the one closed in December 1997 are subject to the new regulations. Although closure and post-closure care costs will be paid only near or after the date that the individual landfill cells stop accepting waste, a portion of these closure and post-closure care costs are reported as a liability within the Proprietary Fund based on County landfill used as of each balance sheet date. The closure and post-closure care costs accrued at June 30, 2020 amount to \$13,563,087. This estimated amount is based on what it would cost to perform all closure and post-closure care costs in 2020. Actual costs may differ due to inflation, changes in technology, or changes in regulations. The County will recognize the remaining estimated costs of closure and post-closure care costs of each new cell as it is permitted and begins to accept waste. The County is currently using two lined cells, which were opened in January 1998 and March 2003, and expects to close both of those concurrently in approximately four years once another cell has been permitted.

The County has three additional landfills, which have not received solid waste since October 9, 1991 and, therefore, are not subject to the most recent EPA requirements. The Biggerstaff Landfill was closed during the 1992 fiscal year. The Cramerton and Auten Road Landfills were closed during the 1995 fiscal year. These landfills are subject to the 1986 EPA rule requiring certain closure functions and post-closure monitoring for five years. The five-year period for monitoring the landfills closed under the 1986 EPA rule has expired, therefore, the County has accrued no costs for those landfills at June 30, 2020.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

H. Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt	\$ 7,057,365	\$ -
Pensions - difference between expected and actual experience	6,370,811	112,498
Pensions - difference between projected and actual investment earnings	771,265	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	427,442	1,696,617
Pensions - change of assumptions	5,561,042	345,889
Contributions to pension plan	7,253,637	-
Benefit payments and administration costs paid subsequent to the measurement date (LEOSSA)	434,387	-
OPEB - difference between expected and actual experience	548,062	3,461,459
OPEB - change of assumptions	1,774,072	2,574,988
Benefit payments and plan administrative expense made subsequent to the measurement date	3,893,310	-
Prepaid taxes not yet earned (General Fund)	-	236,985
Taxes receivable, net (General Fund)	-	1,767,879
Taxes receivable, net (Special Revenue Fund)	-	121,224
Health department receivable, net (General Fund)	-	125,514
Other (General Fund)	-	1,494,303
Total	<u>\$ 34,091,393</u>	<u>\$ 11,937,356</u>

I. Long-Term Obligations

Capital Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020, the County leased vehicles and equipment as follows:

Governmental Activities:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 7,091,980	\$ -	\$ 7,091,980
Vehicles	6,015,548	1,565,455	4,450,093
Total	<u>\$ 13,107,528</u>	<u>\$ 1,565,455</u>	<u>\$ 11,542,073</u>

Business-Type Activities:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 724,396	\$ 491,141	\$ 233,255
Vehicles	366,871	121,043	245,828
Total	<u>\$ 1,091,267</u>	<u>\$ 612,184</u>	<u>\$ 479,083</u>

For the County, the future minimum lease payments as of June 30, 2020 were as follows:

Governmental Activities:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 2,309,533	\$ 143,072
2022	1,569,548	88,911
2023	779,815	51,501
2024	-	21,129
Total	<u>\$ 4,658,896</u>	<u>\$ 304,613</u>

Business-Type Activities:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	<u>\$ 78,858</u>	<u>\$ 695</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Installment Purchase Obligations

Business-Type Activities:

3.77% note, payable in annual installments ranging from \$35,806 to \$353,919, including interest; final payment due in 2020; secured by electric facility issued June 2010 \$ 341,071

The County's outstanding note from direct placements related to business-type activities of \$341,071 secured by the execution and delivery of a deed of trust granting, among other things, a lien of record on the mortgaged property subject to permitted encumbrances. It is also secured by the Debt Service Fund. The proceeds were used for the construction of an electric facility at the Renewable Energy Center. The County has the option of prepaying the outstanding principal of the loan in whole on any installment payment date after June 2, 2015 at a prepayment price equal to 100% of the principal balance plus a prepayment fee equal to 1% of the amount prepaid multiplied by the number of years or fraction thereof remaining under the term of the contract. Written notice must be given to the lender no less than ten days prior to prepayment being made. In the event the County fails to make any installment payment, the County will be given a reasonable period of time to correct the default as long as the County diligently works to correct the default.

For the County, the future minimum payments for all installment purchase obligations as of June 30, 2020 are as follows:

Business-Type Activities:

Year Ending			
June 30	Principal	Interest	Total
2021	<u>\$ 341,071</u>	<u>\$ 6,424</u>	<u>\$ 347,495</u>
Total	<u>\$ 341,071</u>	<u>\$ 6,424</u>	<u>\$ 347,495</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

General Obligation Indebtedness

General obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements will be provided by appropriation in the year in which they become due.

If the County fails to pay any installment of principal or interest on its outstanding debts on or before their due date and remains in default for 90 days, the Local Government Commission may take action as it deems advisable to investigate the County's fiscal affairs, consult with the board of commissioners and negotiate with its creditors in order to assist the County in working out a plan for refinancing, adjusting or compromising the debt. The Local Government Commission has the statutory authority to impound the books and records of the County and assume full control of all its financial affairs when and for as long as it is deemed necessary.

\$50,025,000 General Obligation School Bonds, Series 2016:

Principal due in annual installments through February 1, 2036.

Installments range from \$2,500,000 to \$2,505,000. Interest payable semi-annually (February and August) ranges from 2.0% to 5.0% issued May 2016.

\$ 40,010,000

\$58,855,000 2013 Refunding Bonds:

Principal due in annual installments through March 1, 2028.

Installments range from \$85,000 to \$6,180,000. Interest payable semi-annually (March and September) ranges from 2.0% to 5.0% issued April 2013.

39,090,000

\$7,338,000 General Obligation Refunding Bonds, Series 2012:

Principal due in annual installments through March 1, 2022.

Installments range from \$71,000 to \$2,380,000. Interest payable semi-annually (March and September) at 2.02% issued March 2012.

4,428,000

\$6,000,000 General Obligation School Bonds, Series 2017:

Principal due in annual installments through August 1, 2027.

Installments are \$600,000. Interest payable semi-annually (February and August) at 2.103% issued September 2017.

4,800,000

\$59,182,000 General Obligation Refunding Bonds, Series 2017:

Principal due in annual installments through February 1, 2029.

Installments range from \$115,000 to \$8,323,000. Interest payable semi-annually (February and August) at 2.53% issued December 2017.

55,083,000

\$60,000,000 General Obligation School Bonds, Series 2018:

Principal due in annual installments through August 1, 2028.

Installments are \$3,000,000. Interest payable semi-annually (February and August) ranges from 3.00% to 5.00% issued November 2018.

57,000,000

Total

\$ 200,411,000

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 15,922,000	\$ 7,104,503	\$ 23,026,503
2022	16,012,000	6,424,724	22,436,724
2023	17,057,000	5,742,172	22,799,172
2024	16,972,000	5,090,022	22,062,022
2025	16,876,000	4,470,540	21,346,540
2026-2030	66,344,000	13,511,369	79,855,369
2031-2035	27,500,000	5,460,000	32,960,000
2036	14,500,000	1,035,000	15,535,000
Total	<u>\$ 191,183,000</u>	<u>\$ 48,838,330</u>	<u>\$ 240,021,330</u>

The County's outstanding note from direct placements related to governmental activities of \$4,428,000 is secured by a pledge of faith and credit and taxing power of the County. The County is authorized and required by law to levy on all property taxable by the County such as ad valorem taxes, without limitation as to rate or amount, as may be necessary to pay the obligation and the interest thereon. It is also secured by a Debt Service Reserve Fund. The County may redeem prior to maturity, in whole or in part at its option at any time, the installments of principal of the bonds. Written notice of the early redemption must be given to the Bond Registrar and to the registered owner no less than thirty days prior to the prepayment. The prepayment would include the amount of principal to be redeemed, accrued interest and a minimum redemption premium of one-half percent (0.5%) of the amount redeemed. (See the note regarding the authority of the Local Government Commission in the event of payment defaults.)

The County's outstanding note from direct placements related to governmental activities of \$4,800,000 is secured by a pledge of faith and credit and taxing power of the County. The County is authorized and required by law to levy on all property taxable by the County such as ad valorem taxes, without limitation as to rate or amount, as may be necessary to pay the obligation and the interest thereon. It is also secured by a Debt Service Reserve Fund. The County may redeem prior to maturity, in whole but not in part on any date, at a redemption price of 100.50% of the total principal installments of the bonds plus accrued interest if redeemed prior to September 22, 2020 and a redemption price of 100% of the total principal installments of the bonds plus accrued interest if redeemed after September 22, 2020. The County must give written notice of the early redemption to the Bond Registrar no less than thirty days prior to the prepayment. In the event the County fails to pay any principal or interest payment when due, the interest rate on the bonds will increase by 3% until the payment default is corrected. (See the note below regarding the authority of the Local Government Commission in the event of payment defaults.)

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Annual debt service requirements to maturity for the County's direct placement general obligation bonds are as follows:

Year Ending				
June 30	Principal	Interest	Total	
2021	\$ 2,936,000	\$ 184,081	\$ 3,120,081	
2022	2,692,000	124,275	2,816,275	
2023	600,000	69,399	669,399	
2024	600,000	56,781	656,781	
2025	600,000	44,163	644,163	
2026-2030	1,800,000	56,781	1,856,781	
Total	<u>\$ 9,228,000</u>	<u>\$ 535,480</u>	<u>\$ 9,763,480</u>	

Limited Obligation Bonds

The County issued Series 2019A and 2019B Limited Obligation Bonds in April 2019. As security for the 2019 bonds, the County will execute and deliver a deed of trust granting, among other things, a lien of record on the mortgaged property subject to permitted encumbrances. Each series of the 2019 bonds will also be secured by a Debt Service Reserve Fund.

Approximately 57% of the Series 2019A Limited Obligation Bonds were issued to provide funds for the replacement and upgrade of the public safety system throughout the County including the radio communication equipment and infrastructure. The remaining 43% of the Series 2019A limited obligation bonds were issued for the renovation, expansion, equipping and improving of the existing sheriff's office and jail facility.

The Series 2019B limited obligation bonds were issued for the acquisition and improving of a planned business park to be known as the Apple Creek Corporate Center.

The City's limited obligation bonds payable at June 30, 2020 are comprised of the following individual issues:

- Series 2019A Limited Obligation Bonds, \$17,870,000
- Series 2019B Limited Obligation Bonds, \$7,420,000

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Governmental Activities – Limited Obligation Bonds:

\$18,230,000 Limited Obligation Bond, Series 2019A:

Principal due in annual installments through April 1, 2029.

Installments range from \$360,000 to \$1,210,000. Interest payable semi-annually (October and April) ranges from 2.25% to 5.00% issued April 2019.

\$ 17,870,000

\$8,555,000 Limited Obligation Bond, Series 2019B:

Principal due in annual installments through April 1, 2039.

Installments range from \$960,000 to \$3,620,000. Interest payable semi-annually (October and April) ranges from 3.00% to 5.00% issued April 2019.

7,420,000

Total

\$ 25,290,000

Annual debt service requirements to maturity for the County's limited obligation bonds for governmental activities are as follows:

Year Ending				
June 30	Principal	Interest	Total	
2021	\$ 1,595,000	\$ 1,024,102	\$ 2,619,102	
2022	1,595,000	972,666	2,567,666	
2023	1,595,000	920,867	2,515,867	
2024	1,595,000	868,463	2,463,463	
2025	1,595,000	814,728	2,409,728	
2026-2030	6,435,000	3,227,582	9,662,582	
2031-2035	6,050,000	1,753,000	7,803,000	
2036	<u>4,830,000</u>	<u>386,150</u>	<u>5,216,150</u>	
Total	<u>\$ 25,290,000</u>	<u>\$ 9,967,558</u>	<u>\$ 35,257,558</u>	

Revolving Loan Payables

On July 12, 2011, the County was approved for a maximum loan amount of \$8,500,000 from the U.S. Environmental Protection Agency passed-through the North Carolina Department of Environmental and Natural Resources under the Drinking Water State Revolving Fund program. The loan proceeds were being used to construct High Shoals Sewer Interconnect. The loan is repayable at 2.455% for 20 years.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The loan repayment schedule based on the maximum loan of \$8,500,000 calls for fixed annual principal payments of \$425,000 and semi-annual interest repayments based on outstanding principal annually for 20 years. The total amount outstanding at June 30, 2020 was \$4,393,302. Principal and interest requirements will be provided by appropriation in the year that they become due. The long-term debt is recorded in the General Fund. The County's outstanding note from direct borrowings related to governmental-type activities of \$4,393,302 is not secured by a pledge of the faith and credit of the State of North Carolina or of the County, but is payable solely from the revenues of the project or benefited systems, or other available funds. The note contains provisions that an event of default would result in (1) any other monies due to the County from the state may be withheld by the state and applied to the payment of the outstanding debt.

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2021	\$ 366,108	\$ 107,856	\$ 473,964
2022	366,108	98,868	464,976
2023	366,108	89,980	456,088
2024	366,108	80,892	447,000
2025	366,108	71,904	438,012
2026-2030	1,830,540	224,698	2,055,238
2031-2032	732,222	26,866	759,088
Total	<u>\$ 4,393,302</u>	<u>\$ 701,064</u>	<u>\$ 5,094,366</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2020:

	Balance			Balance	Current
	July 1, 2019	Increases	Decreases	June 30, 2020	Portion
Governmental Activities:					
General obligation bonds	\$ 207,922,000	\$ -	\$(16,739,000)	\$ 191,183,000	\$ 15,922,000
General obligation bonds - direct placement	12,208,000	-	(2,980,000)	9,228,000	2,936,000
Premium	19,304,706	-	(1,499,395)	17,805,311	1,499,395
Limited Obligation Bonds	26,785,000	-	(1,495,000)	25,290,000	1,595,000
Capitalized leases of equipment	17,927,200	1,099,727	(14,368,031)	4,658,896	2,309,533
State revolving loan - direct borrowing	4,759,410	-	(366,108)	4,393,302	366,108
Compensated absences	6,408,585	7,354,092	(6,408,585)	7,354,092	1,838,523
Total OPEB liability	75,035,154	-	(2,008,153)	73,027,001	-
Net pension liability (LGERS)	25,906,358	4,107,743	-	30,014,101	-
Total pension liability (LEOSSA)	12,312,206	976,849	-	13,289,055	-
Total governmental activities	<u>\$ 408,568,619</u>	<u>\$ 13,538,411</u>	<u>\$ (45,864,272)</u>	<u>\$ 376,242,758</u>	<u>\$ 26,466,559</u>
Business-Type Activities:					
Installment purchases - direct placement	\$ 1,010,718	\$ -	\$ (669,647)	\$ 341,071	\$ 341,071
Compensated absences	155,516	1,588	-	157,104	39,276
Net pension liability (LGERS)	543,832	83,831	-	627,663	-
Total OPEB liability	1,385,774	-	(37,089)	1,348,685	-
Landfill closure and post-closure costs	10,942,667	2,620,420	-	13,563,087	1,085,047
Capitalized leases of equipment	284,004	-	(205,146)	78,858	78,858
Total business-type activities	<u>\$ 14,322,511</u>	<u>\$ 2,705,839</u>	<u>\$ (911,882)</u>	<u>\$ 16,116,468</u>	<u>\$ 1,544,252</u>

Compensated absences, OPEB liability, and pension liabilities of the governmental activities are generally liquidated by the General Fund. At June 30, 2020, Gaston County had a legal debt margin of approximately \$1,370,000,000.

Debt Related to Capital Activities

Of the total governmental activities' debt listed, only \$53,291,634 relates to assets the County holds title. There is \$10,448,975 in unspent restricted cash related to this debt.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

J. Interfund Balances and Activity

The composition of interfund transfers during the year ended June 30, 2020 is as follows:

From	To	Purpose	Amount
General Fund	Public Assistance Fund	County amount transferred to balance budget for FY20 for various expenditures.	\$ 16,612,141
General Fund	Public Assistance Fund	Vehicles (FY 2020 Vehicle Lease Purchase Financing)	95,186
General Fund	Revaluation Fund	County amount transferred to balance budget for FY20 for various expenditures.	210,000
General Fund	Debt Service Fund	To fund all non-school debt service payments	3,631,490
General Fund	Debt Service: schools	To fund all school debt service payments	19,581,064
General Fund	Capital Improvements Fund	County amount transferred to balance budget for FY20 for various expenditures.	9,374,219
Capital Improvements	General Fund	Correct appropriation of LOB debt proceeds; should have been appropriated in the General Fund	10,963,328
Self Insurance Fund	General Fund	Transfer to cover a portion of estimated group health insurance expenses for FY20.	1,608,000
General Fund	Capital Improvements Fund	Purchase property for Cherryville/Beam Industrial Park	575,000
General Fund	Capital Improvements Fund	Due diligence testing for Cherryville Industrial Park	335,729
General Fund	Capital Improvements Fund	Donated funds from the Town of Dallas for the Dallas Park Splash Pad Project	30,000
General Fund	Capital Improvements Fund	George Poston estate donation for the Poston Park track lighting project	65,000
Public Assistance Fund	Capital Improvements Fund	Gaston County Capital & Relief Expansion (CARE) Initiative / new Child Advocacy Facility	1,200,000
Travel & Tourism Fund	General Fund	Gaston County Welcome Signage Project	198,843
Travel & Tourism Fund	Capital Improvements Fund	Installation of lighting at Pump Track / Poston Park (Tourism's 50% share of installation)	<u>63,253</u>
Total			<u><u>\$ 64,543,253</u></u>

3. Other Information

A. Risk Management

The County 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 County is self-insured for all liability coverages up to the self-insured retention of \$250,000. The County is self-insured for (1) any collision damage to County-owned, on-road vehicles as a result of at-fault accidents and (2) any window breakage, vandalism, or theft of vehicles typically included in comprehensive commercial coverage. This self-insurance program is funded by annual appropriation. There have been no significant reductions in insurance coverage from the previous years, and settled claims from these risks have not exceeded commercial insurance coverage in any of the last three fiscal years.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The County carries flood insurance of \$25,000,000 (other than high hazard and Coastal flood zones).

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Director is individually bonded for \$50,000 and the Tax Collector is individually bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$500,000.

The County accounts for health, life, and dental Insurance within the Internal Service Fund. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNR). The result of the process to eliminate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether they are allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended June 30	
	2020	2019
Unpaid claims, beginning of fiscal year	\$ 3,551,477	\$ 2,701,003
Incurred claims (including IBNRs)	14,329,850	16,054,155
Claim payments	(14,715,505)	(15,203,681)
Unpaid claims, end of fiscal year	<u>\$ 3,165,822</u>	<u>\$ 3,551,477</u>

B. Joint Ventures

The County, in conjunction with Lincoln County, Cleveland County, Burke County, Catawba County, Iredell County, Surry County, Rutherford County, and Yadkin County participates in a joint venture to operate Partners Behavioral Health Management. The Board of Directors shall consist of up to 26 members (25 members appointed by the County Commissioners and one Consumer and Family Advisory Committee representative). The number of members from each County shall be determined by the percentage of each County's population compared to the total population of the Catchment area. The organization's continued existence depends on the participating government's support. The Board of Commissioners of each County appoints one of its own members to the Authority's Board. Those Board members, in turn, appoint the additional members of the Authority's Board allotted to each County. The Authority provides a variety of services to citizens of the three counties, including individual and group out-patient psychiatric services for adults and adolescents, case management services, a community support program for formerly institutionalized persons adjusting to a return to the community, a 24-hour crisis service, and a full range of mental retardation services for citizens of all ages. The County has an ongoing

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

financial responsibility to the Authority to supplement the federal and state funds, which comprise the bulk of its budget. For the fiscal year ended June 30, 2020, the County contributed \$884,300 to the Authority, which represented approximately 0.27% of its total budget. The County does not have an equity interest in the Authority, therefore, no equity interest has been reflected in the financial statements. Complete financial statements for the Authority may be obtained from its administrative offices at 2505 Court Drive, Gastonia, North Carolina 28054.

The County participates with the State of North Carolina, the Gaston County Board of Education, and Lincoln County in a joint venture to operate Gaston College (the "College"), a part of the North Carolina Community College System, which provides low-cost education to area citizens in a variety of academic disciplines, often in conjunction with local industry. Each of the participants appoints four members of the 14-member Board of Trustees of the College, with the exception of Lincoln County Commissioners appointing 2 members. The president of the College's student government association serves as a non-voting, ex-officio member of the Board of Trustees. The College is included as a component unit of the State of North Carolina. The County has the responsibility for providing funding for the facilities of the College and also provides some financial support for its operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the College because of the statutory responsibilities to provide funding for the College's facilities. The County's contributions for the College's operating and capital expenditures for the year ended June 30, 2020 were \$5,585,769 and \$751,859 respectively. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. Complete financial statements for the College may be obtained at its administrative offices at 201 Highway 321 South, Dallas, North Carolina 28034.

The County, in conjunction with Mecklenburg County, North Carolina, and York County, South Carolina, participates in the Lake Wylie Marine Commission (the "LWMC"). The LWMC was established by the 1987 session of the North Carolina General Assembly, Chapter 683 as amended by Chapter 897, and the 1987 session of the South Carolina General Assembly, Act 176 as amended by Act 769, for the purpose of preserving and protecting property and wildlife and promoting public safety in, on, and around Lake Wylie. The counties that fall within the jurisdiction of the LWMC appoint its Board members. Gaston County appoints three members, Mecklenburg County appoints two members, and York County appoints two members. The primary sources of revenue for the LWMC are the member assessments in equal amounts of \$25,000 for each of the three counties for the fiscal year ended June 30, 2020. The County has no equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2020. Complete financial statements for the Lake Wylie Marine Commission are available from the Centralina Council of Governments, 1300 Baxter Street, Suite 450, PO Box 35008, Charlotte, North Carolina 28235, which performs general and administrative services for the LWMC under an administrative services contract.

