

REVIEWED

By SLGFD at 6:26 am, Mar 07, 2022

FY 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

GASTON COUNTY, NC
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GASTON COUNTY
Local Strengths. Global Success.



FY 2021 Annual Comprehensive Financial Report

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GASTON COUNTY, NC
FY 2021 ANNUAL COMPREHENSIVE
FINANCIAL REPORT

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

November 22, 2021

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

It is our pleasure to present the Annual Comprehensive Financial Report of Gaston County, North Carolina for the fiscal year ended June 30, 2021, with comparative numbers for the fiscal year ended June 30, 2020.

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, 2021, 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, 2021, 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.

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.

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 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 2019 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.

Mission Statement

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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 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 2020, approximately 20% of the workforce in the County was employed in the manufacturing, 18% in health care and social assistance, 10% in retail trade, 4% in accommodation and food services, 8% in education, and the remaining 40% 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 Caromont Health, Gaston County Schools, Freightliner Corporation, County of Gaston, Wal-Mart Associates Inc., Mann+hummmel, and American &Efrd LLC,.

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 Business Alliance to promote the area. The EDC has been actively involved in the development of five new business parks since 1997 including the most recent development Apple Creek Corporate Center. These new parks created an additional 1,300 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.

Mission Statement

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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 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 in 2014 and was purchased by Polykemi in 2021.
- 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.
- Livent announced expansion of \$16-\$18 million and create 30 new jobs.
- Dry-Pro purchased facility at 103 Performance Drive in Belmont.
- Rochling announced expansion of 75,000 SF at current location in the Gastonia Technology Park.
- Dymax announced new investment in the Gastonia Technology Park of \$21.5 million and plans to create 59 new jobs paying an average wage of \$59,814.

Mission Statement

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- GNT purchased 49.24 acres in the Apple Creek Corporate Center and is the first tenant in the park. Initial investment will be \$30 million and GNT plans to create 40 new jobs.
- Knoll announced new investment in the Apple Creek Corporate Center of \$7.89 million and plans to create 31 new jobs.

The County's overall annual, estimated unemployment rate of 8.0% for 2020 was higher than the 2019 figure of 3.8% mainly due to the national COVID-19 pandemic. By the end of fiscal year 20/21 the unemployment rate was back down to 5.3%. The economic outlook is cautiously optimistic as consumer/investor confidence consistently improves

LONG-TERM FINANCIAL PLANNING

Available fund balance in the general fund (26.21% of general fund expenditures and transfers-out) is 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 2020/2021 budget, the Board of Commissioners sought to align expenditures with revenues so that we will have a long-term solution to the voter approved debt service, procurement of replacement vehicles for our aging fleet and funding increases in the health insurance premiums.

The County has also made strides with its long-term capital planning, creating a multi-departmental committee and revising the capital project request process to help ensure consistency and promote data-informed decision-making. Long-term capital planning will lower borrowing costs, increase ratings given by credit rating agencies, and give additional and more precise data to the LGC to reflect long-term capital needs. These efforts continued with the adoption of the fiscal year 2021/2022 budget.

MAJOR INITIATIVES

Fiscal year 2020/2021 has been a steady year, with progress made on several broad initiatives and important services in Gaston County. The County invested in key capital projects in the wake COVID-19 pandemic. The fiscal year 2021/2022 budget continues the work begun in fiscal year 2020/2021 of addressing a variety County facility needs, deferred maintenance issues and expedited compliance with the Americans with Disabilities Act (ADA) facility upgrades to stimulate the economy.

In addition to these capital projects, Gaston County prioritized service delivery to the community, remaining responsive, resilient, and innovative. The pandemic has required multiple County departments, other public agencies, non-profits, and private sector businesses to come together, communicate, and collaborate in order to work toward a common goal of ensuring the safety and well-being of the community.

Outside of capital and operating initiatives to address the pandemic's impact, Gaston County adopted its first ever strategic plan, sought ways to improve operations and community outreach, and invested in employees in fiscal year 2020/2021. Moving forward, investment in employees will continue to be one of the County's major initiatives with the implementation of a market compensation study and introduction of a 401K plan for all eligible employees in fiscal year 2021/2022.