C. Related Organizations

The County Board of Commissioners appoints 8 members: 7 township representatives (4 year term, 3 term limit), and 1 commissioner appointee (1 year term, 12 term limit), 5 At Large members and 1 Chief of Staff of CaroMont Regional Medical Center appointed by the CaroMont

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Health Board of Directors (formerly Gaston Health Care, Inc.). CaroMont Health, Inc. is a holding company, which includes several operating companies providing health services to the citizens of Gaston County and surrounding counties. The most significant of these companies is Gaston Memorial Hospital, Inc.

The County Board of Commissioners appoints the seven-member Board of Directors of the Gaston County Industrial Facilities and Pollution Control Financing Authority (the “Authority”), which was created in 1976 under the authority of North Carolina General Statute 159D. The Authority is charged with the review of applications for the County’s allotment of industrial revenue bonds and approves or denies the preliminary application. The Authority also makes recommendations to the Board of Commissioners regarding each bond application and serves as agent for industrial bond issues as specified under federal and state tax laws for tax-exempt industrial revenue bonds.

D. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one-year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months’ salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

E. Pension Plan Obligations

Local Governmental Employees’ Retirement System

Plan Description. The County is a participating employer in the state-wide Local Governmental Employees’ Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The LGERS is included in

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 8.95% of compensation for law enforcement officers and 9.70% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$7,144,846 for the year ended June 30, 2020.

Refunds of Contributions – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

At June 30, 2020, the County reported a liability of \$30,641,764 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019, utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was 1.122%, (measured as of June 30, 2019), which was a decrease of 0.007% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$13,775,686. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,246,646	\$ -
Changes of assumptions	4,994,099	-
Net difference between projected and actual earnings on pension plan investments	747,395	-
Changes in proportion and differences between County contributions and proportionate share of contributions	422,601	93,806
County's contributions subsequent to the measurement date	7,144,846	-
Total	<u>\$ 18,555,587</u>	<u>\$ 93,806</u>

\$7,144,846 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Total
2021	\$ 5,573,431
2022	1,771,092
2023	3,095,446
2024	876,966
2025	-
Thereafter	-
Total	<u>\$ 11,316,935</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the RP2014 Total Data Set for Healthy Annuitants mortality table that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term</u>	
	<u>Target</u>	<u>Expected Real</u>
	<u>Allocation</u>	<u>Rate of Return</u>
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	<u>6.0%</u>	4.0%
Total	<u>100%</u>	

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	<u>\$ 70,083,318</u>	<u>\$ 30,641,764</u>	<u>\$ (2,142,157)</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Law Enforcement Officers' Special Separation Allowance

Plan Description. Gaston County administers a public employee retirement system (the "Separation Allowance"); a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of credible service or have attained 55 years of age and have completed five or more years of credible service. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The Separation Allowance covers all full-time law enforcement officers of the County. At December 31, 2018, the Separation Allowance's membership consisted of:

Law Enforcement Officers' Special Separation Allowance	
Retirees receiving benefits	47
Active plan members	234
Total	<u>281</u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures will be made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria, which are outlined in GASB Statement 73.

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20-Year High Grade Rate Index.

Mortality rates are based on the following:

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$779,336 as benefits came due for the reporting period.

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

At June 30, 2020, the County reported a total pension liability of \$13,289,055. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$1,240,914. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Benefit payments and administrative costs subsequent to measurement date	\$ 434,387	\$ -
Difference between expected and actual experience	1,124,165	-
Changes of assumptions and other inputs	566,943	345,889
Total	<u>\$ 2,125,495</u>	<u>\$ 345,889</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

\$434,387 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2021	\$ 393,507
2022	402,814
2023	321,727
2024	197,239
2025	29,932
Thereafter	-
Total	<u>\$ 1,345,219</u>

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 3.26%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	<u>\$ 14,282,757</u>	<u>\$ 13,289,055</u>	<u>\$ 12,371,306</u>

Schedule of Changes in Total Pension Liability

<u>Law Enforcement Officers' Special Separation Allowance</u>	
Beginning balance	<u>\$ 12,312,206</u>
Service cost	411,848
Interest on the total pension liability	433,980
Difference between expected and actual experience	552,843
Changes of assumptions and other inputs	357,514
Benefit payments made	<u>(779,336)</u>
Net change in total pension liability	<u>976,849</u>
Ending balance of the total pension liability	<u>\$ 13,289,055</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 3.64% at December 31, 2018 to 3.26% at December 31, 2019.

Changes of Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

The plan currently uses mortality tables that vary by age and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study completed by the actuary for the Local Government Employee Retirement system for the five-year period ended December 31, 2014.

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2020 were \$1,597,720, which consisted of \$775,046 from the County and \$822,674 from the law enforcement officers, no amounts were forfeited.

Registers of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing, multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county Register of Deeds who is retired under the Local Government Employees' Retirement System (LERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the state House of Representatives, and the State

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least ten years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contributions this and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$108,791 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$2,332,906 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuations as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was 11.817%, which was an increase of 11.032 % from its proportion measured as of June 30, 2018.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

For the year ended June 30, 2020, the County recognized pension expense of \$344,780. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 112,498
Net difference between projected and actual earnings on pension plan investments	23,870	-
Changes in proportion and differences between County contributions and proportionate share of contributions	4,841	1,602,811
County's contributions subsequent to the measurement date	108,791	-
Total	<u>\$ 137,502</u>	<u>\$ 1,715,309</u>

\$108,791 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Total
2021	\$ (574,807)
2022	(511,228)
2023	(554,478)
2024	(46,085)
Total	<u>\$ (1,686,598)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2019 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (1,928,411)	\$ (2,332,906)	\$ (2,674,889)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

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

The net pension liability for LGERS and ROD was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability for LEOSSA was measured as of December 31, 2019, with an actuarial valuation date of December 31, 2018. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	LEOSSA	ROD	Total
Proportionate share of net pension liability (asset)	\$ 30,641,764	\$ -	\$ (2,332,906)	\$ 28,308,858
Proportion of the net pension liability (asset)	1.122%	NA	11.817%	-
Total pension liability	-	13,289,055	-	13,289,055
Pension expense	13,775,686	1,240,914	344,780	15,361,380

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources</u>	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Differences between expected and actual experience	\$ 5,246,646	\$ 1,124,165	\$ -	\$ 6,370,811
Changes of assumptions	4,994,099	566,943	-	5,561,042
Net difference between projected and actual earnings on pension plan investments	747,395	-	23,870	771,265
Changes in proportion and differences between County contributions and proportionate share of contributions	422,601	-	4,841	427,442
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>7,144,846</u>	<u>434,387</u>	<u>108,791</u>	<u>7,688,024</u>
Total deferred outflows of resources	<u>\$ 18,555,587</u>	<u>\$ 2,125,495</u>	<u>\$ 137,502</u>	<u>\$ 20,818,584</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ -	\$ 112,498	\$ 112,498
Changes of assumptions	-	345,889	-	345,889
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>93,806</u>	<u>-</u>	<u>1,602,811</u>	<u>1,696,617</u>
Total deferred inflows of resources	<u>\$ 93,806</u>	<u>\$ 345,889</u>	<u>\$ 1,715,309</u>	<u>\$ 2,155,004</u>

Other Post-Employment Benefits

Plan Description. In accordance with a County resolution, the County administers a single-employer, defined benefit plan, which provides healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the County. The plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The County pays the full cost of coverage for these benefits if you have 25 or more years of service. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently, 187 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2020, the County made payments for post-retirement health benefit premiums of \$4,214,816. The County obtains healthcare coverage through self and private insurers. A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

- Retiree must have been hired prior to 8/11/2005 with no break in service.
- Retirees with 25+ years of service will receive:
- Health insurance at a subsidized rate from the county through a private healthcare insurer through age 65:
 - For retiree and dependents
 - \$326 Medicare supplement for life beginning at age 65
- Retirees with 20 – 24 years of service will receive:
 - Health insurance at a subsidized rate (\$100 discount) from the county through a private healthcare insurer through age 65:
 - For retiree and dependents
 - \$100 Medicare supplement for life beginning at age 65
- A small group of Retirees continue to receive a smaller supplement from a prior plan that was replaced by the August 2005 resolution.
 - \$50 – 1 participant
 - \$150 – 9 participants

Membership of the post-employment health benefit plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	512
Active members	403
Total	<u>915</u>

Total OPEB Liability

The County's total OPEB liability of \$74,375,686 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General employees	3.50%-7.75%
Firefighters	3.50%-7.75%
Law enforcement officers	3.50%-7.35%
Municipal bond index rate	
Prior measurement date	3.89%
Measurement date	3.50%
Healthcare cost trend rates:	
	7.00% for 2019 decreasing to an unlimited rate of
Pre-Medicare medical and prescription drug	4.50% by 2026
Medicare medical and prescription drug	0.00%
	7.00% for 2019 decreasing to an unlimited rate of
HSA contributions	4.50% by 2026

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2019	<u>\$ 76,420,928</u>
Changes for the Year:	
Service cost	1,586,540
Interest	2,891,578
Differences between expected and actual experience	(5,006,612)
Changes of assumptions or other inputs	2,698,068
Benefit payments	<u>(4,214,816)</u>
Net changes	<u>(2,045,242)</u>
Balance at June 30, 2020	<u><u>\$ 74,375,686</u></u>

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	<u>\$ 82,425,819</u>	<u>\$ 74,375,686</u>	<u>\$ 67,475,109</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	<u>Current</u>	<u>1%</u> <u>Increase</u>
Total OPEB liability	\$ 70,559,729	\$ 74,375,686	\$ 78,652,160

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the County recognized OPEB expense of \$1,988,952. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 548,062	\$ 3,461,459
Changes of assumptions	1,774,072	2,574,988
Benefit payments and plan administrative expense made subsequent to the measurement date	3,893,310	-
Total	<u>\$ 6,215,444</u>	<u>\$ 6,036,447</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

\$3,893,310 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	
June 30	Total
2021	\$ (2,502,249)
2022	(1,189,144)
2023	(22,920)
2024	-
2025	-
Thereafter	-
Total	<u><u>\$ (3,714,313)</u></u>

F. Claims and Judgments

At June 30, 2020, the County was a defendant to other various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

G. Significant Effects of Subsequent Events

The County issued \$60,516,875 in the refunding of 2017 School GO bonds and 2017 GO Refunding Bond on October 28, 2020.

In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19), a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact County revenues. At the current time, we are unable to quantify the potential effects of this pandemic.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of Changes in Total Pension Liability for Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll for Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in the Total OPEB Liability and Related Ratios for Other Post-Employment Benefits
- County's Proportionate Share of Net Pension Liability (Asset) for Local Government Employee's Retirement System
- County's Contributions for Local Government Employee's Retirement System
- County's Proportionate Share of Net Pension Liability (Asset) for Register of Deeds' Pension Fund
- County's Contributions for Register of Deeds' Pension Fund

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GASTON COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FOUR FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance			
	2020	2019	2018	2017
Beginning balance	\$ 12,312,206	\$ 11,847,267	\$ 10,886,409	\$ 10,936,528
Service cost	411,848	421,381	341,920	387,553
Interest on the total pension liability	433,980	361,747	407,079	380,199
Difference between expected and actual experience	552,843	919,101	253,678	-
Changes in assumptions or other inputs	357,514	(438,152)	638,815	(244,487)
Benefit payments	(779,336)	(799,138)	(680,634)	(573,384)
Ending balance of the total pension liability	<u>\$ 13,289,055</u>	<u>\$ 12,312,206</u>	<u>\$ 11,847,267</u>	<u>\$ 10,886,409</u>

The amounts presented for each fiscal year were determined as of the prior December 31.

Note: Information is intended to be shown for ten years; additional years' information will be displayed as it becomes available.

GASTON COUNTY, NORTH CAROLINA**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FOUR FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance			
	2020	2019	2018	2017
Total pension liability	\$ 13,289,055	\$ 12,312,206	\$ 11,847,267	\$ 10,886,409
Covered payroll	15,269,438	14,185,827	13,342,210	14,212,061
Total pension liability as a percentage of covered payroll	87.03%	86.79%	88.80%	76.60%

Notes to Schedules:

Gaston County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Note: Information is intended to be shown for ten years; additional years' information will be displayed as it becomes available.

GASTON COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS**

Other Post-Employment Benefits			
	2020	2019	2018
Service cost	\$ 1,586,540	\$ 1,650,496	\$ 1,804,661
Interest	2,891,578	2,694,526	2,408,143
Differences between expected and actual experience	(5,006,612)	1,080,160	(648,987)
Changes of assumptions or other inputs	2,698,068	(2,631,144)	(4,749,335)
Benefit payments	(4,214,816)	(4,088,332)	(2,191,789)
Net change in total OPEB liability	(2,045,242)	(1,294,294)	(3,377,307)
Total OPEB liability - beginning	76,420,928	77,715,222	81,092,529
Total OPEB liability - ending	<u>\$ 74,375,686</u>	<u>\$ 76,420,928</u>	<u>\$ 77,715,222</u>
Covered payroll	\$ 26,197,912	\$ 30,225,889	\$ 30,225,889
Total OPEB liability as a percentage of covered payroll	283.90%	252.83%	257.11%

Notes to the Required Schedules:

Changes of Assumptions : Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2020	3.50%
2019	3.89%
2018	3.56%

Note: Information is intended to be shown for ten years; additional years' information will be displayed as it becomes available.

GASTON COUNTY, NORTH CAROLINA
COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS*

	Local Government Employees' Retirement System						
	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	1.12203%	1.11494%	1.07214%	1.11399%	1.09906%	1.14287%	1.16630%
County's proportion of the net pension liability (asset) (\$)	\$ 30,641,764	\$ 26,450,190	\$ 16,379,329	\$ 23,642,600	\$ 4,932,515	\$ (6,740,036)	\$ 14,058,394
County's covered payroll*	\$ 76,866,665	\$ 73,803,006	\$ 69,171,453	\$ 67,510,404	\$ 66,133,607	\$ 65,995,520	\$ 66,397,570
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.86%	35.84%	23.68%	35.02%	7.46%	-10.21%	21.17%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

Note: Information is intended to be shown for ten years; additional years' information will be displayed as it becomes available.

GASTON COUNTY, NORTH CAROLINA**GASTON COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS**

	Local Government Employees' Retirement System						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 7,144,846	\$ 6,049,796	\$ 5,637,293	\$ 5,126,405	\$ 4,687,940	\$ 4,693,058	\$ 4,711,193
Contributions in relation to the contractually required contribution	<u>7,144,846</u>	<u>6,049,796</u>	<u>5,637,293</u>	<u>5,126,405</u>	<u>4,687,940</u>	<u>4,693,058</u>	<u>4,711,193</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 78,976,783	\$ 76,866,665	\$ 73,803,006	\$ 69,171,453	\$ 67,510,404	\$ 66,133,607	\$ 65,995,520
Contributions as a percentage of covered payroll	9.05%	7.87%	7.64%	7.41%	6.94%	7.10%	7.14%

Note: Information is intended to be shown for ten years; additional years' information will be displayed as it becomes available.

GASTON COUNTY, NORTH CAROLINA
COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS*

	Register of Deeds' Supplemental Pension Fund						
	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	11.81697%	0.78517%	0.85230%	1.13299%	1.34155%	1.42133%	1.39896%
County's proportion of the net pension liability (asset) (\$)	\$ (2,332,906)	\$ (130,048)	\$ (145,479)	\$ (211,824)	\$ (310,898)	\$ (322,166)	\$ (298,818)
County's covered payroll*	\$ 109,385	\$ 106,313	\$ 103,227	\$ 96,827	\$ 93,457	\$ 90,947	\$ 90,168
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-2132.75%	-122.33%	-140.93%	-218.77%	-332.66%	-354.23%	-331.40%
Plan fiduciary net position as a percentage of the total pension liability **	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.

** This will be the same percentage for all participant employers in the ROD plan.

Note: Information is intended to be shown for ten years; additional years' information will be displayed as it becomes available.

GASTON COUNTY, NORTH CAROLINA**GASTON COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS**

	Register of Deeds' Supplemental Pension Fund						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 108,791	\$ 112,317	\$ 6,719	\$ 7,405	\$ 10,735	\$ 10,765	\$ 11,605
Contributions in relation to the contractually required contribution	<u>108,791</u>	<u>112,317</u>	<u>6,719</u>	<u>7,405</u>	<u>10,735</u>	<u>10,765</u>	<u>11,605</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 112,373	\$ 109,385	\$ 106,313	\$ 103,227	\$ 96,827	\$ 93,457	\$ 90,947
Contributions as a percentage of covered payroll	96.81%	102.68%	6.32%	7.17%	11.09%	11.52%	12.76%

Note: Information is intended to be shown for ten years; additional years' information will be displayed as it becomes available.

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SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

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GENERAL FUND

The General Fund accounts for resources traditionally associated with government that is not required to be accounted for in other funds.

PUBLIC ASSISTANCE FUND

The Public Assistance Special Revenue Fund is used to account for the activities of the Department of Social Services. The transactions included proceeds of federal and State revenue sources for various assistance programs (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

DEBT SERVICE FUND

The Debt Service Fund is used to account for all expenditures for principal and interest for all long-term debt payments. The other governmental fund types provide the resources to the Debt Service Fund to make the payments through transfers.

CAPITAL IMPROVEMENTS FUND

The Capital Improvements Fund is used to account for the acquisition and construction of major capital and capital facilities other than those financed by the proprietary funds and trust funds.

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GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 164,749,047	\$ 165,351,898	\$ 602,851	\$ 146,801,461
Penalties and interest	665,000	678,660	13,660	749,113
Total	<u>165,414,047</u>	<u>166,030,558</u>	<u>616,511</u>	<u>147,550,574</u>
Other Taxes and Licenses:				
One-cent tax	13,300,000	13,300,000	-	13,300,000
Half-cent sales tax	17,520,000	17,676,443	156,443	17,648,627
Real estate transfer taxes	1,311,083	1,465,663	154,580	1,293,779
Total	<u>32,131,083</u>	<u>32,442,106</u>	<u>311,023</u>	<u>32,242,406</u>
Restricted Intergovernmental Revenues:				
Federal grants	8,637,660	4,902,786	(3,734,874)	1,876,012
State grants	4,474,795	4,476,540	1,745	4,481,084
Federal prisoner detention reimbursements	1,045,000	1,193,065	148,065	1,167,301
Court facilities fees	250,000	270,287	20,287	250,911
Total	<u>14,407,455</u>	<u>10,842,678</u>	<u>(3,564,777)</u>	<u>7,775,308</u>
Fees, Licenses, and Permits:				
Inspection fees	2,484,270	2,451,515	(32,755)	2,708,172
Register of Deeds' fees	1,080,638	1,287,006	206,368	1,157,486
Other	1,275,230	2,745,863	1,470,633	2,661,150
Total	<u>4,840,138</u>	<u>6,484,384</u>	<u>1,644,246</u>	<u>6,526,808</u>
Sales and Services:				
Medical transport fees	11,578,011	10,616,894	(961,117)	13,840,379
Library fees	70,522	62,591	(7,931)	89,400
Jail fees	150,000	185,333	35,333	167,210
Animal shelter fees	503,200	407,896	(95,304)	480,980
Municipal election fees	125,000	127,434	2,434	-
Central transportation fees	334,000	311,093	(22,907)	288,141
Recreation fees	170,000	121,077	(48,923)	141,854
Personal health fees	842,825	4,583,510	3,740,685	3,748,000
Highland Medical Center	407,900	99,863	(308,037)	141,371
Environmental health fees	250,000	277,115	27,115	273,513
Family planning fees	930,000	435,003	(494,997)	346,363
Maternal and child health fees	2,935,000	794,609	(2,140,391)	1,430,302
Gynecological clinic fees	15,800	6,224	(9,576)	8,415
Miscellaneous	1,653,068	1,951,731	298,663	2,327,309
Total	<u>19,965,326</u>	<u>19,980,373</u>	<u>15,047</u>	<u>23,283,237</u>

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Investment Earnings	<u>1,500,249</u>	<u>721,706</u>	<u>(778,543)</u>	<u>598,834</u>
Miscellaneous Revenue:				
Sales of surplus property	20,963	188,777	167,814	140,654
Insurance settlements	-	93,656	93,656	164,043
Other	<u>1,284,359</u>	<u>1,804,740</u>	<u>520,381</u>	<u>1,433,850</u>
Total	<u>1,305,322</u>	<u>2,087,173</u>	<u>781,851</u>	<u>1,738,547</u>
Total revenues	<u>239,563,620</u>	<u>238,588,978</u>	<u>(974,642)</u>	<u>219,715,714</u>
Expenditures:				
General Government:				
County Commissioners:				
Salaries and employee benefits	462,822	462,796	26	458,520
Operating expenditures	<u>1,181,144</u>	<u>558,459</u>	<u>622,685</u>	<u>447,744</u>
Total	<u>1,643,966</u>	<u>1,021,255</u>	<u>622,711</u>	<u>906,264</u>
County Manager				
Salaries and employee benefits	971,941	971,932	9	405,458
Operating expenditures	<u>96,918</u>	<u>65,445</u>	<u>31,473</u>	<u>32,921</u>
Total	<u>1,068,859</u>	<u>1,037,377</u>	<u>31,482</u>	<u>438,379</u>
County Attorney:				
Salaries and employee benefits	515,175	515,158	17	408,627
Operating expenditures	<u>37,162</u>	<u>24,665</u>	<u>12,497</u>	<u>19,882</u>
Total	<u>552,337</u>	<u>539,823</u>	<u>12,514</u>	<u>428,509</u>
Elections:				
Salaries and employee benefits	360,346	360,330	16	341,938
Operating expenditures	853,151	684,372	168,779	451,158
Capital outlay	<u>7,458</u>	<u>5,593</u>	<u>1,865</u>	<u>-</u>
Total	<u>1,220,955</u>	<u>1,050,295</u>	<u>170,660</u>	<u>793,096</u>
Register of Deeds:				
Salaries and employee benefits	985,100	985,068	32	1,035,882
Operating expenditures	<u>305,441</u>	<u>208,895</u>	<u>96,546</u>	<u>174,060</u>
Total	<u>1,290,541</u>	<u>1,193,963</u>	<u>96,578</u>	<u>1,209,942</u>

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Finance:				
Salaries and employee benefits	1,051,998	1,051,995	3	1,017,296
Operating expenditures	344,233	320,606	23,627	263,660
Total	1,396,231	1,372,601	23,630	1,280,956
Budget:				
Salaries and employee benefits	525,967	525,879	88	488,953
Operating expenditures	2,963,813	1,317,203	1,646,610	1,289,047
Total	3,489,780	1,843,082	1,646,698	1,778,000
Internal Audit:				
Salaries and employee benefits	1,100	1,097	3	-
Purchasing:				
Salaries and employee benefits	189,377	189,363	14	182,777
Operating expenditures	11,148	5,439	5,709	4,805
Total	200,525	194,802	5,723	187,582
Information Technology:				
Salaries and employee benefits	3,367,819	3,367,816	3	3,170,058
Operating expenditures	2,106,841	1,708,709	398,132	1,626,124
Capital outlay	150,000	146,119	3,881	146,119
Total	5,624,660	5,222,644	402,016	4,942,301
ACCESS/Central Transportation Administration:				
Salaries and employee benefits	302,680	183,294	119,386	249,576
Operating expenditures	120,950	83,572	37,378	60,845
Total	423,630	266,866	156,764	310,421
ACCESS/Central Transportation Operations:				
Salaries and employee benefits	1,116,780	923,542	193,238	883,406
Operating expenditures	617,504	356,665	260,839	659,783
Service fees to other departments	-	(9,592)	9,592	(24,838)
Capital outlay	723,568	198,760	524,808	313,432
Total	2,457,852	1,469,375	988,477	1,831,783
Tax:				
Salaries and employee benefits	3,503,544	3,503,527	17	3,149,281
Operating expenditures	1,344,646	1,248,754	95,892	1,092,542
Capital outlay	5,314	5,314	-	228
Total	4,853,504	4,757,595	95,909	4,242,051

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Human Resources:				
Salaries and employee benefits	1,010,706	1,010,687	19	976,814
Operating expenditures	729,028	589,374	139,654	513,410
Capital outlay	6,300	-	6,300	-
Total	1,746,034	1,600,061	145,973	1,490,224
Human Relations:				
Operating expenditures	50,000	39,862	10,138	39,780
Public Works Administration:				
Salaries and employee benefits	513,304	502,729	10,575	467,275
Operating expenditures	285,711	165,411	120,300	140,507
Capital outlay	30,519	-	30,519	-
Total	829,534	668,140	161,394	607,782
Fleet Maintenance:				
Salaries and employee benefits	576,897	576,286	611	555,312
Operating expenditures	(93,166)	(85,309)	(7,857)	(93,322)
Total	483,731	490,977	(7,246)	461,990
Facilities Management:				
Salaries and employee benefits	804,245	817,795	(13,550)	767,779
Operating expenditures	3,520,274	2,949,232	571,042	2,659,399
Service fees to other departments	81,836	74,011	7,825	167,241
Total	4,406,355	3,841,038	565,317	3,594,419
Grounds Maintenance:				
Salaries and employee benefits	488,444	488,419	25	471,314
Operating expenditures	214,823	199,982	14,841	189,873
Capital outlay	10,142	10,142	-	52,591
Total	713,409	698,543	14,866	713,778
Courts:				
Operating expenditures	1,018,650	934,025	84,625	1,024,783
Print Shop:				
Salaries and employee benefits	164,971	162,576	2,395	165,064
Operating expenditures	9,788	74,812	(65,024)	74,655
Capital Outlay	24,899	24,134	765	-
Total	199,658	261,522	(61,864)	239,719

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Cable Access:				
Salaries and employee benefits	179,132	179,124	8	171,299
Operating expenditures	60,517	38,430	22,087	25,469
Capital outlay	3,000	-	3,000	-
Total	<u>242,649</u>	<u>217,554</u>	<u>25,095</u>	<u>196,768</u>
Public Information:				
Salaries and employee benefits	133,802	133,799	3	90,628
Operating expenditures	11,207	6,529	4,678	3,963
Total	<u>145,009</u>	<u>140,328</u>	<u>4,681</u>	<u>94,591</u>
Non-Departmental Expenditures:				
Medicare supplement	1,155,773	977,288	178,485	994,469
Retirees	3,500,000	3,500,000	-	3,500,000
Risk management fees	52,000	-	52,000	2,354
Gaston County Alternative Community:				
Lake Wylie Marine Commission	25,000	25,000	-	25,000
Insurance reserves	749,281	751,050	(1,769)	498,477
Special grants	3,980,436	228,785	3,751,651	-
Pretrial Services	1,176,855	1,176,855	-	884,855
Carolina land and lakes	10,000	10,000	-	-
Drug task force	-	(8)	8	(46)
Investment Grant program	1,396,371	1,396,371	-	1,516,002
Stormwater fees	24,000	21,313	2,687	21,072
Phoenix counseling	15,000	-	15,000	15,000
Indirect cost reimbursement from DSS	(2,500,000)	(2,732,888)	232,888	(2,831,398)
Total	<u>9,584,716</u>	<u>5,353,766</u>	<u>4,230,950</u>	<u>4,625,785</u>
Total general government	<u>43,643,685</u>	<u>34,216,591</u>	<u>9,427,094</u>	<u>31,438,903</u>
Public Safety:				
County Police:				
Salaries and employee benefits	13,517,327	13,517,316	11	13,239,202
Operating expenditures	3,310,043	2,263,682	1,046,361	2,141,220
Capital outlay	1,506,283	1,128,607	377,676	14,318,024
Services to other departments	(1,332,049)	(1,104,198)	(227,851)	(1,076,388)
Total	<u>17,001,604</u>	<u>15,805,407</u>	<u>1,196,197</u>	<u>28,622,058</u>

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Sheriff:				
Salaries and employee benefits	9,683,307	8,947,380	735,927	6,604,641
Operating expenditures	2,499,642	1,816,744	682,898	1,652,631
Capital outlay	526,101	477,634	48,467	107,327
Total	<u>12,709,050</u>	<u>11,241,758</u>	<u>1,467,292</u>	<u>8,364,599</u>
Jail:				
Salaries and employee benefits	8,259,154	8,605,517	(346,363)	9,939,069
Operating expenditures	<u>5,042,557</u>	<u>4,935,891</u>	<u>106,666</u>	<u>4,108,664</u>
Total	<u>13,301,711</u>	<u>13,541,408</u>	<u>(239,697)</u>	<u>14,047,733</u>
Law Enforcement Special Allowance:				
Salaries and employee benefits	<u>883,220</u>	<u>883,198</u>	<u>22</u>	<u>852,306</u>
Juvenile Detention Home:				
Operating expenditures	<u>425,000</u>	<u>98,454</u>	<u>326,546</u>	<u>226,066</u>
Emergency Management & Fire Services:				
Salaries and employee benefits	583,692	583,622	70	558,246
Operating expenditures	1,078,383	864,823	213,560	609,410
Capital outlay	<u>1,926</u>	<u>1,800</u>	<u>126</u>	<u>84,180</u>
Total	<u>1,664,001</u>	<u>1,450,245</u>	<u>213,756</u>	<u>1,251,836</u>
Building Services:				
Salaries and employee benefits	2,041,172	2,047,471	(6,299)	1,940,427
Operating expenditures	324,906	280,626	44,280	306,630
Capital outlay	<u>84,036</u>	<u>83,825</u>	<u>211</u>	<u>55,133</u>
Total	<u>2,450,114</u>	<u>2,411,922</u>	<u>38,192</u>	<u>2,302,190</u>
Medical Examiner:				
Operating expenditures	<u>215,441</u>	<u>122,688</u>	<u>92,753</u>	<u>148,719</u>
Emergency Medical Services:				
Salaries and employee benefits	9,109,125	9,109,115	10	9,031,785
Operating expenditures	4,410,909	4,042,848	368,061	3,323,320
Capital outlay	1,525,400	1,437,105	88,295	2,779,084
Rescue squad supplements	<u>1,348,117</u>	<u>1,355,772</u>	<u>(7,655)</u>	<u>1,581,550</u>
Total	<u>16,393,551</u>	<u>15,944,840</u>	<u>448,711</u>	<u>16,715,739</u>

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Animal Control:				
Salaries and employee benefits	1,719,047	1,719,029	18	1,573,547
Operating expenditures	640,833	456,569	184,264	462,192
Capital outlay	110,747	108,823	1,924	93,429
Total	<u>2,470,627</u>	<u>2,284,421</u>	<u>186,206</u>	<u>2,129,168</u>
Telecommunications:				
Salaries and employee benefits	3,980,063	3,980,057	6	3,780,715
Operating expenditures	<u>1,446,435</u>	<u>1,049,357</u>	<u>397,078</u>	<u>707,506</u>
Total	<u>5,426,498</u>	<u>5,029,414</u>	<u>397,084</u>	<u>4,488,221</u>
Total public safety	<u>72,940,817</u>	<u>68,813,755</u>	<u>4,127,062</u>	<u>79,148,635</u>
Environmental Protection:				
Forestry Control Services:				
Operating expenditures	<u>90,149</u>	<u>69,718</u>	<u>20,431</u>	<u>65,385</u>
Economic and Physical Development:				
Planning:				
Salaries and employee benefits	718,779	712,457	6,322	596,410
Operating expenditures	<u>165,616</u>	<u>49,695</u>	<u>115,921</u>	<u>65,246</u>
Total	<u>884,395</u>	<u>762,152</u>	<u>122,243</u>	<u>661,656</u>
Economic Development Commission:				
Salaries and employee benefits	763,209	763,181	28	744,564
Operating expenditures	<u>341,626</u>	<u>245,170</u>	<u>96,456</u>	<u>217,031</u>
Total	<u>1,104,835</u>	<u>1,008,351</u>	<u>96,484</u>	<u>961,595</u>
Court Drive Development	<u>65,400</u>	<u>45,000</u>	<u>20,400</u>	<u>1,500</u>
Technology Park Development	<u>122,800</u>	<u>78,562</u>	<u>44,238</u>	<u>13,067</u>
Cooperative Extension Service:				
Salaries and employee benefits	129,286	131,408	(2,122)	111,070
Operating expenditures	<u>546,349</u>	<u>454,738</u>	<u>91,611</u>	<u>493,638</u>
Total	<u>675,635</u>	<u>586,146</u>	<u>89,489</u>	<u>604,708</u>
Urgent Repair Program:				
Operating expenditures	<u>100,249</u>	<u>92,647</u>	<u>7,602</u>	<u>481</u>
Agricultural Stabilization:				
Operating expenditures	<u>10,258</u>	<u>9,770</u>	<u>488</u>	<u>10,029</u>

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
4-H Programs:				
Operating expenditures	17,494	10,595	6,899	9,708
Quality of Natural Resources Commission:				
Operating expenditures	3,000	148	2,852	381
Gaston County Soil and Water Conservation:				
Salaries and employee benefits	838,277	838,252	25	753,008
Operating expenditures	101,006	71,986	29,020	72,927
Capital outlay	56,436	25,861	30,575	-
Total	995,719	936,099	59,620	825,935
Total economic and physical development	3,979,785	3,529,470	450,315	3,089,060
Human Services:				
Health Department:				
Administration:				
Salaries and employee benefits	2,136,505	1,867,622	268,883	1,997,917
Operating expenditures	3,866,334	1,756,647	2,109,687	1,585,074
Total	6,002,839	3,624,269	2,378,570	3,582,991
Allied Health:				
Salaries and employee benefits	1,580,832	1,559,755	21,077	1,596,003
Operating expenditures	636,830	354,810	282,020	343,402
Total	2,217,662	1,914,565	303,097	1,939,405
Personal Health:				
Salaries and employee benefits	2,946,038	2,771,749	174,289	2,799,650
Operating expenditures	1,135,626	639,944	495,682	740,334
Total	4,081,664	3,411,693	669,971	3,539,984
Environmental Health:				
Salaries and employee benefits	1,444,489	1,433,051	11,438	1,355,036
Operating expenditures	406,281	210,644	195,637	203,539
Capital outlay	30	-	30	27,567
Total	1,850,800	1,643,695	207,105	1,586,142
Gynecological Health:				
Salaries and employee benefits	7,333	6,647	686	15,784
Operating expenditures	23,800	2,146	21,654	11,402
Total	31,133	8,793	22,340	27,186

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Family Planning:				
Salaries and employee benefits	1,825,208	1,623,014	202,194	1,593,679
Operating expenditures	520,926	334,081	186,845	269,476
Total	2,346,134	1,957,095	389,039	1,863,155
Women, Infants, and Children:				
Salaries and employee benefits	900,859	865,935	34,924	822,806
Operating expenditures	28,750	5,442	23,308	40,195
Total	929,609	871,377	58,232	863,001
Maternal and Child Health:				
Salaries and employee benefits	2,424,026	1,614,961	809,065	2,636,774
Operating expenditures	979,178	665,206	313,972	503,555
Total	3,403,204	2,280,167	1,123,037	3,140,329
Highland Health Center:				
Salaries and employee benefits	647,966	579,886	68,080	587,665
Operating expenditures	338,991	172,623	166,368	193,370
Total	986,957	752,509	234,448	781,035
Gaston Family Health Services:				
Medical services - operating expenditures	344,872	344,872	-	344,872
Total health department	22,194,874	16,809,035	5,385,839	17,668,100
Contribution to Pathways	884,300	884,300	-	884,300
Battered Spouse - Hope United				
Salaries and employee benefits	-	2,021	(2,021)	-
Total	-	2,021	(2,021)	-
Child Advocacy Ctr. - Hope United				
Salaries and employee benefits	-	2,733	(2,733)	-
Family Justice Center - Hope United				
Salaries and employee benefits	389,259	118,072	271,187	-
Operating expenditures	224,374	39,630	184,744	-
Capital outlay	15,965	-	15,965	-
Total	629,598	157,702	471,896	-

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Veterans Services:				
Salaries and employee benefits	300,870	300,859	11	289,595
Operating expenditures	117,695	46,412	71,283	80,187
Total	418,565	347,271	71,294	369,782
Youth Services	1,008,027	957,728	50,299	716,009
Gaston Skills:				
Operating expenditures	168,000	168,000	-	168,000
Total human services	25,303,364	19,328,790	5,977,307	19,806,191
Cultural and Recreational: Recreation:				
Salaries and employee benefits	439,031	439,000	31	319,758
Operating expenditures	608,502	518,642	89,860	547,219
Capital outlay	22,348	22,348	-	-
Total	1,069,881	979,990	89,891	866,977
Museum:				
Salaries and employee benefits	485,828	485,821	7	446,416
Operating expenditures	125,490	85,470	40,020	104,976
Capital outlay	25,190	25,158	32	-
Total	636,508	596,449	40,059	551,392
Main Library Services:				
Salaries and employee benefits	2,056,382	2,095,310	(38,928)	2,038,545
Operating expenditures	1,207,519	828,343	379,176	860,251
Total	3,263,901	2,923,653	340,248	2,898,796
Branch Library Services:				
Salaries and employee benefits	1,163,964	1,125,029	38,935	1,069,040
Operating expenditures	347,915	330,333	17,582	283,827
Total	1,511,879	1,455,362	56,517	1,352,867
Senior Center:				
Salaries and employee benefits	25,299	25,277	22	109,271
Operating expenditures	122,699	83,807	38,892	108,441
Total	147,998	109,084	38,914	217,712
Total cultural and recreational	6,630,167	6,064,538	565,629	5,887,744

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Education:				
Gaston College:				
Operating expenditures	5,585,769	5,585,769	-	5,352,237
County Schools:				
Resource officers	1,332,049	1,104,198	227,851	1,113,088
School of excellence	65,000	14,583	50,417	65,000
Operating expenditures	50,951,704	50,886,912	64,792	48,955,004
Total	52,348,753	52,005,693	343,060	50,133,092
Total education	57,934,522	57,591,462	343,060	55,485,329
Debt Service:				
Principal retirement	13,024,433	12,991,158	33,275	2,554,226
Interest and fees	482,987	466,031	16,956	84,707
Total debt service	13,507,420	13,457,189	50,231	2,638,933
Total expenditures	224,029,909	203,071,513	20,958,396	197,560,180
Revenues over (under) expenditures	15,533,711	35,517,465	19,983,754	22,155,534
Other Financing Sources (Uses):				
Installment purchase contracts issued	1,099,728	1,099,727	(1)	15,886,553
Fund balance appropriated	22,472,555	-	(22,472,555)	-
Transfers From (to) Other Funds:				
From Capital Improvements Fund	10,963,328	10,963,328	-	-
From Self-Insurance Internal Service Fund	1,608,000	1,608,000	-	1,608,000
To Debt Service Fund	(23,212,554)	(23,212,554)	-	(21,381,485)
To Public Assistance Fund	(18,073,663)	(16,707,327)	1,366,336	(18,095,113)
To Property Revaluation Fund	(210,000)	(210,000)	-	(210,000)
To Capital Improvements Fund	(10,379,948)	(10,379,948)	-	(2,232,552)
From Tourism Fund	198,843	198,843	-	-
To Emergency Telephone System Fund	-	-	-	(90,149)
Total other financing sources (uses)	(15,533,711)	(36,639,931)	(21,106,220)	(24,514,746)
Net change in fund balance	\$ -	(1,122,466)	\$ (1,122,466)	(2,359,212)
Fund Balance:				
Beginning of year - July 1		55,202,897		57,562,109
End of year - June 30		\$ 54,080,431		\$ 55,202,897

GASTON COUNTY, NORTH CAROLINA

**MAJOR PUBLIC ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues	\$ 25,968,691	\$ 22,842,412	\$ (3,126,279)	\$ 21,403,426
Investment earnings	-	36,708	36,708	173,866
Miscellaneous revenues	357,380	365,881	8,501	354,448
Total revenues	26,326,071	23,245,001	(3,081,070)	21,931,740
Expenditures:				
Social Services:				
Salaries and employee benefits	22,670,047	22,433,888	236,159	21,721,995
Operating expenditures	5,355,104	2,829,924	2,525,180	2,099,760
Capital outlay	322,305	130,548	191,757	43,999
Total	28,347,456	25,394,360	2,953,096	23,865,754
WIA Administration:				
Salaries and employee benefits	94,055	92,197	1,858	98,263
Operating expenditures	198,698	112,806	85,892	57,947
Capital outlay	22,500	1,845	20,655	309
Total	315,253	206,848	108,405	156,519
WIA Adult:				
Salaries and employee benefits	265,610	252,235	13,375	233,979
Operating expenditures	1,128,662	663,888	464,774	645,543
Total	1,394,272	916,123	478,149	879,522
WIA Dislocated Worker:				
Operating expenditures	292,000	3,688	288,312	19,413
WIA Youth:				
Operating expenditures	764,102	402,201	361,901	379,325
WorkFirst - County:				
Salaries and employee benefits	833,790	833,765	25	888,879
Operating expenditures	586,800	86,616	500,184	178,279
Total	1,420,590	920,381	500,209	1,067,158

GASTON COUNTY, NORTH CAROLINA

MAJOR PUBLIC ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
WorkFirst - Other:				
Operating expenditures	1,000	-	1,000	-
Battered Spouse Shelter:				
Salaries and employee benefits	392,019	392,003	16	365,294
Operating expenditures	578,626	255,356	323,270	195,611
Capital outlay	517	-	517	-
Total	971,162	647,359	323,803	560,905
Senior Center:				
Operating expenditures	6,900	3,937	2,963	2,574
Nutrition Program:				
Salaries and employee benefits	292,790	292,761	29	292,546
Operating expenditures	690,240	439,482	250,758	352,320
Total	983,030	732,243	250,787	644,866
In Home Aide-Services:				
Salaries and employee benefits	234,595	234,319	276	225,285
Operating expenditures	895,867	870,452	25,415	836,155
Total	1,130,462	1,104,771	25,691	1,061,440
Child Advocacy:				
Salaries and employee benefits	285,806	285,787	19	192,277
Operating expenditures	82,379	16,412	65,967	49,576
Total	368,185	302,199	65,986	241,853
Gastonia Adult Daycare Center:				
Salaries and employee benefits	254,024	253,993	31	241,013
Operating expenditures	93,706	71,633	22,073	69,448
Total	347,730	325,626	22,104	310,461

GASTON COUNTY, NORTH CAROLINA

**MAJOR PUBLIC ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Belmont Adult Daycare Center:				
Salaries and employee benefits	149,754	149,059	695	138,147
Operating expenditures	72,274	53,146	19,128	74,966
Capital outlay	1,900	-	1,900	-
Total	223,928	202,205	21,723	213,113
Community Alternative Program:				
Salaries and employee benefits	420,715	420,694	21	406,930
Operating expenditures	77,000	16,748	60,252	27,756
Total	497,715	437,442	60,273	434,686
Food Stamp Issuance:				
Operating expenditures	80,000	45,914	34,086	39,436
Public Assistance Expenditures:				
TANF	1,000	-	1,000	2,769,531
Low income energy assistance	981,682	976,893	4,789	638,240
Other financing assistance	373,226	295,089	78,137	286,358
Aid to the blind	25,500	10,216	15,284	9,375
Medicaid	121,000	13,098	107,902	6,486
Special assistance to adults	1,835,000	1,252,534	582,466	1,401,967
Crisis intervention	1,055,159	1,049,487	5,672	973,968
Transportation - Home and Community Care Block grant	357,516	208,041	149,475	145,080
Total	4,750,083	3,805,358	944,725	6,231,005
Residential Service Expenditures:				
Title IV - Foster Care	3,086,040	2,759,297	326,743	-
Adoption	694,151	550,082	144,069	680,644
Receiving homes	201,634	229,560	(27,926)	70,855
State foster home	1,511,460	903,951	607,509	1,037,924
Special treatment	57,915	29,000	28,915	69,010
Total	5,551,200	4,471,890	1,079,310	1,858,433