Mission Statement

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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. The County anticipates the second issuance, with the amount to be determined, in fiscal year 2021/2022.

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. 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, 2021 is \$62,807,999, 26.21% of total expenditures and transfers-out.

Mission Statement

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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, 2021 and the report, along with any areas of concern, are included in a separately bound presentation and available through the Finance Department.

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 2018/2019, 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, 2021, 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 annual comprehensive report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Mission Statement

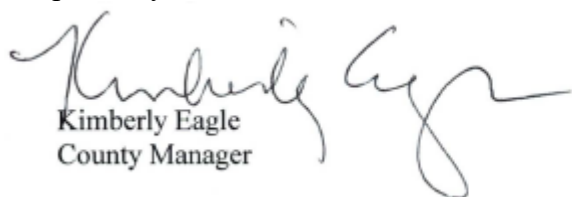
Gaston County seeks to be among the finest counties in North Carolina. It will provide effective, efficient and affordable services leading to a safe, secure and healthy community, an environment for economic growth, and promote a favorable quality of life.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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.


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 Annual Comprehensive 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

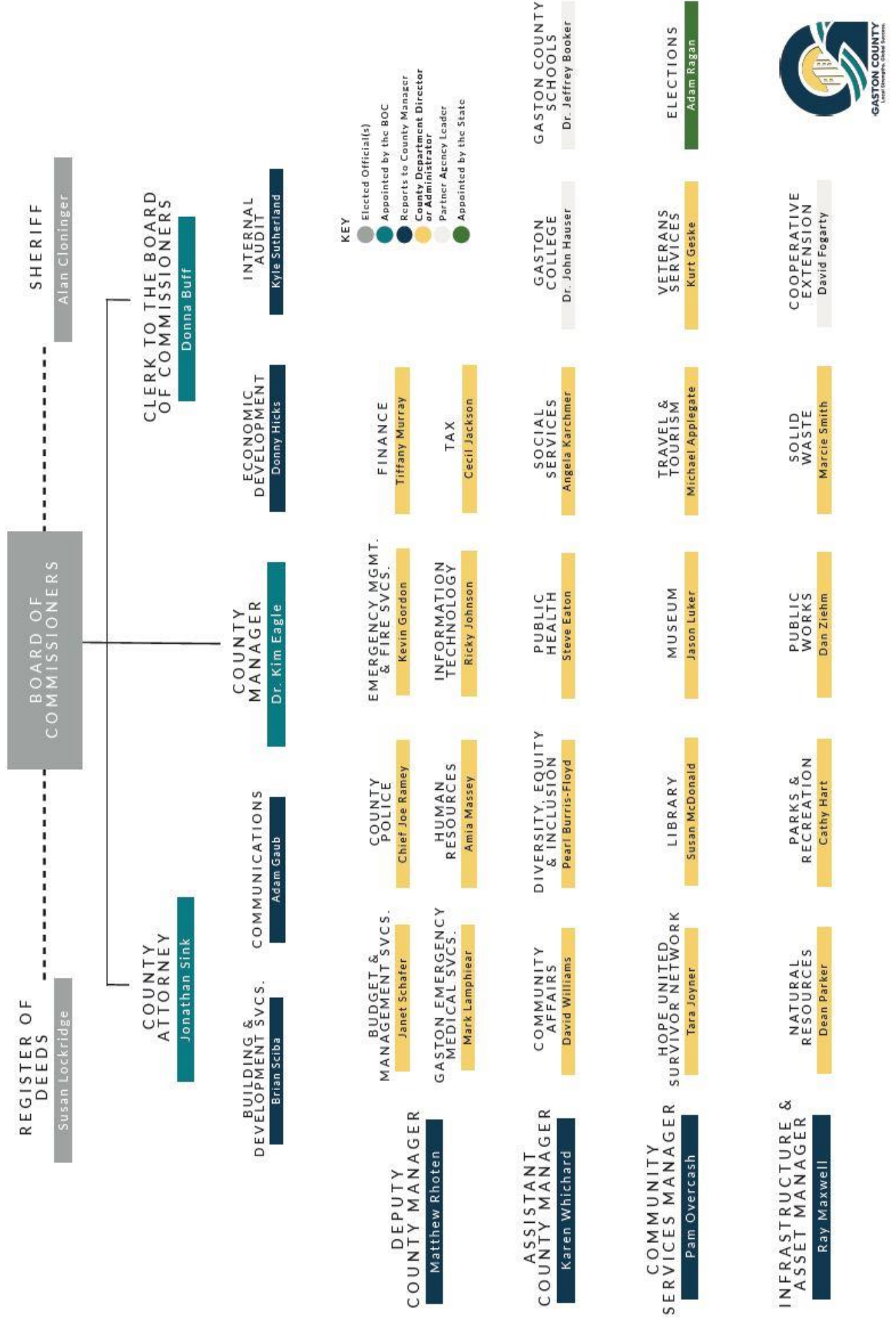


Tiffany Murray
Finance Director

Mission Statement

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.

GASTON COUNTY ORGANIZATIONAL CHART



GASTON COUNTY, NC
BOARD OF COMMISSIONERS



Chairman
TOM KEIGHER
Gastonia Township



Vice-Chairman
ALLEN FRALEY
Cherryville Township



CHAD BROWN
Riverbend Township



BOB HOVIS
Crowders Mountain
Township



KIM JOHNSON
Gastonia Township



TRACY PHILBECK
Dallas Township



RONNIE WORLEY
South Point Township

Mission Statement

"Providing excellent public service every day."

Vision Statement

"Gaston County Government will be a model of excellence in public service leadership, innovation, collaboration and inclusion, ensuring the safety and well-being of residents, preserving natural resources and providing recreational, cultural, and economic opportunities that lead to global success and set the stage for future generations."

GASTON COUNTY, NC
PRINCIPAL OFFICIALS



DR. KIM EAGLE
County Manager

MATTHEW RHOTEN
Deputy County Manager

KAREN WHICARD
Assistant County Manager

RAY MAXWELL
Infrastructure & Asset Manager

PAM OVERCASH
Community Services Manager

JANET SCHAFER
Budget & Strategy
Director

BRIAN SCIBA
Building & Development