GASTON COUNTY, NORTH CAROLINA

**MAJOR PUBLIC ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Debt Service:				
Principal retirement	55,201	47,203	7,998	46,393
Interest and fees	3,563	1,703	1,860	1,654
Total	58,764	48,906	9,858	48,047
 Total expenditures	 47,503,832	 39,971,451	 7,532,381	 38,014,510
 Revenues over (under) expenditures	 (21,177,761)	 (16,726,450)	 4,451,311	 (16,082,770)
 Other Financing Sources (Uses):				
Fund balance appropriated	4,304,098	-	(4,304,098)	-
Transfers from/to other funds:				
To Capital Improvement Fund	(1,200,000)	(1,200,000)	-	-
From General Fund	18,073,663	16,707,327	(1,366,336)	18,095,113
Total other financing sources (uses)	21,177,761	15,507,327	(5,670,434)	18,095,113
 Net change in fund balance	 \$ -	 (1,219,123)	 \$ (1,219,123)	 2,012,343
 Fund Balance:				
Beginning of year - July 1		17,386,586		15,374,243
 End of year - June 30		 \$ 16,167,463		 \$ 17,386,586

GASTON COUNTY, NORTH CAROLINA

MAJOR DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 63,873	\$ 63,873	\$ 80,416
Lottery proceeds - restricted				
intergovernmental	2,050,000	2,364,600	314,600	2,242,658
Sales tax	7,590,640	8,222,301	631,661	5,342,031
Miscellaneous revenue	1,031,315	-	(1,031,315)	-
Total revenues	10,671,955	10,650,774	(21,181)	7,665,105
Expenditures:				
Principal Retirement:				
Administration/York - Chester	366,109	366,108	1	366,108
School bonds	19,719,001	19,719,000	1	16,444,000
Jail infill	156,522	156,522	-	-
Apple Creek	1,135,000	1,135,000	-	-
Radio equipment and infrastructure	203,478	203,478	-	-
Total principal retirement	21,580,110	21,580,108	2	16,810,108
Interest and Fees:				
Administration/York - Chester	116,844	116,844	-	125,831
School bonds	11,184,193	8,584,191	2,600,002	6,257,335
Professional fees	118,800	48,756	70,044	129,346
Jail infill	338,720	338,711	9	-
Apple Creek	224,306	224,300	6	-
Radio equipment and infrastructure	440,336	440,324	12	-
Total interest and fees	12,423,199	9,753,126	2,670,073	6,512,512
Total expenditures	34,003,309	31,333,234	2,670,075	23,322,620
Revenues over (under) expenditures	(23,331,354)	(20,682,460)	2,648,894	(15,657,515)
Other Financing Sources (Uses):				
Fund balance appropriated	118,800	-	(118,800)	-
Transfers from General Fund	23,212,554	23,212,554	-	21,381,485
Total other financing sources (uses)	23,331,354	23,212,554	(118,800)	21,381,485
Net change in fund balance	\$ -	2,530,094	\$ 2,530,094	5,723,970
Fund Balance:				
Beginning of year - July 1		9,400,766		3,676,796
End of year - June 30		\$ 11,930,860		\$ 9,400,766

GASTON COUNTY, NORTH CAROLINA

**MAJOR CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental revenues:			
Duke Grant:Project Alpha 3	\$ -	\$ 25,000	\$ 25,000
NC PARTF Grant	250,000	-	(250,000)
Investment Earnings:			
School bond proceeds - general obligation	710,653	737,073	26,420
Gaston Community College - general obligation	2,889	3,024	135
School bond proceeds - Build America	10,175	10,500	325
Limited obligation bonds (tax exempt)	-	187,000	187,000
Other	-	750,547	750,547
Miscellaneous revenues:			
Property sales: Apple Creek	2,300,000	-	(2,300,000)
Sales tax	4,500,000	10,105,045	5,605,045
Other	-	1,824	1,824
Total revenues	7,773,717	11,820,013	4,046,296
Capital Expenditures by Department:			
Animal Control:			
New animal control facility	3,168,234	2,998,280	169,954
Child Advocacy Center:			
Child Advocacy building	2,000,000	-	2,000,000
CDBG:			
Program income	28,397	4,311	24,086
EDC:			
Land purchase and development	1,519,827	804,477	715,350
Apple Creek Business Park	21,669,869	187	21,669,682
Cherryville Business Park	335,729	39,856	295,873
Duke Grant: Project Alpha 3	25,000	25,000	-
One NC Grant : Tosaf / 2014-10814	168,750	-	168,750
One NC Grant: Project LENO	50,000	-	50,000
Public Infrastructure Grant: Tosaf / 2015-044-3212-2587	250,000	-	250,000
Rual economic development / building reuse: Project Rolling Door	2,500	-	2,500
Historic Preservation:			
Land	62,573	-	62,573
Public Safety:			
Jail infill/expansion	9,762,477	9,000,588	761,889
Public Works:			
Animal control facility design/upgrades	90,573	83,210	7,363
Renovations and improvements	13,250,324	3,385,412	9,864,912
Highway Planning and Construction Grants:			
Dallas Park Trail (CMAQ / C-5606E)	648,654	23,630	625,024
Lowell to Poston Park sidewalk connector (CMAQ / C-5606J)	417,974	-	417,974
Rankin Lake to Tech Park Greenway (CMAQ / C-5606K)	946,847	-	946,847
Neal Hawkins sidewalk improvements (CMAQ / C-5606M)	1,860,578	-	1,860,578

GASTON COUNTY, NORTH CAROLINA

**MAJOR CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget	Actual	Variance Over/Under
Recreation:			
Dallas Park expansion	742,238	282,522	459,716
Park renovations and improvements	235,491	6,686	228,805
NC PARTF Grant / 2020-909	500,000	-	500,000
Special Grants and Programs:			
Township	700,648	218,359	482,289
Non-departmental Expenditures:			
ERP system	94,559	14,670	79,889
Gaston County schools	59,792,612	29,697,657	30,094,955
Gaston College	1,922,341	751,859	1,170,482
Water and sewer lines	258,333	100,000	158,333
Total expenditures	<u>120,504,528</u>	<u>47,436,704</u>	<u>73,067,824</u>
Revenues over (under) expenditures	<u>(112,730,811)</u>	<u>(35,616,691)</u>	<u>77,114,120</u>
Other Financing Sources (Uses):			
Bonds issued			-
Fund balance appropriated	112,050,938	-	(112,050,938)
Transfers in (out):			
Transfers from the Public Assist Fund	1,200,000	1,200,000	-
Transfers from the Tourism Fund	63,253	63,253	-
Transfers to General Fund	(583,380)	(583,380)	-
Total other financing sources (uses)	<u>112,730,811</u>	<u>679,873</u>	<u>(112,050,938)</u>
Net change in fund balance	<u>\$ -</u>	<u>(34,936,818)</u>	<u>\$ (34,936,818)</u>
Fund Balance:			
Beginning of year - July 1		<u>124,607,370</u>	
End of year - June 30		<u>\$ 89,670,552</u>	

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes.

Individual Fund Descriptions:

- **Travel and Tourism Fund** – accounts for the revenue receipts from occupancy tax and the related expenditures.
- **Property Revaluation Fund** – accounts for the accumulation of funds necessary to cover the cost of real property revaluation.
- **Emergency Telephone System Fund** – accounts for the activities of a county-wide emergency telephone service funded by telephone company line charges.
- **Drug Forfeitures Fund** – accounts for revenues received from Federal Drug Forfeitures in conjunction with local law enforcement agencies as a result of property confiscations. These funds must be used by the County for law enforcement purposes.
- **Controlled Substance Abuse Tax Fund** – accounts for revenues received from State Drug Forfeitures in conjunction with local law enforcement agencies as a result of property confiscations. These funds must be used by the County for law enforcement purposes.
- **Parking Fee Fund** - accounts for the revenues received from parking fees at the County courthouse.
- **Fire Districts Fund** – accounts for the revenues of the fire districts within the County.

GASTON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Travel and Tourism Fund	Property Revaluation Fund	Emergency Telephone System Fund	Drug Forfeitures Fund
Assets:				
Cash and cash equivalents	\$ 988,811	\$ -	\$ 951,400	\$ 1,016,668
Ad valorem taxes receivable, net	-	-	-	-
Accounts receivable	95,604	-	58,190	-
Restricted cash	-	379,233	-	-
Total assets	<u>\$ 1,084,415</u>	<u>\$ 379,233</u>	<u>\$ 1,009,590</u>	<u>\$ 1,016,668</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 77,491	\$ -	\$ 11,315	\$ 9,764
Liabilities payable from restricted assets	-	1,367	-	-
Total liabilities	<u>77,491</u>	<u>1,367</u>	<u>11,315</u>	<u>9,764</u>
Deferred Inflows of Resources:				
Unavailable taxes	-	-	-	-
Fund Balances:				
Restricted:				
Stabilization by state statute	95,604	-	139,680	460,626
Fire protection	-	-	-	-
Emergency telephone	-	-	858,595	-
Committed:				
Tax revaluation	-	377,866	-	-
Assigned:				
Parking	-	-	-	-
Travel and tourism	911,320	-	-	-
Public safety	-	-	-	546,278
Total fund balances	<u>1,006,924</u>	<u>377,866</u>	<u>998,275</u>	<u>1,006,904</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,084,415</u>	<u>\$ 379,233</u>	<u>\$ 1,009,590</u>	<u>\$ 1,016,668</u>

GASTON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Controlled Substance Abuse Tax Fund	Parking Fee Fund	Fire Districts Fund	Total
Assets:				
Cash and cash equivalents	\$ 273,400	\$ 1,238,625	\$ 522,448	\$ 4,991,352
Ad valorem taxes receivable, net	-	-	121,224	121,224
Accounts receivable	-	12,901	53,349	220,044
Restricted cash	-	-	-	379,233
Total assets	<u>\$ 273,400</u>	<u>\$ 1,251,526</u>	<u>\$ 697,021</u>	<u>\$ 5,711,853</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 2,596	\$ -	\$ 101,166
Liabilities payable from restricted assets	-	-	-	1,367
Total liabilities	<u>-</u>	<u>2,596</u>	<u>-</u>	<u>102,533</u>
Deferred Inflows of Resources:				
Unavailable taxes	<u>-</u>	<u>-</u>	<u>121,224</u>	<u>121,224</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	12,901	53,349	762,160
Fire protection	-	-	522,448	522,448
Emergency telephone	-	-	-	858,595
Committed:				
Tax revaluation	-	-	-	377,866
Assigned:				
Parking	-	1,236,029	-	1,236,029
Travel and tourism	-	-	-	911,320
Public safety	<u>273,400</u>	<u>-</u>	<u>-</u>	<u>819,678</u>
Total fund balances	<u>273,400</u>	<u>1,248,930</u>	<u>575,797</u>	<u>5,488,096</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 273,400</u>	<u>\$ 1,251,526</u>	<u>\$ 697,021</u>	<u>\$ 5,711,853</u>

GASTON COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	Travel and Tourism Fund	Property Revaluation Fund	Emergency Telephone System Fund	Drug Forfeitures Fund
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Occupancy taxes	753,807	-	-	-
Restricted intergovernmental revenues	-	-	-	8,275
E911 surcharge	-	-	698,276	-
Investment earnings	21,975	3,320	8,327	14,083
Miscellaneous revenues	6,300	-	-	-
Total revenues	<u>782,082</u>	<u>3,320</u>	<u>706,603</u>	<u>22,358</u>
Expenditures:				
Current:				
General government	-	47,847	-	-
Public safety	-	-	428,575	85,408
Economic and physical development	864,077	-	-	-
Principal retirement	-	-	1,329,670	-
Total expenditures	<u>864,077</u>	<u>47,847</u>	<u>1,758,245</u>	<u>85,408</u>
Revenues over (under) expenditures	(81,995)	(44,527)	(1,051,642)	(63,050)
Other Financing Sources (Uses):				
Transfers in/out	<u>(262,096)</u>	<u>210,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(344,091)	165,473	(1,051,642)	(63,050)
Fund Balances:				
Beginning of year - July 1	<u>1,351,015</u>	<u>212,393</u>	<u>2,049,917</u>	<u>1,069,954</u>
End of year - June 30	<u>\$ 1,006,924</u>	<u>\$ 377,866</u>	<u>\$ 998,275</u>	<u>\$ 1,006,904</u>

GASTON COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	Controlled Substance Abuse Tax Fund	Parking Fee Fund	Fire Districts Fund	Total
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 5,284,080	\$ 5,284,080
Occupancy taxes	-	-	-	753,807
Restricted intergovernmental revenues	63,430	-	-	71,705
E911 surcharge	-	-	-	698,276
Investment earnings	3,278	10,838	5,299	67,120
Miscellaneous revenues	-	150,595	-	156,895
Total revenues	<u>66,708</u>	<u>161,433</u>	<u>5,289,379</u>	<u>7,031,883</u>
Expenditures:				
Current:				
General government	-	57,922	-	105,769
Public safety	9,446	-	5,845,139	6,368,568
Economic and physical development	-	-	-	864,077
Principal retirement	-	-	-	1,329,670
Total expenditures	<u>9,446</u>	<u>57,922</u>	<u>5,845,139</u>	<u>8,668,084</u>
Revenues over (under) expenditures	57,262	103,511	(555,760)	(1,636,201)
Other Financing Sources (Uses):				
Transfers in/out	-	-	-	(52,096)
Net change in fund balances	57,262	103,511	(555,760)	(1,688,297)
Fund Balances:				
Beginning of year - July 1	<u>216,138</u>	<u>1,145,419</u>	<u>1,131,557</u>	<u>7,176,393</u>
End of year - June 30	<u>\$ 273,400</u>	<u>\$ 1,248,930</u>	<u>\$ 575,797</u>	<u>\$ 5,488,096</u>

GASTON COUNTY, NORTH CAROLINA

TRAVEL AND TOURISM FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Occupancy tax	\$ 895,385	\$ 753,807	\$ (141,578)	\$ 908,898
Investment earnings	-	21,975	21,975	36,448
Miscellaneous revenue	40,000	6,300	(33,700)	36,300
Total revenues	<u>935,385</u>	<u>782,082</u>	<u>(153,303)</u>	<u>981,646</u>
Expenditures:				
Economic and physical development:				
Salaries and employee benefits	269,004	275,822	(6,818)	262,419
Operating expenditures	<u>916,381</u>	<u>588,255</u>	<u>328,126</u>	<u>703,556</u>
Total expenditures	<u>1,185,385</u>	<u>864,077</u>	<u>321,308</u>	<u>965,975</u>
Revenues over (under) expenditures	<u>(250,000)</u>	<u>(81,995)</u>	<u>168,005</u>	<u>15,671</u>
Other Financing Sources (Uses):				
Transfers to Capital Improvements Fund	(262,096)	(262,096)	-	-
Fund balance appropriated	<u>512,096</u>	<u>-</u>	<u>(512,096)</u>	<u>-</u>
Total other financing sources (uses)	<u>250,000</u>	<u>(262,096)</u>	<u>(512,096)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(344,091)</u>	<u>\$ (344,091)</u>	<u>15,671</u>
Fund Balance:				
Beginning of year - July 1		<u>1,351,015</u>		<u>1,335,344</u>
End of year - June 30		<u>\$ 1,006,924</u>		<u>\$ 1,351,015</u>

GASTON COUNTY, NORTH CAROLINA

PROPERTY REVALUATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 3,320	\$ 3,320	\$ 2,611
Expenditures:				
General government:				
Operating expenditures	210,000	47,847	162,153	238,804
Revenues over (under) expenditures	(210,000)	(44,527)	165,473	(236,193)
Other Financing Sources (Uses):				
Transfers from General Fund	210,000	210,000	-	52,500
Transfers from Capital Improvements Fund	-	-	-	157,500
Total other financing sources (uses)	210,000	210,000	-	210,000
Net change in fund balance	\$ -	165,473	\$ 165,473	(26,193)
Fund Balance:				
Beginning of year - July 1		212,393		238,586
End of year - June 30		<u>\$ 377,866</u>		<u>\$ 212,393</u>

GASTON COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
E911 surcharge	\$ 760,574	\$ 698,276	\$ (62,298)	\$ 760,575
Investment earnings	-	8,327	8,327	22,762
Total revenues	<u>760,574</u>	<u>706,603</u>	<u>(53,971)</u>	<u>783,337</u>
Expenditures:				
Public safety:				
Operating expenditures	867,437	428,575	438,862	626,328
Principal retirement	<u>1,329,670</u>	<u>1,329,670</u>	-	-
Total expenditures	<u>2,197,107</u>	<u>1,758,245</u>	<u>438,862</u>	<u>626,328</u>
Revenues over (under) expenditures	<u>(1,436,533)</u>	<u>(1,051,642)</u>	<u>384,891</u>	<u>157,009</u>
Other Financing Sources (Uses):				
Transfers from General Fund	-	-	-	90,149
Appropriated fund balance	<u>1,436,533</u>	-	<u>(1,436,533)</u>	-
Total other financing sources (uses)	<u>1,436,533</u>	-	<u>(1,436,533)</u>	<u>90,149</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,051,642)</u>	<u>\$ (1,051,642)</u>	<u>247,158</u>
Fund Balance:				
Beginning of year - July 1		<u>2,049,917</u>		<u>1,802,759</u>
End of year - June 30		<u>\$ 998,275</u>		<u>\$ 2,049,917</u>

GASTON COUNTY, NORTH CAROLINA**DRUG FORFEITURES FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2020****WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenue - police	\$ -	\$ 8,275	\$ 8,275	\$ 8,120
Investment earnings	13,529	14,083	554	24,026
Total revenues	<u>13,529</u>	<u>22,358</u>	<u>8,829</u>	<u>32,146</u>
Expenditures:				
Public safety:				
Operating expenditures - police	699,376	85,408	613,968	88,925
Operating expenditures - sheriff	984	-	984	-
Total expenditures	<u>700,360</u>	<u>85,408</u>	<u>614,952</u>	<u>88,925</u>
Revenues over (under) expenditures	(686,831)	(63,050)	623,781	(56,779)
Other Financing Sources (Uses):				
Fund balance appropriated	<u>686,831</u>	<u>-</u>	<u>(686,831)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(63,050)</u>	<u>\$ (63,050)</u>	<u>(56,779)</u>
Fund Balance:				
Beginning of year - July 1		<u>1,069,954</u>		<u>1,126,733</u>
End of year - June 30		<u>\$ 1,006,904</u>		<u>\$ 1,069,954</u>

GASTON COUNTY, NORTH CAROLINA

CONTROLLED SUBSTANCE ABUSE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Controlled substance tax - police	\$ -	\$ 55,546	\$ 55,546	\$ 73,033
Controlled substance tax - sheriff	-	7,884	7,884	654
Investment earnings	3,122	3,278	156	3,947
Total revenues	3,122	66,708	63,586	77,634
Expenditures:				
Public safety:				
Operating expenditures - police	36,985	9,446	27,539	10,011
Operating expenditures - sheriff	383	-	383	-
Total expenditures	37,368	9,446	27,922	10,011
Revenues over (under) expenditures	(34,246)	57,262	91,508	67,623
Other Financing Sources (Uses):				
Fund balance appropriated	34,246	-	(34,246)	-
Net change in fund balance	\$ -	57,262	\$ 57,262	67,623
Fund Balance:				
Beginning of year - July 1		216,138		148,515
End of year - June 30		\$ 273,400		\$ 216,138

GASTON COUNTY, NORTH CAROLINA

PARKING FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Parking fees collected	\$ 66,951	\$ 150,595	\$ 83,644	\$ 215,428
Investment earnings	-	10,838	10,838	12,251
Total revenues	66,951	161,433	94,482	227,679
Expenditures:				
General Government:				
Salaries and employee benefits	45,051	41,625	3,426	34,040
Operating expenditures	25,600	16,297	9,303	16,937
Total expenditures	70,651	57,922	12,729	50,977
Revenues over (under) expenditures	(3,700)	103,511	107,211	176,702
Other Financing Sources (Uses):				
Fund balance appropriated	3,700	-	(3,700)	-
Net change in fund balance	\$ -	103,511	\$ 103,511	176,702
Fund Balance:				
Beginning of year - July 1		1,145,419		968,717
End of year - June 30		\$ 1,248,930		\$ 1,145,419

GASTON COUNTY, NORTH CAROLINA**FIRE DISTRICTS FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2020****WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes:				
Taxes	\$ 5,296,727	\$ 5,256,152	\$ (40,575)	\$ 4,922,086
Penalties and interest	-	27,928	27,928	29,835
Investment earnings	-	5,299	5,299	12,545
Total revenues	<u>5,296,727</u>	<u>5,289,379</u>	<u>(7,348)</u>	<u>4,964,466</u>
Expenditures:				
Public safety:				
Operating expenditures	<u>5,900,173</u>	<u>5,845,139</u>	<u>55,034</u>	<u>4,856,738</u>
Revenues over (under) expenditures	(603,446)	(555,760)	47,686	107,728
Other Financing Sources (Uses):				
Fund balance appropriated	<u>603,446</u>	-	<u>(603,446)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>(555,760)</u>	<u>\$ (555,760)</u>	107,728
Fund Balance:				
Beginning of year - July 1		<u>1,131,557</u>		<u>1,023,829</u>
End of year - June 30		<u>\$ 575,797</u>		<u>\$ 1,131,557</u>

ENTERPRISE FUND

The Enterprise Fund is used to account for solid waste collection and disposal operations in Gaston County that are financed through solid waste fees.

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GASTON COUNTY, NORTH CAROLINA

**SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Landfill charges	\$ 8,638,328	\$ 9,076,553	\$ 438,225	\$ 8,725,865
Other operating revenues	386,250	615,195	228,945	727,452
Restricted Intergovernmental	24,000	-	(24,000)	-
Energy charges	2,252,923	2,449,523	196,600	2,548,181
Total operating revenues	<u>11,301,501</u>	<u>12,141,271</u>	<u>839,770</u>	<u>12,001,498</u>
Investment Earnings	<u>-</u>	<u>146,945</u>	<u>146,945</u>	<u>141,003</u>
Total revenues	<u>11,301,501</u>	<u>12,288,216</u>	<u>986,715</u>	<u>12,142,501</u>
Expenditures:				
Landfill Department:				
Salaries and employee benefits	1,966,000	1,954,309	11,691	1,867,456
Professional services	390,000	371,854	18,146	305,898
Operating expenditures	3,423,191	2,784,597	638,594	2,812,964
Capital outlay	6,101,005	1,454,892	4,646,113	3,105,195
Renewable Energy Department:				
Salaries and employee benefits	225,223	225,195	28	214,222
Professional services	20,000	13,800	6,200	15,350
Operating expenditures	1,261,712	923,476	338,236	957,044
Capital outlay	158,514	15,439	143,075	12,135
Total operating expenditures	<u>13,545,645</u>	<u>7,743,562</u>	<u>5,802,083</u>	<u>9,290,264</u>
Debt Service Payments	<u>1,154,190</u>	<u>911,201</u>	<u>242,989</u>	<u>1,038,176</u>
Revenues over (under) expenditures	(3,398,334)	3,633,453	7,031,787	1,814,061
Other Financing Sources (Uses):				
Fund balance appropriated	<u>3,398,334</u>	<u>-</u>	<u>(3,398,334)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 3,633,453</u>	<u>\$ 3,633,453</u>	<u>\$ 1,814,061</u>

GASTON COUNTY, NORTH CAROLINA

**SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2019**

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Reconciliation of Modified Accrual Basis to Full Accrual Basis:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 3,633,453		
Reconciling Items:				
(Increase) decrease in accrued vacation payable		(1,588)		
(Increase) decrease in accrual landfill closure and post-closure care		(2,620,420)		
(Increase) decrease in net pension liability		(83,831)		
Change in deferred outflows - pension		(53,103)		
Change in deferred inflows - pension		4,318		
Change in deferred outflows - OPEB		12,112		
Change in deferred inflows - OPEB		(23,999)		
Principal payments		874,793		
(Increase) decrease in OPEB liability		37,089		
Capital outlay capitalized		551,223		
Depreciation		<u>(1,299,087)</u>		
Change in net position		<u>\$ 1,030,960</u>		

INTERNAL SERVICE FUND

The Internal Service Fund is used to account for the operations of Gaston County's Health, Life, and Dental Insurance programs.

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GASTON COUNTY, NORTH CAROLINA

SELF-INSURANCE INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020

	2020		
	Financial Plan	Actual	Variance Over/Under
Revenues:			
Charges for services:			
Health insurance	\$ 22,006,104	\$ 22,923,354	\$ 917,250
Dental insurance	331,472	336,718	5,246
Life insurance	300,975	308,181	7,206
Total charges for services	<u>22,638,551</u>	<u>23,568,253</u>	<u>929,702</u>
Investment earnings	<u>-</u>	<u>198,536</u>	<u>198,536</u>
Total revenues	<u>22,638,551</u>	<u>23,766,789</u>	<u>1,128,238</u>
Expenditures:			
Other operating expenditures:			
Benefits paid:			
Health insurance	18,284,895	15,583,893	2,701,002
Dental insurance	614,550	560,866	53,684
Life insurance	468,500	338,646	129,854
Administrative costs:			
Health insurance	3,205,063	3,492,352	(287,289)
Dental insurance	42,834	43,128	(294)
Professional services	22,709	22,709	-
Total other operating expenditures	<u>22,638,551</u>	<u>20,041,594</u>	<u>2,596,957</u>
Revenues over (under) expenditures	<u>-</u>	<u>3,725,195</u>	<u>3,725,195</u>
Other Financing Sources (Uses):			
Fund balance appropriated	1,608,000	-	(1,608,000)
Transfers out - General Fund	<u>(1,608,000)</u>	<u>(1,608,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,608,000)</u>	<u>(1,608,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>2,117,195</u>	<u>\$ 2,117,195</u>
Net Position:			
Beginning of year - July 1		<u>17,161,826</u>	
End of year - June 30		<u>\$ 19,279,021</u>	

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AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.

Individual Fund Descriptions:

- **Social Services Agency Fund Accounts** – This fund accounts for the monies of indigents for which the county Department of Social Services acts as an agent.
- **Tax Collector Fund** – This fund accounts for funds collected by the Tax Collector's office on behalf of other municipal entities within the County.
- **Sheriff Inmates Fund** – This fund accounts for monies held on behalf of inmates of the County jail.
- **Fines and Forfeitures Fund** – This fund accounts for various legal fines and forfeitures that the County collects.
- **Late List and Non-Sufficient Funds Penalties Fund** – This fund accounts for the additional interest on delinquent motor vehicle property tax payments to be transferred to N.C. State Treasurer.
- **Defeased Bond Trustee Payments** – This fund accounts for the defeased bond payments to be paid to escrow agents in relation to refunding of debt.

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GASTON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2020

	<u>Social Services</u>	<u>Tax Collector</u>	<u>Sheriff Inmates</u>	<u>Fines and Forfeitures</u>	<u>Late List and Insufficient Funds Penalties</u>	<u>Total</u>
Assets:						
Cash and cash equivalents	<u>\$ 230,077</u>	<u>\$ 98,807</u>	<u>\$ 246,718</u>	<u>\$ 13,302</u>	<u>\$ 4,494</u>	<u>\$ 593,398</u>
Liabilities:						
Fiduciary depository accounts	<u>\$ 230,077</u>	<u>\$ 98,807</u>	<u>\$ 246,718</u>	<u>\$ 13,302</u>	<u>\$ 4,494</u>	<u>\$ 593,398</u>

GASTON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2020</u>
Social Services:				
Assets:				
Cash and cash equivalents	<u>\$ 234,866</u>	<u>\$ 574,908</u>	<u>\$ (579,697)</u>	<u>\$ 230,077</u>
Liabilities:				
Fiduciary depository accounts	<u>\$ 234,866</u>	<u>\$ 574,908</u>	<u>\$ (579,697)</u>	<u>\$ 230,077</u>
Tax Collector:				
Assets:				
Cash and cash equivalents	<u>\$ 9,066</u>	<u>\$ 70,570,964</u>	<u>\$ (70,481,223)</u>	<u>\$ 98,807</u>
Liabilities:				
Fiduciary depository accounts	<u>\$ 9,066</u>	<u>\$ 70,570,964</u>	<u>\$ (70,481,223)</u>	<u>\$ 98,807</u>
Sheriff Inmates:				
Assets:				
Cash and cash equivalents	<u>\$ 294,034</u>	<u>\$ 1,443,132</u>	<u>\$ (1,490,448)</u>	<u>\$ 246,718</u>
Liabilities:				
Fiduciary depository accounts	<u>\$ 294,034</u>	<u>\$ 1,443,132</u>	<u>\$ (1,490,448)</u>	<u>\$ 246,718</u>
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	<u>\$ 58,549</u>	<u>\$ 558,631</u>	<u>\$ (603,878)</u>	<u>\$ 13,302</u>
Liabilities:				
Fiduciary depository accounts	<u>\$ 58,549</u>	<u>\$ 558,631</u>	<u>\$ (603,878)</u>	<u>\$ 13,302</u>
Late List and Non-Sufficient Penalties:				
Assets:				
Cash and cash equivalents	<u>\$ 28,615</u>	<u>\$ 193,186</u>	<u>\$ (217,307)</u>	<u>\$ 4,494</u>
Liabilities:				
Fiduciary depository accounts	<u>\$ 28,615</u>	<u>\$ 193,186</u>	<u>\$ (217,307)</u>	<u>\$ 4,494</u>
Total All Agency Funds:				
Assets:				
Cash and cash equivalents	<u>\$ 625,130</u>	<u>\$ 73,340,821</u>	<u>\$ (73,372,553)</u>	<u>\$ 593,398</u>
Liabilities:				
Fiduciary depository accounts	<u>\$ 625,130</u>	<u>\$ 73,340,821</u>	<u>\$ (73,372,553)</u>	<u>\$ 593,398</u>

OTHER SUPPLEMENTAL SCHEDULES

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GASTON COUNTY, NORTH CAROLINA**SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2020**

Fiscal Year	Uncollected Balance July 1, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 166,281,606	\$ 163,922,402	\$ 2,359,204
2018-2019	1,315,643	384,554	1,004,001	696,196
2017-2018	699,683	171,964	326,969	544,679
2016-2017	474,256	80,505	162,989	391,772
2015-2016	378,619	55,329	114,643	319,304
2014-2015	384,006	40,685	91,309	333,382
2013-2014	412,817	48,394	182,314	278,896
2012-2013	383,947	44,174	204,434	223,687
2011-2012	354,918	29,831	176,231	208,519
2010-2011	346,118	45,567	179,839	211,847
2009-2010	350,025	34,929	184,562	200,392
Total	<u>\$ 5,100,032</u>	<u>\$ 167,217,539</u>	<u>\$ 166,549,692</u>	<u>5,767,879</u>

Less: Allowance for uncollectible ad valorem taxes receivable:

General Fund (4,000,000)Ad valorem taxes receivable, net \$ 1,767,879**Reconciliation with Revenues:**

General Fund	\$ 166,030,558
Penalties and interest collected current year	(434,595)
Releases	656,042
Interest on prior years' delinquent taxes	(231,424)
Miscellaneous adjustment	(48,306)
Amount written off per Statute of Limitations	<u>577,417</u>

Total collections and credits \$ 166,549,692

GASTON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT PROPERTY TAX LEVY - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 19,870,409,144	\$ 0.0084	\$ 166,911,437	\$ 150,898,862	\$ 16,012,575
Penalties	-		421,292	260,636	160,656
Total	<u>19,870,409,144</u>		<u>167,332,729</u>	<u>151,159,498</u>	<u>16,173,231</u>
Discoveries:					
Current year taxes	17,744,204		149,051	149,051	-
Penalties	275,437		2,314	2,314	-
Total	<u>18,019,641</u>		<u>151,365</u>	<u>151,365</u>	<u>-</u>
Abatements					
Current year taxes	(142,305,283)		(1,195,364)	(617,947)	(577,417)
Penalties	(848,098)		(7,124)	(7,124)	-
Total	<u>(143,153,381)</u>		<u>(1,202,488)</u>	<u>(625,071)</u>	<u>(577,417)</u>
Total property valuation	<u>\$ 19,745,275,404</u>				
Net Levy			166,281,606	150,685,792	15,595,814
Uncollected taxes at June 30, 2020 (General Fund)			<u>2,359,204</u>	<u>2,359,204</u>	<u>-</u>
Current Year Taxes Collected			<u>\$ 163,922,402</u>	<u>\$ 148,326,588</u>	<u>\$ 15,595,814</u>
Current Levy Collection Percentage			<u>98.58%</u>	<u>98.43%</u>	<u>100.00%</u>
Prior Year Levy Collection Percentage			<u>99.11%</u>	<u>98.99%</u>	<u>100.00%</u>

GASTON COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2020****Secondary Market Disclosures:****Assessed Valuation:**

Assessment ratio		<u>100.00%</u>
Real property	\$	16,990,798,356
Personal property		(68,740,120)
Tag and tax vehicles		1,906,258,898
GAP vehicles		12,846,680
Public service companies		<u>904,111,590</u>
Total assessed valuation	\$	<u>19,745,275,404</u>
Tax rate per \$100		0.0084
Levy (includes discoveries, releases, and abatements, excludes penalties)	\$	<u>166,281,606</u>

GASTON COUNTY, NORTH CAROLINA**SCHEDULE OF THE TEN LARGEST TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2020**

Taxpayer	Type of Business	2020 Assessed Valuation	Percentage of Total Assessed Valuation
Duke Energy Carolinas LLC	Electric Utility	\$ 557,549,402	2.82%
Daimler Trucks North America	Manufacturing	194,250,532	0.98%
Public Service Co. of NC, Inc.	Natural Gas Co.	118,513,358	0.60%
Owens Corning Non-Woven	Manufacturing	75,874,264	0.38%
Owens Corning Non-Woven	Real Estate	73,637,832	0.37%
Triangle Real Estate Gaston Inc	Real Estate	70,840,486	0.36%
FMC Corporation	Manufacturing	63,583,128	0.32%
Firestone Fibers & Textiles	Manufacturing	53,680,119	0.27%
Georgia Pacific Mt. Holly	Manufacturing	50,572,505	0.26%
Mann + Hummel Filtration Tech US	Manufacturing	49,850,606	0.25%
Total		<u>\$ 1,308,352,232</u>	<u>6.63%</u>

STATISTICAL SECTION

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends – Schedules 1-4

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity – Schedules 5-8

These schedules contain information to help the reader assess the factors affecting the County's ability to generate property taxes.

Debt Capacity – Schedules 9-10

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information – Schedules 11-12

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – Schedules 13-16

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

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Gaston County
Net Position by Component,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Government activities										
Net investment in capital assets										
Restricted	\$ 47,909,022	\$ 65,519,776	\$ 14,034,292	\$ 51,070,843	\$ 55,545,813	\$ 71,481,891	\$ 72,933,525	\$ 72,946,461	\$ 67,300,111	\$ 78,593,203
Unrestricted	19,657,108	68,652,573	49,935,245	53,516,925	50,677,610	52,033,806	35,125,642	44,572,115	77,311,495	46,751,723
Total governmental activities net position	<u>(48,031,285)</u>	<u>(139,950,135)</u>	<u>(79,277,715)</u>	<u>(103,919,075)</u>	<u>(82,292,573)</u>	<u>(95,007,944)</u>	<u>(99,008,303)</u>	<u>(160,435,574)</u>	<u>(181,349,359)</u>	<u>(152,166,113)</u>
	\$ 19,534,845	\$ (5,777,786)	\$ (15,308,178)	\$ 688,693	\$ 23,930,850	\$ 28,487,753	\$ 9,050,864	\$ (42,916,998)	\$ (86,737,753)	\$ (26,821,187)
Business-type activities										
Net investment in capital assets										
Unrestricted	\$ 14,563,102	\$ 15,592,500	\$ 16,623,549	\$ 17,361,556	\$ 18,240,871	\$ 18,219,489	\$ 21,569,824	\$ 21,961,445	\$ 23,345,048	\$ 23,471,977
Total business-type activities net position	<u>(7,149,474)</u>	<u>(5,966,825)</u>	<u>(5,774,553)</u>	<u>(4,595,614)</u>	<u>(4,361,654)</u>	<u>(2,085,745)</u>	<u>(2,645,334)</u>	<u>(702,062)</u>	<u>959,248</u>	<u>1,863,279</u>
	\$ 7,413,628	\$ 9,625,675	\$ 10,848,996	\$ 12,765,942	\$ 13,879,217	\$ 16,133,744	\$ 18,924,490	\$ 21,259,383	\$ 24,304,296	\$ 25,335,256
Primary government										
Net investment in capital assets										
Restricted	\$ 62,472,124	\$ 81,112,276	\$ 30,657,841	\$ 68,432,399	\$ 73,786,684	\$ 89,681,380	\$ 94,503,349	\$ 94,907,906	\$ 90,645,159	\$ 102,065,180
Unrestricted	19,657,108	68,652,573	49,935,245	53,516,925	50,677,610	52,033,806	35,125,642	44,572,115	77,311,495	46,751,723
Total primary government net position	<u>(55,180,759)</u>	<u>(145,916,960)</u>	<u>(85,052,268)</u>	<u>(108,514,689)</u>	<u>(86,654,227)</u>	<u>(97,093,689)</u>	<u>(101,653,637)</u>	<u>(161,137,636)</u>	<u>(180,390,111)</u>	<u>(150,302,834)</u>
	\$ 26,948,473	\$ 3,847,889	\$ (4,459,182)	\$ 13,434,635	\$ 37,810,067	\$ 44,621,497	\$ 27,975,354	\$ (21,657,615)	\$ (12,433,457)	\$ (1,485,931)

Gaston County**Changes in Net Position****Last Ten Fiscal Years**

(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental activities:										
General government	\$ 23,867,441	\$ 24,739,786	\$ 24,874,384	\$ 25,154,391	\$ 27,552,105	\$ 28,558,125	\$ 28,494,793	\$ 32,021,171	\$24,654,945	\$35,598,263
Public safety	55,963,307	56,013,987	57,032,854	57,175,032	58,453,071	61,146,913	63,783,887	64,758,386	79,033,392	62,939,205
Environmental protection	57,977	65,307	63,277	49,390	83,892	64,799	82,563	80,459	54,555	100,204
Economic and physical development	9,946,270	15,284,021	8,511,130	5,595,428	4,442,119	8,144,361	7,119,799	6,953,443	21,773,076	21,538,252
Human services	60,487,994	58,297,624	59,523,625	58,608,554	58,060,108	62,370,991	63,926,904	56,430,359	57,901,271	61,984,168
Cultural and recreation	4,784,769	5,309,453	5,351,880	5,377,790	5,345,740	5,128,279	5,301,850	6,217,083	4,905,313	6,770,357
Education	68,714,103	75,473,335	66,536,545	55,382,876	58,782,741	62,216,186	86,104,362	80,128,234	69,334,401	88,040,979
Debt service - interest and fees	10,638,611	11,016,887	10,127,140	8,654,419	8,310,982	7,982,990	8,064,520	6,680,302	6,603,577	9,595,732
Total governmental activities expenses	234,460,472	246,200,400	232,020,835	215,997,880	221,030,758	235,612,544	262,878,678	253,269,437	264,260,530	286,567,160
Business-type activities:										
Solid Waste	5,333,677	6,506,491	6,562,494	5,668,250	7,399,385	8,001,750	8,722,360	8,371,661	9,097,588	11,257,256
Total primary government expenses	\$ 239,794,149	\$ 252,706,891	\$ 238,583,329	\$ 221,666,130	\$ 228,430,143	\$ 243,614,294	\$ 271,601,038	\$ 261,641,098	\$ 273,358,118	\$ 297,824,416
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,956,593	\$ 7,257,921	\$ 5,998,885	\$ 4,431,794	\$ 22,667,151	\$ 5,915,128	\$ 8,187,016	\$ 8,529,223	\$11,475,456	\$7,899,710
Public safety	11,865,570	11,923,948	11,024,350	12,480,569	13,026,981	13,199,535	13,669,409	15,053,195	18,847,526	15,772,309
Environmental protection	1,387,584	1,476,159	1,513,866	1,827,298	1,728,225	2,027,978	2,270,607	2,608,882	3,189,152	2,859,411
Economic and physical development	617,618	1,407,436	2,371,692	2,338,859	1,754,027	378,454	940,616	421,410	1,824	26,824
Human services	11,175,903	11,317,753	10,351,599	7,741,842	9,313,829	8,505,340	8,444,809	10,716,470	8,917,862	8,825,029
Cultural and recreation	194,409	178,660	172,997	206,058	193,471	215,113	260,552	246,616	231,254	121,077
Operating grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	54,731	76,964	201,534	112,236	545,193	1,109,440	48,618	116,893	81,807	71,705
Environmental protection	-	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	-	-
Human services	24,618,261	25,103,597	23,581,098	24,134,057	25,846,473	27,109,313	26,971,143	19,562,935	21,403,426	22,842,412
Cultural and recreation	451,208	380,384	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	747,384	582,954	1,064,113	456,718	420,403	402,209	812,010	645,239	516,253	4,902,786
Economic and physical development	1,199,115	1,300,426	1,960,160	1,214,550	328,042	109,938	656,980	264,649	624,881	-
Human services	3,611,289	4,174,722	4,395,374	4,382,779	4,484,882	4,430,744	4,698,298	5,023,236	5,859,347	4,476,540
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Education	4,000,000	2,186,383	3,317,510	2,093,005	2,056,824	2,369,350	1,880,336	2,120,880	2,242,658	2,364,600
Total governmental activities program revenues	62,879,665	67,367,307	65,953,178	61,419,765	82,365,501	65,772,542	68,840,394	65,309,628	73,391,446	70,162,403
Business-type activities:										
Charges for services:										
Solid Waste	6,500,745	8,714,297	7,781,389	7,578,781	8,673,300	10,243,430	11,101,886	11,106,915	12,001,498	12,141,271
Capital grants and contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	6,500,745	8,714,297	7,781,389	7,578,781	8,673,300	10,243,430	11,101,886	11,106,915	12,001,498	12,141,271
Total primary government program revenues	\$ 69,380,410	\$ 76,081,604	\$ 73,734,567	\$ 68,998,546	\$ 91,038,801	\$ 76,015,972	\$ 79,942,280	\$ 76,416,543	\$ 85,392,944	\$ 82,303,674

Gaston County
Changes in Net Position
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental activities	\$ (171,580,807)	\$ (178,833,093)	\$ (166,067,657)	\$ (154,578,115)	\$ (138,665,257)	\$ (169,840,002)	\$ (194,038,284)	\$ (187,959,809)	\$ (190,869,084)	\$ (216,404,757)
Business-type activities	1,167,068	2,207,806	1,218,895	1,910,531	1,273,915	2,241,680	2,379,526	2,735,254	2,903,910	884,015
Total primary government net expense	\$ (170,413,739)	\$ (176,625,287)	\$ (164,848,762)	\$ (152,667,584)	\$ (137,391,342)	\$ (167,598,322)	\$ (191,658,758)	\$ (185,224,555)	\$ (187,965,174)	\$ (215,520,742)

General Revenues and Other Changes in Net Position

Governmental activities:										
Ad valorem taxes	\$ 126,922,084	\$ 128,178,596	\$ 129,899,151	\$ 142,730,729	\$ 139,163,619	\$ 139,255,320	\$ 143,710,080	\$ 148,141,098	\$ 151,938,625	\$ 172,021,975
Sales tax	22,343,384	24,671,868	25,956,494	26,993,295	30,781,557	32,979,693	35,671,950	37,084,145	39,003,754	41,081,488
Real estate transfer taxes	379,523	435,024	523,720	650,651	724,130	1,803,998	1,710,358	2,120,723	7,544,708	10,441,771
Hotel occupancy tax	-	-	-	-	-	-	-	-	-	2,776,089
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-
Unrestricted governmental revenue	-	-	-	-	-	-	-	-	-	-
Investment earnings	298,661	234,974	157,900	180,311	166,921	357,894	906,903	1,734,305	3,338,776	-
Transfers	-	-	-	-	-	-	(366,730)	(462,698)	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
Total governmental activities	149,943,652	153,520,462	156,537,265	170,554,986	170,836,227	174,396,905	181,632,561	188,617,573	201,825,863	226,321,323
Business-type activities:										
Investment earnings	7,895	4,241	4,426	6,415	6,436	12,847	44,490	131,598	141,003	146,945
Transfers	-	-	-	-	-	-	366,730	462,698	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
Total government activities	7,895	4,241	4,426	6,415	6,436	12,847	411,220	594,296	141,003	146,945
Total primary government	\$ 149,951,547	\$ 153,524,703	\$ 156,541,691	\$ 170,561,401	\$ 170,842,663	\$ 174,409,752	\$ 182,043,781	\$ 189,211,869	\$ 201,966,866	\$ 226,468,268

Change in Net Position

Governmental activities	\$ (21,637,155)	\$ (25,312,631)	\$ (9,530,392)	\$ 15,976,871	\$ 32,170,970	\$ 4,556,903	\$ (12,405,723)	\$ 657,764	\$ 10,956,779	\$ 9,916,566
Business-type activities	1,174,963	2,212,047	1,223,321	1,916,946	1,280,351	2,254,527	2,790,746	3,329,550	3,044,913	1,030,960
Total primary government	\$ (20,462,192)	\$ (23,100,584)	\$ (8,307,071)	\$ 17,893,817	\$ 33,451,321	\$ 6,811,430	\$ (9,614,977)	\$ 3,987,314	\$ 14,001,692	\$ 10,947,526

Gaston County
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Designated	-	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-	-
Nonspendable	355,889	135,955	107,875	213,014	234,324	258,057	359,525	830,609	547,329	381,137
Restricted	12,605,203	17,511,819	18,351,235	22,184,319	24,349,723	24,810,036	24,832,155	28,249,790	32,950,241	25,362,832
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	16,871,186	20,422,494	18,553,081	17,246,727	22,060,660	23,827,805	23,684,737	26,031,354	16,815,592	21,508,220
Unassigned	24,430,560	15,928,520	16,904,079	16,699,313	29,619,149	15,486,470	12,638,808	2,450,356	4,889,735	6,828,242
Total General Fund	\$ 54,262,838	\$ 53,998,788	\$ 53,916,270	\$ 56,343,373	\$ 76,263,856	\$ 64,382,368	\$ 61,515,225	\$ 57,562,109	\$ 55,202,897	\$ 54,080,431
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved										
Designated	-	-	-	-	-	-	-	-	-	-
Public assistance fund	-	-	-	-	-	-	-	-	-	-
Other special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital improvements fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-	-
Public assistance fund	-	-	-	-	-	-	-	-	-	-
Other special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital improvements fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Nonspendable	1,007	-	2,945	2,073	369	18,067	54,571	88,687	16,363	41,367
Restricted	74,059,214	51,140,754	31,584,010	31,332,606	26,327,887	70,014,957	36,244,219	24,624,826	108,726,290	71,487,974
Committed	3,210,995	327,706	9,908,690	11,843,186	11,942,050	16,454,167	22,994,576	12,422,983	3,299,537	377,866
Assigned	23,015,736	18,240,670	7,250,235	8,509,355	15,864,939	25,967,185	24,717,961	36,056,393	46,528,925	51,349,764
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 100,286,952	\$ 69,709,130	\$ 48,745,880	\$ 51,687,220	\$ 54,135,245	\$ 112,454,376	\$ 84,011,327	\$ 73,192,889	\$ 158,571,115	\$ 123,256,971

Note: GASB Statement 54 was implemented in 2011.

Gaston County
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Ad valorem taxes	\$ 127,040,039	\$ 128,513,165	\$ 129,482,180	\$ 144,036,359	\$ 140,402,323	\$ 139,748,392	\$ 144,143,069	\$ 148,367,037	\$152,502,495	\$171,314,638
Other taxes and licenses	23,240,938	25,682,870	27,093,896	28,264,421	32,228,917	34,783,691	37,382,308	39,204,868	46,548,462	51,523,259
Unrestricted governmental revenues	36,474,261	35,365,206	35,947,180	34,350,428	35,948,393	37,354,507	36,921,808	29,330,886	32,146,584	36,105,541
Restricted intergovernmental revenues	2,355,905	2,097,073	2,530,360	2,599,136	3,363,174	3,933,473	4,227,840	4,614,578	6,526,808	6,434,120
Fees, licenses and permits	19,518,841	20,607,371	19,030,953	17,621,320	18,497,982	18,239,884	18,559,984	22,560,970	23,283,237	19,917,782
Sales and services	1,250,223	1,115,633	797,563	695,543	729,724	714,921	734,975	736,000	760,575	698,276
E911 surcharge	280,309	220,676	133,760	155,547	150,420	332,737	838,903	1,568,297	3,112,370	2,577,553
Investment earnings	2,648,429	5,676,124	5,430,410	5,102,956	24,139,339	3,130,389	4,288,594	3,931,473	2,328,043	2,627,737
Miscellaneous revenues										
Total revenues	212,808,945	219,278,118	220,446,302	232,825,710	255,460,092	238,237,922	247,097,481	250,314,109	\$267,208,574	\$291,198,906
Expenditures										
General government	21,358,174	22,561,773	23,467,884	23,965,459	25,227,484	26,296,804	26,805,601	30,290,301	31,726,839	34,320,895
Public safety	53,456,842	53,465,283	55,756,864	56,497,044	58,366,090	60,586,898	63,057,252	65,452,881	84,276,206	75,089,468
Environmental protection	57,977	65,307	63,277	49,390	83,892	64,799	60,916	81,533	65,385	69,718
Economic and physical development	3,029,150	4,001,812	3,492,907	3,422,972	3,457,506	4,192,734	4,568,532	4,417,548	4,496,983	4,395,012
Human services	59,904,618	58,013,720	58,648,954	58,547,080	58,703,124	61,931,748	61,589,102	56,434,756	57,772,654	59,226,445
Cultural and recreational	5,635,311	5,177,382	4,988,208	5,141,754	5,235,321	5,384,033	5,548,764	5,819,668	5,902,072	6,064,538
Education	46,415,215	46,484,966	46,691,012	48,108,930	49,517,556	49,693,622	51,384,897	54,073,032	55,485,329	57,591,462
Capital outlay	28,962,640	39,983,931	24,619,020	9,219,457	10,176,139	16,317,490	38,538,487	28,481,094	31,036,309	47,436,706
Debt service:										
Principal retirement	15,031,576	15,247,451	16,126,511	16,605,222	16,981,256	17,133,085	19,714,275	78,023,256	19,410,727	36,948,139
Interest and fees	10,692,339	11,016,887	10,127,140	8,856,823	8,511,386	8,183,394	8,634,832	10,955,829	6,803,367	10,220,860
Total expenditures	244,543,842	256,018,512	243,981,777	230,413,531	236,259,754	249,784,607	279,902,658	334,029,898	296,975,871	330,343,243
Excess of revenues over (under) expenditures	(31,734,897)	(36,740,394)	(23,535,475)	2,412,179	19,200,338	(11,546,685)	(32,805,177)	(83,715,789)	(29,767,297)	(39,144,337)
Other Financing Sources (Uses)										
Installment purchase contracts issued	365,602	1,093,812	2,098,645	2,956,264	1,713,854	2,610,233	-	3,459,164	15,886,553	1,099,727
Refunding bonds issued	-	7,338,000	58,865,000	-	-	5,020,000	-	59,182,000	-	-
Bonds issued	-	-	-	-	-	50,025,000	1,861,715	6,000,000	60,000,000	-
Limited obligation bonds	-	-	-	-	-	-	-	-	26,785,000	-
Certificates of participation issued	-	-	-	-	-	-	-	-	-	-
Clean water state revolving loan issued	-	6,007,742	(68,937,600)	-	-	(5,308,094)	-	-	-	-
Payments to escrow agent	-	(6,700,000)	10,473,662	-	-	5,637,189	-	-	8,506,758	-
Bond premium	-	-	34,705,245	41,087,190	51,381,592	54,096,440	43,198,890	45,580,119	43,617,299	64,543,253
Transfers in	34,744,015	36,095,158	34,705,245	-	-	-	-	(45,277,048)	(42,009,299)	(62,935,253)
Transfers out	(34,744,015)	(37,936,190)	(34,705,245)	(41,087,190)	(49,927,276)	(54,096,440)	(43,565,620)	-	-	-
Total other financing sources (uses)	365,602	5,898,522	2,489,707	2,956,264	3,168,170	57,984,328	1,494,985	68,944,235	112,786,311	2,707,727
Net change in fund balances	\$ (31,369,295)	\$ (30,841,872)	\$ (21,045,768)	\$ 5,368,443	\$ 22,368,508	\$ 46,437,643	\$ (31,310,192)	\$ (14,771,554)	\$ 83,019,014	\$ (36,436,610)
Debt service as a percentage of noncapital expenditures	10.69%	10.35%	10.89%	11.24%	10.91%	10.35%	9.19%	26.22%	9.41%	14.93%

* Increase in debt service expenditures in FY18 was due to debt refunding

Gaston County
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property	Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Direct Tax Rate	Percentage of Actual Taxable Value (a)	Estimated Actual Taxable Value
2011	11,676,202,479	1,133,143,236	703,877,245	13,432,521,985	\$ 0.8350	98.35%	13,631,124,705
2012	11,758,531,818	1,098,972,159	684,047,832	13,459,222,470	\$ 0.8350	103.22%	13,094,977,440
2013	11,885,496,431	1,135,502,234	712,961,046	13,606,995,098	\$ 0.8350	110.02%	12,536,094,454
2014	12,022,852,325	1,155,826,213	740,469,518	13,781,792,162	\$ 0.8700	105.80%	13,130,224,305
2015	11,849,164,221	1,200,100,637	644,166,799	13,867,119,761	\$ 0.8700	108.41%	12,934,436,539
2016	11,846,593,779	1,268,743,871	692,715,311	13,808,052,961	\$ 0.8700	97.84%	14,112,891,416
2017	13,762,503,341	1,451,272,391	729,542,084	15,943,317,816	\$ 0.8700	108.00%	14,761,917,966
2018	14,063,126,530	1,584,208,673	789,707,392	16,437,042,595	\$ 0.8700	86.34%	14,761,917,966
2019	14,172,111,402	1,851,929,878	831,890,817	16,855,932,097	\$ 0.8700	96.99%	17,379,041,238
2020	16,990,798,356	1,850,365,458	904,111,590	19,745,275,404	\$ 0.8400	89.94%	21,953,830,781

Source: Gaston County Tax Department

Note: The county assesses property every four years. Property is assessed at market value.

(a): Sales assessment ratios from the NC Department of Revenue, Property Tax Division.

Gaston County
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

	Year Taxes Are Payable									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
County Direct Rate										
General *	0.8350	0.8350	0.8350	0.8700	0.8700	0.8700	0.8700	0.8700	0.8700	0.8400
City Rates										
Belmont	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.5150	0.5150
Bessemer City	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4500	0.4500	0.4700	0.4500
Cherryville	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600
Gastonia	0.5300	0.5200	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5200
Kings Mountain	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4300	0.4300	0.4300	0.4300
Mt. Holly	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.4850
Town Rates										
Cramerton	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750
Dallas	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.4000	0.4000	0.4000	0.4000
High Shoals	0.3030	0.3030	0.3130	0.3070	0.3070	0.3070	0.3070	0.3070	0.3070	0.3060
Lowell	0.4000	0.4000	0.4000	0.4000	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300
McAdenville	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3300	0.3300	0.3300
Ranlo	0.2910	0.2910	0.2860	0.2860	0.2860	0.3160	0.3260	0.3160	0.3160	0.3120
Spencer Mountain	0.1300	0.1300	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stanley	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400

Source: Gaston County Tax Department.

Gaston County
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per \$100 of assessed value)

	Year Taxes Are Payable									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Fire District Rates										
Agriculture Center	0.0600	0.0600	0.0630	0.0630	0.0630	0.0630	0.0730	0.0730	0.0730	0.0920
Alexis	0.0850	0.0850	0.0850	0.0850	0.0850	0.0900	0.0900	0.0950	0.0950	0.0790
Chapel Grove	0.0750	0.0750	0.0950	0.0950	0.0950	0.1050	0.1050	0.1050	0.1050	0.0930
Chestnut Ridge	0.0730	0.0730	0.0730	0.0800	0.0800	0.0840	0.0840	0.0840	0.0950	0.0810
Community	0.0930	0.0930	0.0930	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200	0.0990
Crouse	0.0740	0.0740	0.0740	0.0740	0.0740	0.0740	0.0740	0.0740	0.0860	0.0690
East Gaston	0.0740	0.0740	0.0840	0.0840	0.0840	0.0840	0.0840	0.0840	0.0840	0.0720
High Shoals	0.0970	0.0970	0.0970	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030	0.1040
Hughs Pond	0.1010	0.1010	0.1010	0.1010	0.1010	0.1010	0.1010	0.1100	0.1100	0.1050
Long Shoals	0.0970	0.0970	0.0970	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030	0.1040
Lowell	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0740	0.0740	0.0740	0.0680
Lucia-Riverbend	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1100	0.1140	0.0930
New Hope	0.0700	0.0700	0.0800	0.0800	0.0800	0.0880	0.0880	0.0880	0.1000	0.0840
Ranlo	0.0790	0.0790	0.0840	0.0840	0.0840	0.0840	0.0740	0.0840	0.0840	0.0880
South Gastonia	0.0750	0.0750	0.0950	0.0950	0.0950	0.1050	0.1050	0.1050	0.1050	0.0930
South Point	0.0540	0.0540	0.0640	0.0640	0.0640	0.0640	0.0500	0.0400	0.0400	0.0360
Spencer Mountain	0.0700	0.0620	0.0700	0.0700	0.0700	0.0800	0.0800	0.0800	0.0800	0.0930
Tryonota	0.0730	0.0730	0.0730	0.0800	0.0800	0.0840	0.0840	0.0840	0.0950	0.0810
Union Road	0.0670	0.0670	0.0670	0.0670	0.0670	0.0770	0.0770	0.0770	0.0770	0.0650
Waco	0.0730	0.0730	0.0730	0.0730	0.0730	0.0730	0.0730	0.0950	0.0950	0.0810
Special Taxing Rates										
Gastonia York-Chester District	0.5300	0.5200	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5200
Gastonia Service District	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000

Source: Gaston County Tax Department.

*Note: The County direct rate does not have components.

**Gaston County
Principal Property Tax Payers,
Current Year and Nine Years Ago**

	Fiscal Year 2020			Fiscal Year 2011		
	Assessed Value	Rank	Percentage of Total Assessed Valuation	Assessed Value	Rank	Percentage of Total Assessed Valuation
<u>Taxpayer</u>						
Duke Energy Carolinas LLC	\$ 557,549,402	1	3.12%	\$ 465,647,782	1	3.2%
Daimler Trucks North America	194,250,532	2	1.09%	82,065,820	2	0.6%
Public Service Co. of NC, Inc.	118,513,358	5	0.66%	60,963,226	4	0.4%
Owens Corning Non-Woven	75,874,264	3	0.42%	-	-	-
Southwood Realty Company	73,637,832	4	0.41%	-	-	-
Triangle Real Estate Gaston Inc.	70,840,486	6	0.40%	60,574,305	5	0.4%
FMC Corporation	63,583,128	7	0.36%	47,847,724	6	0.3%
Firestone Fibers & Textiles	53,680,119	8	0.30%	-	-	-
Georgia Pacific Mt. Holly	50,572,505	9	0.28%	-	-	-
Mann + Hummel Filtration Tech US	49,850,606	10	0.28%	-	-	-
AT&T (Formerly BellSouth Telephone)	-	-	-	65,710,574	3	0.4%
Pharr Yarns	-	-	-	42,201,404	7	0.3%
Clariant Corporation	-	-	-	36,710,842	8	0.2%
Dole Food Company	-	-	-	36,307,284	9	0.2%
Wix Corporation	-	-	-	35,641,428	10	0.2%
Total	\$ 1,308,352,232		7.32%	\$ 933,670,389		6.20%

Source: Gaston County Tax Department

**Gaston County
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	122,722,967	118,228,718	96.3%	4,263,981	122,492,699	99.81%
2012	123,490,459	119,665,752	96.9%	3,597,911	123,263,663	99.82%
2013	125,234,084	121,338,719	96.9%	3,643,292	124,982,011	99.80%
2014	127,281,287	124,586,719	97.9%	2,377,453	126,964,172	99.75%
2015	121,177,992	119,432,901	98.6%	1,361,628	120,794,529	99.68%
2016	120,282,146	118,722,082	98.7%	1,182,053	119,904,135	99.69%
2017	123,779,768	122,235,040	98.8%	1,073,967	123,309,007	99.62%
2018	127,701,957	126,229,056	98.8%	813,592	127,042,648	99.48%
2019	130,421,455	127,972,305	98.1%	450,252	128,422,557	98.47%
2020	166,281,606	163,922,402	98.5%	-	163,922,402	98.58%

Source: Gaston County Tax Department

Gaston County
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income (a)	Percentage of Actual Value of Taxable Property (b)	Per Capita (a)
	Total Debt	Less: Amounts Restricted to Repaying Principal	Total			
2011	231,300,411	-	231,300,411	3.38%	1.70%	1,116
2012	223,792,514	-	223,792,514	3.14%	1.71%	1,072
2013	207,119,648	-	207,119,648	2.86%	1.65%	988
2014	193,470,690	-	193,470,690	2.58%	1.47%	918
2015	178,203,288	-	178,203,288	2.26%	1.38%	841
2016	213,575,436	-	213,575,436	2.57%	1.51%	1,001
2017	195,722,876	-	195,722,876	2.25%	1.33%	911
2018	186,340,784	-	186,340,784	2.02%	1.26%	846
2019	269,601,610	-	269,601,610	*	1.55%	1,205
2020	234,753,198	-	234,753,198	*	1.07%	1,049

* Information not yet available.

Note:

- (a) See "Demographic and Economic Statistics" schedule for personal income and population figures.
- (b) See "Assessed Value and Actual Value of Taxable Property" schedule for property values.

Gaston County
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (c)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Installment Purchases	Unamortized Premium	State Revolving Loan	Capital Leases	Installment Purchases			
2011	211,900,000	8,560,000	862,929	9,977,482	-	-	-	5,556,238	236,856,649	3.46%	1,143
2012	200,543,000	7,270,000	1,438,090	8,533,682	-	6,007,742	1,034,802	5,059,444	229,886,760	3.23%	1,101
2013	185,848,000	5,935,000	2,664,023	7,089,883	10,473,662	5,582,742	688,237	4,543,758	222,825,305	3.08%	1,063
2014	173,782,000	4,545,000	2,907,656	5,646,083	9,775,418	6,589,951	304,126	4,008,462	207,558,696	2.77%	985
2015	161,684,000	3,095,000	2,998,162	4,202,283	9,079,174	6,223,843	7,528	3,452,811	190,742,801	2.42%	900
2016	199,590,000	1,580,000	3,789,219	2,758,483	14,020,119	5,857,734	-	2,876,030	230,471,585	2.78%	1,080
2017	185,044,000	-	3,679,317	1,507,933	12,946,062	5,491,626	435,014	2,277,315	211,381,267	2.43%	984
2018	176,574,000	-	4,641,266	-	11,872,005	5,125,518	611,101	1,655,833	200,479,723	2.17%	911
2019	220,130,000	-	17,927,200	26,785,000	19,304,706	4,759,410	284,004	1,010,718	290,201,038	*	1,297
2020	200,411,000	-	4,658,896	25,290,000	17,805,311	4,393,302	78,858	341,071	252,978,438	*	1,130

* Information not yet available.

Notes: Details regarding the county's outstanding debt can be found in the notes to the financial statements.
See "Demographic and Economic Statistics" schedule for personal income and population figures.

Gaston County
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Value of Property	\$ 14,886,577,617	\$ 14,777,446,797	\$ 14,998,093,963	\$ 14,630,563,376	\$ 15,425,878,851	\$ 15,457,585,402	\$ 15,943,317,816	\$ 16,437,042,595	\$ 16,855,932,097	\$ 19,745,275,404
Debt Limit, 8% of Assessed Value (Statutory Limitation)	1,174,926,209	1,182,195,744	1,199,847,517	1,170,445,070	1,234,070,308	1,236,606,832	1,275,465,425	1,314,963,408	1,348,474,568	1,579,622,032
Amount of Debt Applicable to Limit										
General Obligation Bonds	211,900,000	200,543,000	185,848,000	173,782,000	161,684,000	199,590,000	185,044,000	176,574,000	220,130,000	200,411,000
Certificates of Participation	8,560,000	7,270,000	5,935,000	4,545,000	3,095,000	1,580,000	-	-	-	-
Other Debt	10,840,411	15,979,514	15,336,648	15,143,690	13,424,288	12,405,436	10,678,876	9,766,764	23,697,328	9,393,269
	231,300,411	223,792,514	207,119,648	193,470,690	178,203,288	213,575,436	195,722,876	186,340,764	243,827,328	209,804,269
Less: Resources Restricted to Paying Principal	-	-	-	-	-	-	-	-	(1,311,690)	-
Total net debt applicable to limit	231,300,411	223,792,514	207,119,648	193,470,690	178,203,288	213,575,436	195,722,876	186,340,764	242,515,638	209,804,269
Legal Debt Margin	\$ 943,625,798	\$ 958,403,230	\$ 992,727,869	\$ 976,974,380	\$ 1,055,867,020	\$ 1,023,031,396	\$ 1,079,742,549	\$ 1,128,622,624	\$ 1,105,968,930	\$ 1,369,817,763
Total net debt applicable to the limit as a percentage of debt limit	19.69%	18.93%	17.26%	16.53%	14.44%	17.27%	15.35%	14.17%	17.98%	13.28%

Gaston County
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b) (thousands of dollars)	Per Capita Personal Income (b)	Public School Enrollment (c)	Private School Enrollment (d)	Unemployment Rate (e)
2011	207,274	6,843,901	33,591	31,415	2,109	12.4%
2012	208,704	7,123,429	35,103	31,033	2,188	10.8%
2013	209,571	7,236,274	34,986	31,197	2,212	9.6%
2014	210,735	7,498,493	35,531	31,152	2,215	7.1%
2015	211,936	7,886,647	36,950	32,105	2,129	6.5%
2016	213,325	8,298,882	38,261	31,555	2,081	5.4%
2017	214,793	8,714,408	39,578	31,499	2,195	4.2%
2018	220,182	9,221,142	41,379	31,851	2,290	4.3%
2019	223,671	*	*	31,176	2,220	3.9%
2020	223,842	*	*	31,545	2,129	3.9%

* Information not yet available.

Sources:

- (a): North Carolina Office of State Budget and Management (OSBM).
- (b): Bureau of Economic Analysis.
- (c): Superintendent's office of the Gaston County School Administrative Unit.
- (d): North Carolina Division of Non-Public Education.
- (e): Civilian Labor Force Estimates from the Employment Security Commission of North Carolina.

**Gaston County
Principal Employers,
Current Year and Nine Years Ago**

	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gaston County Schools	1000+	1	-	1000+	1	-
Caromont Health	1000+	2	-	1000+	2	-
Freightliner Corporation	1000+	3	-	500-999	9	-
Gaston County Government	1000+	4	-	1000+	3	-
Wal-mart Associates	1000+	5	-	1000+	4	-
American & Efird, Inc.	1000+	6	-	1000+	6	-
Mann+hummel	1000+	7	-	-	-	-
Trion Solutions Inc.	500-999	8	-	-	-	-
City of Gastonia	500-999	9	-	500-999	8	-
Pharr Yarns Inc.	500-999	10	-	1000+	7	-
Wix Filtration Corporation	-	-	-	1000+	5	-
Olisten Staffing	-	-	-	500-999	10	-

Source: Gaston County Economic Development Commission

Gaston County
Full-time Equivalent Budgeted County Government Employees by Function,
Last Ten Fiscal Years

	Full-time Equivalent Budgeted Employees as of June 30									
<u>Function / Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government	200	200	201	202	205	205	205	207	207	207
Public Safety	580	580	585	585	604	606	615	636	636	642
Economic and Physical Development	31	31	32	32	32	29	29	21	21	23
Human Services	573	576	579	579	594	594	594	600	600	604
Cultural and Recreational	58	55	52	52	51	53	53	54	54	54
Solid Waste / Landfill	26	26	26	26	26	25	27	28	28	28
Total	1,468	1,468	1,475	1,476	1,512	1,512	1,523	1,546	1,546	1,558

Sources: County budget department and individual county departments.

Gaston County
Operating Indicators by Function,
Last Ten Fiscal Years

<u>Function / Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government										
Access										
Passenger trips	141,377	124,560	116,889	138,261	133,970	122,114	116,462	107,393	67,899	44,576
Service Miles	1,068,561	1,027,741	688,063	629,095	586,000	608,850	494,053	489,725	538,619	467,688
Commissioners / Clerk to the Board										
Number of Contracts	568	548	540	488	475	586	552	563	632	593
Number of Minutes	240	280	279	386	334	273	255	301	362	320
Human Resources										
Number of applications processed	5,705	9,550	7,409	11,039	10,668	10,219	8,362	10,238	7,532	7,221
Information Technology										
Number of service request / trouble tickets	9,590	9,289	8,481	10,978	10,086	10,616	7,217	7,082	6,583	4,055
Public Works										
Number of vehicle work orders processed / completed	3,186	2,955	2,938	2,898	3,107	2,886	3,217	2,974	3,139	2,937
Number of non-vehicle work orders requested / completed	8,371	8,126	8,536	7,182	9,644	8,991	6,768	8,590	9,162	6,902
Register of Deeds										
Vital records issued (birth, death, marriage)	22,808	23,498	22,360	26,121	23,715	23,445	25,516	25,709	27,493	25,613
Instruments recorded	27,064	29,608	24,367	25,797	21,665	22,628	32,745	23,549	23,287	39,253
(deeds, deeds of trust, corporations, etc.)										
Notary oaths administered	636	611	619	746	582	704	667	734	741	562
Tax										
Business audits	105	93	107	102	97	140	195	195	131	175
Registered vehicles processed	172,395	176,315	174,279	258,360	184,200	182,000	193,886	193,974	193,224	192,592
Public Safety										
Animal Control										
Number of calls	21,917	21,345	19,722	18,863	13,327	15,879	16,100	15,864	17,558	15,349
Adoptions (rescue group placement & owner reclaims)	3,419	4,368	3,880	4,112	3,347	2,788	2,783	2,757	2,529	1,797
Building Inspections										
Inspections conducted	24,805	29,057	30,153	31,950	38,228	24,917	27,170	35,217	37,914	36,582
Residential permits issued	2,962	2,969	2,832	3,145	1,959	1,042	1,430	1,551	1,514	1,708
Commercial and other non-residential permits issued	964	1,220	1,295	1,172	1,393	281	437	221	240	277
Electrical permits issued	1,675	1,526	1,562	1,736	1,798	2,686	2,131	2,612	3,086	1,758
Mechanical permits issued	1,849	1,348	1,422	1,655	1,581	2,351	1,557	1,681	1,483	1,079
Plumbing permits issued	591	620	665	706	700	1,209	472	848	612	380
County Police										
UCR Part I Crimes	1,799	1,576	1,582	1,402	1,326	1,423	1,412	1,381	948	1,311
Emergency Management										
Emergency management calls	18	21	18	19	12	14	14	5	15	***
(hazardous material spills, missing persons, complaints, etc)										
Presentations / programs conducted	11	18	10	11	11	7	12	*	4	***
Exercises conducted or attended	8	20	9	12	12	13	5	3	7	***
Formal plans developed, reviewed, updated or adopted	26	23	24	21	18	15	19	*	12	***
Emergency Medical Services										
Emergency calls for service	31,173	33,986	40,460	42,895	44,429	46,233	46,401	39,812	30,895	37,028
Non-emergency calls for service	2,319	1,915	1,248	1,541	1,879	2,005	2,313	3,253	2,757	3,708
Number of dispatches	31,173	32,068	38,019	38,709	46,308	51,093	51,978	48,128	35,499	51,917
Number of transports	17,785	17,531	19,435	18,749	17,752	16,638	17,544	17,424	12,790	18,513
Fire Marshal										
Inspections	916	954	1,024	1,196	941	1,164	1,057	1,595	1,771	***
Investigations / Incidents	176	141	194	160	211	166	196	175	161	***
Fire investigation K9 Callouts	8	2	4	0	-	0	0	0	0	***
Fire Education Classes Taught	3	15	11	9	11	784	14	9	13	***
Rescue Squads										
Number of dispatches	33,747	38,509	39,930	38,709	38,222	40,235	37,463	34,999	27,482	36,845
Number of transports	11,026	11,322	10,400	18,749	11,693	11,985	10,914	10,438	7,719	10,213

**Gaston County
Operating Indicators by Function,
Last Ten Fiscal Years**

<u>Function / Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public Safety (continued)										
Sheriff										
Average monthly jail population	504	525	498	509	497	502	574	632	658	587
Number of civil papers served	22,674	18,991	19,602	23,597	23,554	23,664	16,338	17,930	17,726	30,751
Number of criminal papers served	5,592	5,611	5,550	5,874	4,575	5,236	3,383	4,405	5,059	3,580
Number of weapon permits issued	4,418	5,349	10,854	5,462	6,096	11,424	7,988	8,306	10,727	15,171
Number of court cases scheduled	158,497	156,567	154,487	139,645	130,248	136,580	158,322	144,421	180,762	160,430
Telecommunications										
Number of 911 calls	134,116	138,123	131,937	127,903	137,645	150,571	143,247	123,510	132,864	139,885
Economic and Physical Development										
Cooperative Extension Service										
Structured teaching activities	527	441	454	416	445	393	410	422	397	352
Volunteer Hours	16,095	15,153	14,817	14,858	14,950	14,215	13,875	14,320	14,350	11,887
Natural Resources										
Number of people served (clients)	13,507	14,614	15,403	11,688	15,177	13,378	12,855	12,298	12,835	12,116
Number of technical services provided	16,512	18,326	19,120	13,969	16,875	16,144	21,724	20,534	21,712	18,667
Number of acres affected	6,735	8,199	6,284	4,951	7,936	7,005	8,162	6,751	7,008	8,250
Planning / Land Use										
Zoning permits issued	384	436	378	392	410	575	541	525	565	593
Site plans for commercial/industrial reviewed	10	15	8	13	17	20	17	14	11	4
Subdivisions submitted	2	0	1	1	-	1	0	2	4	9
Minimum Housing Inspections	13	28	18	23	21	16	24	49	*	*
Travel and Tourism										
Overnight Stays	321,465	332,091	339,040	336,452	357,753	392,766	383,211	****	****	****
Visits to Visitors Center	6,406	5,986	5,289	4,845	4,486	4,619	4,200	****	****	****
Visitor's Guide Printed and Distributed	37,250	40,000	40,000	35,265	27,500	27,264	30,000	****	****	****
Total Social Media Followers	*	*	*	*	*	10,064	13,573	18,033	21,236	27,566
Total Website Visitation	*	*	*	*	*	121,458	124,339	191,894	191,894	71,453
Total Weekend Hotel Demand	*	*	*	*	*	113,226	111,450	109,703	109,703	103,692
Human Services										
Health										
*** Number of patient visits	82,136	70,641	82,698	73,331	64,312	76,571	61,544	56,321	50,856	40,167
Onsite Wastewater Permits issued	511	713	712	872	872	731	983	1,039	1,358	1,766
Well permits issued	96	125	145	103	138	121	167	167	196	205
Food and Lodging Inspections performed	3,084	2,615	2,601	2,693	2,290	2,140	2,572	2,672	1,894	2,367
Social Services										
** Medicaid cases	375,895	392,696	399,296	384,017	383,628	383,628	40,106	39,481	38,858	37,892
** Medicaid recipients	494,239	518,206	527,741	524,760	524,496	524,496	63,469	65,945	68,156	52,319
** Food and nutrition services cases	230,485	246,287	254,292	254,952	256,868	245,756	16,591	15,487	15,219	15,919
** Food and nutrition services recipients	484,487	504,857	528,780	522,468	520,569	498,432	36,697	34,510	33,933	33,676
** Children in DSS custody	2,910	2,438	2,346	2,532	3,278	3,360	345	346	349	324
Cultural and Recreation										
Art and History Museum										
Museum Visits	3,422	3,255	4,238	3,930	4,039	4,399	3,620	2,821	2,792	2,134
Program Attendance	13,446	13,027	15,537	16,143	23,164	19,622	19,105	21,025	19,350	13,817
Exhibits	16	14	16	19	18	16	17	15	15	9
Library										
Library Visits (Door Count)	635,722	535,418	501,992	476,873	486,111	530,498	575,420	567,500	536,541	385,113
Circulation - Books	751,365	699,645	671,221	636,764	666,939	750,487	717,366	679,201	628,314	480,141
Circulation - Audiovisuals	200,958	179,843	168,433	163,775	193,037	237,577	230,605	210,201	200,023	145,591
Circulation - e-resources	29,045	77,777	88,683	108,210	185,833	124,084	202,202	206,631	214,494	198,968
Library Programs	1,433	1,366	1,442	1,783	2,991	6,339	5,683	5,590	6,331	4,296
Program Attendance	49,258	43,042	46,911	53,146	77,031	111,078	131,471	146,040	174,720	128,063
Public computer users	109,622	118,733	125,575	133,651	168,562	111,582	107,273	94,573	331,002	102,208

**Gaston County
Operating Indicators by Function,
Last Ten Fiscal Years**

<u>Function / Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Cultural and Recreation (continued)										
Parks and recreation										
Park reservations	5,232	4,674	4,733	9,258	9,175	8,908	6,338	3,963	4,290	3,652
Scheduled park attendance	414,700	405,802	395,028	684,067	793,048	885,164	603,206	591,684	422,195	177,031
Senior Center										
Program Attendance	29,577	35,450	36,603	38,010	40,108	41,895	45,383	46,101	44,766	28,537
Senior Center visits	25,158	31,558	33,907	35,987	39,167	42,534	46,408	47,893	47,052	29,691
Solid Waste / Landfill										
Waste tonnage disposed	195,832	227,839	177,742	189,845	222,587	250,065	281,841	260,385	274,770	279,224
Recycling tonnage	6,880	5,861	3,113	2,298	1,688	2,484	2,929	2,467	2,122	1,339

Sources: County budget department and individual county departments.

Note: Indicators are not available for Environmental Protection.

* Information is not available.

** 2017-2020 is reported in monthly averages.

Gaston County
Capital Asset Statistics by Function,
Last Ten Fiscal Years

<u>Function / Program</u>	<u>Fiscal Year</u>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public Safety										
Sheriff										
Jail capacity *	584	584	584	584	584	584	584	584	584	584
Economic and Physical Development										
Economic Development Commission										
Business park acreage available for purchase:										
Gastonia Technology Park	325	204.7	199.85	132.82	117.81	117.81	117.81	117.81	117.81	117.81
Summit Crossing	35	35	21.08	21.08	16.86	16.86	16.86	16.86	16.86	16.86
South Ridge Business Park	50	50	50	50	25.26	25.26	25.26	25.26	11.86	11.86
Apple Creek Business Park**	0	0	0	0	0	0	0	0	310	326.58
Cultural and Recreation										
Parks and recreation										
Number of county parks	9	9	9	9	9	9	9	9	9	9
Park acreage:										
Developed	512	512	512	512	512	512	512	512	512	562
Undeveloped	150	150	150	150	150	150	150	150	150	100
Total Park Acreage***	662	662	662	662	662	662	662	662	662	662

Sources: County departments.

*Note: Number of beds in jail total 584; capacity per classification level is 526.

** Apple Creek Business Park was purchased in 2018.

***Park acreage is no longer tracked by developed and undeveloped

COMPLIANCE SECTION

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of Commissioners
Gaston County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable of the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gaston County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gaston County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gaston County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 11, 2020

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Gaston County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Gaston County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. Gaston County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Gaston County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Gaston County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Gaston County's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Gaston County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2020-001. Our opinion on each major federal program is not modified with respect to this matter.

Gaston County's response to the non-compliance finding identified in our audit is described in the accompanying Corrective Action Plan. Gaston County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Gaston County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Gaston County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2020-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the Schedule of Findings, Responses, and Questioned Costs as item 2020-002 to be a significant deficiency.

Gaston County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Gaston County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 11, 2020

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Gaston County, North Carolina

Report on Compliance for Each Major State Program

We have audited the compliance of Gaston County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Gaston County's major state programs for the year ended June 30, 2020. Gaston County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Gaston County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Gaston County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Gaston County's compliance with those requirements.

Opinion on Each Major State Program

In our opinion, Gaston County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2020-001. Our opinion on each major state program is not modified with respect to this matter.

Gaston County's response to the non-compliance finding identified in our audit is described in the accompanying Corrective Action Plan. Gaston County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control Over Compliance

Management of Gaston County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Gaston County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gaston County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2020-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2020-002 to be a significant deficiency.

Gaston County's responses to the non-compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Gaston County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 11, 2020

GASTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Non-compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? X Yes _____ No
- Significant deficiency(ies) identified? X Yes _____ None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 X Yes _____ No

Identification of major federal programs:

<u>Program Title</u>	<u>CFDA#</u>
Medicaid Cluster	93.778
COVID-19 Coronavirus Relief Funding	21.019
Twenty First Century Community Learning Centers	84.287
Childcare and Development Fund Cluster	93.596
Child Support Enforcement	93.563
Foster Care Title IV-E	93.658
Adoption Assistance	93.659

GASTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

1. Summary of Auditor's Results (continued)

Dollar threshold used to distinguish between
Type A and Type B programs

\$867,646

Auditee qualified as low-risk auditee?

_____ Yes X No

State Awards

Internal control over major state programs:

• Material weakness(es) identified?

 X Yes _____ No

• Significant deficiency(ies) identified?

 X Yes _____ None reported

Type of auditor's report issued on
compliance for major state programs:

Unmodified

Any findings disclosed that are required to
be reported in accordance with the State
Single Audit Implementation Act?

 X Yes _____ No

Identification of major state programs:

Medicaid Cluster
Foster Care and Adoption Cluster
Public School Building Capital Fund

2. Financial Statements Findings

None.

GASTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

3. Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the N.C. Dept. of Health and Human Services

Program Name: Medicaid Cluster

CFDA # 93.778

Grant Number: XIX-MAP19 / XIX-MAP20

Non-Material Non-Compliance

Material Weakness, Eligibility

Finding: 2020-001

Criteria: In accordance with 42 CFR 435, benefits should be terminated timely to prevent payment errors. In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that benefits are properly discontinued after the case is terminated.

Condition: One casefile participant was not in the state at the time of receiving benefits.

Context: Of the 3,787,417 benefit payments valued at \$382,832,749, we examined 60 payment records (\$9,598 value) and determined that one (2%, valued at \$37) of the participants, received benefits after the casefile was terminated.

Effect: Benefits not being properly terminated could cause the County to expend funds over the eligible amount.

Cause: The caseworker did not review to ensure that benefits were properly terminated.

Questioned Costs: In accordance with 2 CFR 200, auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. Even though the sample results only identified \$37 (federal share \$37 and state share \$0) in questioned costs, if tests were extended to the entire population, questioned costs could exceed \$25,000.

Recommendation: Caseworkers should review terminated cases to ensure that benefits are properly terminated.

Views of Responsible Officials and Planned Corrective Action: Management concurs with this finding. Please refer to the Corrective Action Plan.

GASTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

3. Federal Award Findings and Questioned Costs (continued)

US Department of Health and Human Services

Program Name: Adoption Assistance

CFDA # 93.659

Grant Number: 1901NCADPT / 2001NCADPT

Finding: 2020-002

Significant Deficiency, Eligibility

Criteria: In accordance with 45 CFR 96.48, documentation must be maintained to support eligibility determinations.

Condition: The County Department of Social Services failed to have a caseworker sign the DSS-5120 document in one participants casefile. Upon further review, applicant was eligible.

Context: Of the 379 casefiles, we examined 40 and determined that one (2.5%) applicant received benefits during the fiscal year without a signed DSS-5120 in the file.

Effect: Casefile was missing completed DSS-5012 documents, which could allow benefits to be provided to individuals who are not eligible.

Cause: Caseworker failed to obtain or retain the completed eligibility documentation.

Questioned Costs: None. The County was able to substantiate that the applicant was eligible to receive benefits.

Recommendation: Caseworkers should verify all documents are completed and retained in the applicant's casefile.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding. Please refer to the Corrective Action Plan.

GASTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

4. State Award Findings and Questioned Costs

NC Department of Health and Human Services

Passed through the N.C. Dept. of Health and Human Services

Program Name: Medicaid Cluster

Finding: 2020-001 – In accordance with 42 CFR 435, benefits should be terminated timely to prevent payment errors. In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that benefits are properly discontinued after the case is terminated. See more details at Finding 2020-001 in Section 3 Federal Award Findings, Responses, and Questioned Costs.

NC Department of Health and Human Services

Program Name: Foster Care and Adoption Assistance

Finding: 2020-002 - In accordance with 45 CFR 96.48, documentation must be maintained to support eligibility determinations. See more details at Finding 2020-002 in Section 3 Federal Award Findings, Responses, and Questioned Costs.



GASTON COUNTY DEPARTMENT OF HEALTH & HUMAN SERVICES

330 Dr. Martin Luther King Jr. Way • Gastonia, North Carolina 28052
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CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2020

3. Federal Award Findings and Questioned Costs:

Finding: 2020-001

Name of Contact Person: Angela Karchmer, Social Services Division Director

Corrective Action/Management's Response: Once discovered during the audit, the case was terminated and, therefore, corrected going forward. A review process has been put in place to ensure cases are terminated timely. At case termination, case workers will confirm that the correct ending date shows in the benefit history. Second party reviews will be completed monthly along with refresher training and coaching of staff.

Proposed Completion Date: Management will implement the above procedures immediately.

Finding: 2020-002

Name of Contact Person: Angela Karchmer, Social Services Division Director

Corrective Action/Management's Response: During the audit, it was discovered that contained in an adoption case for twin siblings, one of the DSS-5120 forms was not signed by the case worker. Even though the adoptive parents had signed, the case worker failed to sign on one of the siblings. The supervisor has created a checklist to be placed in each file to ensure all forms are included and signed. A second party review has been put in place for supervisors to review all cases. In addition, the quality assurance staff will be doing random selection reviews.

Proposed Completion Date: Management will implement the above procedures immediately.



GASTON COUNTY DEPARTMENT OF HEALTH & HUMAN SERVICES

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CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2020

4. State Award Findings and Questioned Cost:

Finding: 2020-001

See Finding 2020-001 in Section 3. Federal Award Findings and Questioned Costs of the Corrective Action Plan.

Finding: 2020-002

See Finding 2020-002 in Section 3. Federal Award Findings and Questioned Costs of the Corrective Action Plan.

GASTON COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

Finding: **2019-001**

Status: Corrected.

Finding: **2019-002**

Status: Corrected.

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State / Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
FEDERAL AWARDS:						
<u>U. S. Department of Agriculture</u>						
<u>Food and Nutrition Service</u>						
Passed-through the N. C. Department of Health and Human Services:						
Division of Social Services:						
Administration:						
<u>SNAP Cluster:</u>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	195NC406S2514 / 205NC406S2514	\$ 1,852,555	\$ -	\$ -	\$ 1,852,555
Total SNAP Cluster			1,852,555	-	-	1,852,555
Passed-through the N. C. Department of Health and Human Services:						
Division of Public Health:						
WIC Special Supplemental Nutrition Program for Women, Infants and Children:						
Administration						
	10.557	5NC700705	825,670	-	-	-
Total U.S. Department of Agriculture			2,678,225	-	-	1,852,555
<u>U. S. Department of Education</u>						
<u>Office of Elementary and Secondary Education</u>						
Passed-through the N. C. Department of Public Instruction:						
Division of Federal Program Monitoring and Support:						
Twenty-First Century Community Learning Centers	84.287	S287C170033 / S287C180033	328,908	-	-	-
Twenty-First Century Community Learning Centers	84.287	S287C180033	322,298	-	-	-
Total U.S. Department of Education			651,206	-	-	-
<u>U. S. Department of Health and Human Services</u>						
Passed-through Centralina Council of Governments:						
Division of Aging and Adult Services:						
<u>Aging Cluster:</u>						
Special Programs for the Aging - TITLE III B Grants for Supportive Services and Senior Centers	93.044	AANCT3SS	618,073	109,072	-	-
Special Programs for the Aging - TITLE III C Nutrition Services	93.045	AANCT3CM/AACT3HD	316,213	55,803	-	-
Nutrition Services Incentive Program	93.053	19AANCNSIT	47,527	-	-	-
Total Aging Cluster			981,813	164,875	-	-
Special Programs for the Aging - TITLE III D Disease Prevention and Health Promotion Services	93.043	ANCT3PH	4,827	851	-	18
National Family Caregiver Support - Title III E	93.052	AANCT3FC	62,253	4,150	-	-
<u>Administration for Children and Families</u>						
Passed-through the N. C. Department of Health and Human Services:						
<u>Temporary Assistance to Needy Families:</u>						
Division of Social Services:						
Temporary Assistance for Needy Families - Work First	93.558	G1901NCTANF / G2001NCTANF	2,944,340	-	-	2,667,159
Division of Public Health:						
Temporary Assistance for Needy Families - Work First	93.558	1901NCTANF	34,500	-	-	-
Total TANF			2,978,840	-	-	2,667,159
Division of Social Services:						
<u>Special Children Adoption Fund Cluster (Note 3):</u>						
Mary Lee Allen Promoting Safe and Stable Families	93.556	G1811NCFPCV / G2001NCFPCV	19,565	-	-	-
Mary Lee Allen Promoting Safe and Stable Families	93.556	1801NCFPSS / 2001NCFPSS	143,107	-	-	-
Total Special Children Adoption Fund Cluster			162,672	-	-	-
Child Support Enforcement - Administration	93.563	2001NCCES	2,119,613	-	-	1,093,495
<u>Refugee and Entrant Assistance Cluster (Note 3):</u>						
Refugee and Entrant Assistance State/Replacement Designee Administered Programs - Administration						
Total Refugee and Entrant Assistance Cluster	93.566	1901NCRMA / 2001NCRMA	1,157	-	-	-
			1,157	-	-	-
<u>Low-Income Home Energy Assistance:</u>						
Administration						
Energy Assistance Payments	93.568	G19B1NCLIEA / G20B1NCLIEA	156,222	-	-	-
Crisis Intervention Program	93.568	G19B1NCLIEA / G20B1NCLIEA	977,019	-	-	-
Total Low-Income Home Energy Assistance	93.568	G19B1NCLIEA / G20B1NCLIEA	1,025,292	-	-	-
			2,158,533	-	-	-
<u>Child Care Development Fund Cluster:</u>						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund						
Total Child Care Development Fund Cluster	93.596	G1901NCCCDF / G2001NCCCDF	305,603	-	-	-
			305,603	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning						
Total Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1901NCCWSS / G2001NCCWSS	51,678	-	-	17,226
			51,678	-	-	17,226
<u>Foster Care and Adoption Cluster (Note 3):</u>						
Foster Care Title IV-E - Administration						
Foster Care Title IV-E - Direct Benefit Payments	93.658	1901NCFOST / 2001NCFOST	1,672,692	129,536	-	1,538,112
COVID-19 Foster Care Title IV-E Direct Benefit Payments	93.658	1901NCFOST / 2001NCFOST	1,701,015	532,869	-	456,989
Adoption Assistance - Administration	93.659	H.R. 748 - 116 Congress (2019-2020)	87,900	-	-	-
Adoption Assistance - Direct Benefit Payments	93.659	1901NCADPT / 2001NCADPT	137,464	-	-	137,464
Total Foster Care and Adoption Cluster	93.659	1901NCADPT / 2001NCADPT	3,637	1,819	-	1,819
			3,602,708	664,224	-	2,134,384
Division of Aging and Adult Services:						
<u>Special Children Adoption Incentive Fund Cluster:</u>						
Social Services Block Grant (SSBG) - Other Service and Training	93.667	G1901NCSOSR / G2001NCSOSR	775,953	-	-	249,348
Social Services Block Grant (SSBG) - State In Home Service Fund	93.667	G1901NCSOSR / G2001NCSOSR	114,381	-	-	16,340
Social Services Block Grant (SSBG) - State Adult Day Care	93.667	G1901NCSOSR / G2001NCSOSR	70,621	67,249	-	19,696
Passed-through Centralina Council of Government:						
Social Services Block Grant (SSBG) - In Home Services						
Total Special Children Adoption Incentive Fund Cluster	93.667	G1901NCSOSR / G2001NCSOSR	55,459	7,923	-	-
			1,016,414	75,172	-	285,384
John H. Chafee Foster Care Program for Successful Transition to Adulthood						
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2001NCC1LP	43,323	10,830	-	-
	93.674	2001NCC1LP	6,719	-	-	-
Passed-through the N. C. Department of Administration:						
<u>Division of NC Council for Women:</u>						
Family Violence Prevention and Services / Domestic Violence						
Shelter and Supportive Services						
	93.671	FVPSA	28,076	-	-	972

COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State / Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<u>Centers for Disease Control and Prevention</u>						
Direct Program:						
Environmental Public Health & Emergency Response	93.070	1UE2EH001343-01	175,528	-	-	-
Passed-through the N. C. Department of Health and Human Services:						
<u>Division of Public Health:</u>						
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	NU90TP000538 / NU90TP921915	54,827	-	-	-
COVID-19 - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	NU90TP922104	24,890	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1U52PS004698	21	-	-	-
Immunization Cooperative Agreements	93.268	6NH23IP000759-01	45,745	-	-	-
Preventive Health and Health Services Block Grant	93.991	NB01OT009251-01-00	28,350	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	6NU58DP006281-03	26,650	-	-	-
<u>HIV Cluster:</u>						
HIV Prevention Activities - Health Department Based	93.940	NU62PS924527	24,654	-	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	5H25PS0043949	100	-	-	-
Total HIV Cluster			24,754	-	-	-
<u>Centers for Medicare and Medicaid Services</u>						
Passed-through the N. C. Department of Health and Human Services:						
<u>Division of Medical Assistance:</u>						
<u>Medicaid Cluster:</u>						
Medical Assistance Program - Administration	93.778	XIX-MAP19 / XIX-MAP20	4,797,365	13,415	-	1,816,545
Total Medicaid Cluster			4,797,365	13,415	-	1,816,545
<u>Division of Social Services:</u>						
Children's Health Insurance Program - Administration	93.767	CHIP20	149,057	1,976	-	8,729
<u>Health Resources and Service Administration</u>						
Passed-through the N. C. Department of Health and Human Services:						
<u>Division of Public Health:</u>						
Affordable Care Act (ACA) Maternal, Infant and Early Childhood Home Visiting Program	93.505	X01MC26336	446,479	-	-	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC31506	22,006	16,506	-	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC28117 / B04MC28117q	62,099	-	-	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC29320	8,215	-	-	-
<u>Office of Assistant Secretary for Health</u>						
Passed-through the N. C. Department of Health and Human Services:						
<u>Office of Population Affairs:</u>						
Family Planning Services	93.217	PA-FPH-19-001	134,183	-	-	-
Total U. S. Department of Health and Human Services			19,524,398	951,999	-	8,023,912
<u>U. S. Department of Homeland Security</u>						
Passed-through N C Department of Public Safety						
Disaster Grants - Public assistance (Presidentially Declared Disasters) - Hurricane Florence	97.036	DR-4487-NC	33,168			
Passed-through the N. C. Department of Public Safety:						
Emergency Management Performance Grants:						
Emergency Management Performance Grant	97.042	EMA-2019-EP-00002	80,779	-	-	218,303
Emergency Management Performance Grant	97.042	EMA-2020-EP-00016	12,695	-	-	-
Total U. S. Department of Homeland Security			126,642	-	-	218,303
<u>U. S. Department of Housing and Urban Development</u>						
Assistant Secretary for Community Planning and Development						
Passed through N. C. Department of Commerce						
Community Development Block Grant - State's Program and Non-entitlement Grants in Hawaii	14.228	18-C-3073	4,500	-	-	-
Passed-through the N. C. Housing Finance Agency:						
Home Investment Partnerships Program	14.239	M15-SG370100	126,849	-	-	-
Total U. S. Department of Housing and Urban Development			131,349	-	-	-
<u>U. S. Department of the Interior</u>						
<u>National Park Service</u>						
Passed-through NC Department of Natural and Cultural Resources:						
Historic Preservation Fund Grants-In-Aid	15.904	P18AF00042	1,000			
Total U. S. Department of the Interior			1,000	-	-	-
<u>U. S. Department of Justice</u>						
<u>Office of Justice Programs</u>						
Direct Program:						
State Criminal Alien Assistance Program	16.606	2019-AP-BX-1116	25,265	-	-	-
State Criminal Alien Assistance Program	16.606	2020-AP-BX-1127	11,598			
Crime Victim Assistance - Discretionary Grants	16.582	2018-V3-GX-0043	190,966	-	-	-
Crime Victim Assistance - Discretionary Grants	16.582	2019-V3-GX-0062	43,631			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0583	4,618	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0252	32,560	-	29,371	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0544	6,800			
Passed-through the N. C. Department of Public Safety:						
<u>Division of Governor's Crime Commission:</u>						
Juvenile Justice and Delinquency Prevention	16.540	2017-JF-FX-0058	28,594	-	28,594	-
Crime Victim Assistance	16.575	2016-VA-GX-0075	13,374	-	-	1,197
Crime Victim Assistance	16.575	2017-VA-GX-0050	14,248	-	-	-
Crime Victim Assistance	16.575	2017-VA-GX-0050	19,711	-	-	0
Crime Victim Assistance	16.575	2017-VA-GX-0050	5,862	-	5,862	-
Crime Victim Assistance	16.575	2018-V2-GX-0061	146,157	-	-	53,587
Crime Victim Assistance	16.575	2018-V2-GX-0061	172,299	-	172,299	-
Crime Victim Assistance	16.575	2018-V2-GX-0061	32,052	-	-	3,897
Crime Victim Assistance	16.575	2018-V2-GX-0061	153,838	-	-	41,048
Crime Victim Assistance	16.575	2018-V2-GX-0061	151,678	-	-	-
Crime Victim Assistance	16.575	2019-V2-GX-0067	28,858	-	-	30,167
Crime Victim Assistance	16.575	2019-V2-GX-0067	72,657	-	72,657	-
Crime Victim Assistance	16.575	2019-V2-GX-0067	19,858	-	19,858	-
Crime Victim Assistance	16.575	2019-V2-GX-0067	55,920	-	-	12,505
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0041	69,391	-	21,794	-

COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State / Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<u>Office on Violence Against Women</u>						
Direct Program:						
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2017-WH-AX-0057	116,358	-	116,358	-
Passed-through the N. C. Department of Public Safety:						
Division of Governor's Crime Commission:						
Violence Against Women Formula Grants	16.588	2017-WF-AX-0040	46,770	-	-	13,123
Violence Against Women Formula Grants	16.588	2019-WF-AX-0021	104,483	-	-	38,795
Violence Against Women Formula Grants	16.588	2017-WF-AX-0040	6,517	-	-	114
Violence Against Women Formula Grants	16.588	2017-WF-AX-0040	43,290	-	-	7,858
Total U. S. Department of Justice			1,617,353	-	466,793	202,291
<u>U. S. Department of Labor</u>						
<u>Employment and Training Administration</u>						
Passed-through the N. C. Department of Commerce:						
Division of Workforce Solutions:						
<u>Workforce Innovation and Opportunity Act Cluster:</u>						
WIOA Adult Program:	17.258					
Administration		AA-32191-18-55-A-37	21,958	-	-	-
Program Costs		AA-32191-18-55-A-37	180,502	-	-	-
Administration		AA-33241-19-55-A-37	45,495	-	-	-
Program Costs		AA-33241-19-55-A-37	350,116	-	-	-
WIOA Youth Activities:	17.259					
Administration		AA-32191-18-55-A-37	21,335	-	-	-
Program Costs		AA-32191-18-55-A-37	404,305	-	-	-
Administration		AA-33241-19-55-A-37	44,203	-	-	-
Program Costs		AA-33241-19-55-A-37	111,246	-	-	-
Program Costs		AA-33241-19-55-A-37	2,419	-	-	-
WIOA Dislocated Worker Formula Grants:	17.278					
Administration		AA-32191-18-55-A-37	13,459	-	-	-
Program Costs		AA-32191-18-55-A-37	15,786	-	-	-
Administration		AA-33241-19-55-A-37	27,885	-	-	-
Program Costs		AA-33241-19-55-A-37	309,444	-	-	-
WIOA Adult Program:	17.258					
Administration		AA-32191-18-55-A-37	4,786	-	-	-
Program Costs		AA-32191-18-55-A-37	43,071	-	-	-
Program Costs		AA-30962-17-55-A-37	12,735	-	-	-
Program Costs		AA-30962-17-55-A-37	5,000	-	-	-
Total Workforce Innovation and Opportunity Act Cluster			1,613,745	-	-	-
Total U. S. Department of Labor			1,613,745	-	-	-
<u>U. S. Department of Transportation</u>						
<u>Federal Highway Administration</u>						
Passed-through the N. C. State University:						
<u>Highway Planning and Construction Cluster:</u>						
Highway Planning and Construction	20.205	CMAQ-000S(895)	50,400	-	-	19,600
Total Highway Planning and Construction Cluster			50,400	-	-	19,600
<u>Federal Transit Administration</u>						
Passed-through the N. C. Department of Transportation						
Public Transportation Division:						
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NC-2017-052-01	146,619	9,163	-	27,493
Formula Grants for Rural Areas and Tribal Transit Program	20.509	NC-2017-052-01	59,837	164,552	-	31,513
Total U. S. Department of Transportation			256,856	173,715	-	78,606
<u>U. S. Department of the Treasury</u>						
<u>Department of the Treasury</u>						
Direct Program:						
Equitable Sharing Program	21.016		85,408	-	-	-
Pass-through North Carolina Pandemic Recovery Office						
COVID-19 Coronavirus Relief Fund	21.019	02-36	2,228,785	-	228,785	-
Total U. S. Department of the Treasury			2,314,193	-	228,785	-
<u>U. S. Institute of Museum and Library Services</u>						
Passed-through the N. C. Department of Cultural Resources:						
Grants to States	45.310	LS-00-18-0034-18	5,390	-	-	-
Grants to States	45.310	LS-00-19-0034-19	1,186	-	-	-
Total U. S. Institute of Museum and Library Services			6,576	-	-	-
Total Federal Awards			28,921,543	1,125,714	695,578	10,375,667
STATE AWARDS:						
<u>N. C. Department of Administration</u>						
NC Council for Women and Domestic Violence Commission:						
Displaced Homemaker Grant		56-600300		19,502	-	-
Domestic Violence Program		56-600300		46,405	-	-
Marriage License Grant		56-600300		17,639	-	-
Office of Fiscal Management:						
Veterans Services State Matching Funds		XXXX		2,182	-	345,091
Total N. C. Department of Administration				85,728	-	345,091
<u>N. C. Department of Agriculture and Consumer Services</u>						
Division of Soil and Water Conservation:						
N. C. Agriculture Cost Share - Technical Assistance		18-024-4025		27,235	-	27,235
Gaston County Natural Resources Conservation District - Matching Funds		18-024-4025		3,600	-	516,910
Total N. C. Department of Agriculture and Consumer Services				30,835	-	544,145

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State / Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<u>N. C. Department of Cultural and Natural Resources</u>						
NC Arts Council:						
Grassroots Arts Program		XXXX		950	-	-
State Library of North Carolina:						
State Aid to Public Libraries		XXXX		227,155	-	-
Total N. C. Department of Cultural Resources				228,105	-	-
<u>N. C. Department of Environmental Quality</u>						
Division of Waste Management:						
Electronics Management Program		XXXX		12,906	-	-
Total N. C. Department of Environmental Quality				12,906	-	-
<u>N. C. Department of Health and Human Services</u>						
Children's Advocacy Centers of North Carolina:						
Children's Advocacy Centers Grant		XXXX		45,500	-	-
Total Children's Advocacy Centers of North Carolina				45,500	-	-
Division of Aging and Adult Services:						
Senior Center General Purpose		XXXX		10,574	-	3,525
Total Division of Aging and Adult Services				10,574	-	3,525
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:						
North Carolina Problem Gambling Program		XXXX		1,419	-	-
Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services				1,419	-	-
Division of Public Health:						
Other Receipts / State Supported Expenditures:						
Breast and Cervical Cancer Control	1320-5599-00 / 1320-3355-04			39,000	-	-
Child Health	1271-5745-00			9,835	-	-
CLAS Standards Advancing Health Equity	1262-4181-00			27,052	-	-
Evidence-Based Intervention Services	1311-4541-RR / 1311-4541-BN			71,108	-	-
Food and Lodging Fees	1153-4752-SZ			54,027	-	-
General Aid to Counties	1161-4110-00			147,499	-	-
General Communicable Disease Control	1175-4510-00			18,238	-	-
Healthy Beginnings	13A1-5116-00			79,209	-	-
Healthy Community Activities	1261-5503-00			2,295	-	-
High Risk Maternity Clinics	13A1-5746-00			81,219	-	-
HIV / STD - State	1311-4540-04			35,884	-	-
Maternal Health	13A1-5740-00			99,889	-	-
Mosquito & Tick Suppression	1153-4801-00			1,979	-	-
School Nurse Funding Initiative	1332-5358-00			100,000	-	-
STD Drugs	1311-4601-BN / 1311-4601-RR			1,000	-	-
TPPI - Adolescent Parenting Program	1332-5150-KZ			75,367	-	-
TPPI - Adolescent Pregnancy Prevention	1332-5166-KZ			72,605	-	-
Tuberculosis Control	1460-4551-00			24,088	-	-
Women's Health Service Fund	13A1-6020-FR			22,511	-	-
Total Division of Public Health				962,803	-	-
Division of Social Services:						
Adoption / Foster Care	WC 302			42,000	-	-
AFDC Incentive Payments	FRD428-1			23	-	-
Child Protective Services - State	WC 302			133,216	-	-
Child Welfare In-Home Expansion	WC 302			120,911	-	-
Child Welfare Services Adoption Subsidy - Direct Benefit Payments	WC 302			-	-	-
Non IV-E Foster Care Extended	WC 302			113,944	-	-
Smart Start - Administration	WC 302			132,439	-	-
Special Adult Day Care	WC 302			67,249	-	9,607
State Foster Care - Direct Benefits Program:						
State Foster Care	WC 302			173,680	-	173,679
State Foster Care Maximization	WC 302			153,536	-	153,535
Foster Care At Risk Maximization	WC 302			3,244	-	1,351
TANF Incentive Payments	FRD428-1			45	-	-
Total Division of Social Services				940,287	-	338,172
Total N. C. Department of Health and Human Services				1,960,583	-	341,697
<u>N. C. Department of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds		XXXX		2,364,600	-	-
Total N. C. Department of Public Instruction				2,364,600	-	-
<u>N. C. Department of Public Safety</u>						
Division of Adult Correction and Juvenile Justice:						
Juvenile Crime Prevention Programs	XXXX			617,812	602,312	103,044
Juvenile Crime Prevention Programs - Level II Dispositional Alternatives				65,350	0	-
Emergency Management						
N. C. Tier II Grant	XXXX			11,000	-	-
Total N. C. Department of Public Safety				694,162	602,312	103,044
<u>N. C. Department of Transportation</u>						
N.C. DOT Cluster ROAP:						
ROAP Elderly and Disabled Transportation Assistance						
Program (E&DTAP)	DOT-16CL			156,528	-	-
ROAP Employment Transportation Program (EMPL)	DOT-16CL			56,544	-	-
ROAP Rural General Public Program (RGP)	DOT-16CL			93,412	-	-
Total DOT Cluster ROAP				306,484	-	-
Total N. C. Department of Transportation				306,484	-	-
<u>N. C. Housing Trust Fund</u>						
NC Housing Finance Agency:						
Urgent Repair Program	1908			92,647	-	-
Total N. C. Housing Trust Fund				92,647	-	-
<u>N. C. Judicial System</u>						
NC Human Trafficking Program		XXXX		73,545	-	-
				73,545	-	-

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State / Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<u>N. C. Partnership for Children</u>						
Smart Start:						
Child Care Health Consultant		3-90-5-16-001		131,032	-	-
Triple P Parenting Program		3-90-5-16-003		63,229	-	-
Total N. C. Partnership for Children				194,261	-	-
Total State Awards			-	6,043,856	602,312	1,333,977
Total Federal and State Awards			\$ 28,921,543	\$ 7,169,570	\$ 1,297,890	\$ 11,709,644

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Gaston County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Gaston County, it is not intended to and does not present the financial position, changes in net position or cash flows of Gaston County.

2 Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

3 Indirect Cost Rate

Gaston County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4 Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

Subsidized Child Care, Foster Care and Adoption, Special Children Adoption Fund and the HIV Cluster

5 Coronavirus Relief Funds

Gaston County received \$3,903,161 of funding from the Coronavirus Relief Fund (21.019) in accordance with HB 1043 and is scheduled to receive \$4,357,647 appropriated. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Gaston County, at the discretion of the County. Municipalities are to have a plan to spend accordance with the U.S. Department of the Treasury, the received are to be returned to the County. Counties and municipalities are liable to the state for funds not spent in accordance with the U.S. Department of the Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the state's pass-through agency, municipalities are considered subrecipients of the counties. However, under state statute, municipalities are liable to the state, not to the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.

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