Services Director

JOE RAMEY
Chief of Police

DONNA BUFF
Clerk to the Board
of Commissioners

ADAM GAUB
Communications Director

DAVID FOGARTY
Cooperative Extension
Director

JONATHAN SINK
County Attorney

KYLE SUTHERLAND
County Auditor

DONNY HICKS
Economic Development
Commission Director

ADAM RAGAN
Elections Director

KEVIN GORDON
Emergency Mgmt. &
Fire Services Director

MARK LAMPHEAR
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

SUSAN MCDONALD
Library Director

JASON LUKER
Museum Director

DEAN PARKER
Natural Resources
Director

CATHY HART
Parks & Recreation
Director

STEVE EATON
Public Health
Director

DAN ZIEHM
Public Works
Director

SUSAN LOCKRIDGE
Register of Deeds

ALAN CLONINGER
Sheriff

ANGIE KARCHMER
Social Services
Director

CECIL JACKSON
Tax Director

MIKE APPLGATE
Travel & Tourism
Director

KURT GESKE
Veterans Services
Administrator



Government Finance Officers Association

Certificate of
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Reporting

Presented to

**Gaston County
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

GASTON COUNTY, NC
FY 2021 ANNUAL COMPREHENSIVE
FINANCIAL REPORT

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, 2021, 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, 2021, 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.

Change in Accounting Principle

As discussed in the notes to the financial statements, for the fiscal year ended June 30, 2021, Gaston County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 Employee 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 financial 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 November 22, 2021, 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
November 22, 2021

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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, 2021. 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 \$45,414,676 (net position).
- The County's net position of governmental activities increased by \$43,554,794, and business-type activities increased by \$3,115,736. The County's implementation of GASB Statement No. 84, Fiduciary Activities, which created four new special revenue funds that were once treated as agency funds.
- As of June 30, 2021, Gaston County's governmental funds reported combined ending fund balances of \$203,417,872, after a net increase in fund balance of \$25,850,393. Approximately 34% of this total amount, or \$70,123,308, is restricted or non-spendable.
- At the end of the current fiscal year, available fund balance for the General Fund was \$62,451,063, or 26.21%, 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 \$30,961,585 during the current fiscal year.
- The County maintained the following bond ratings:

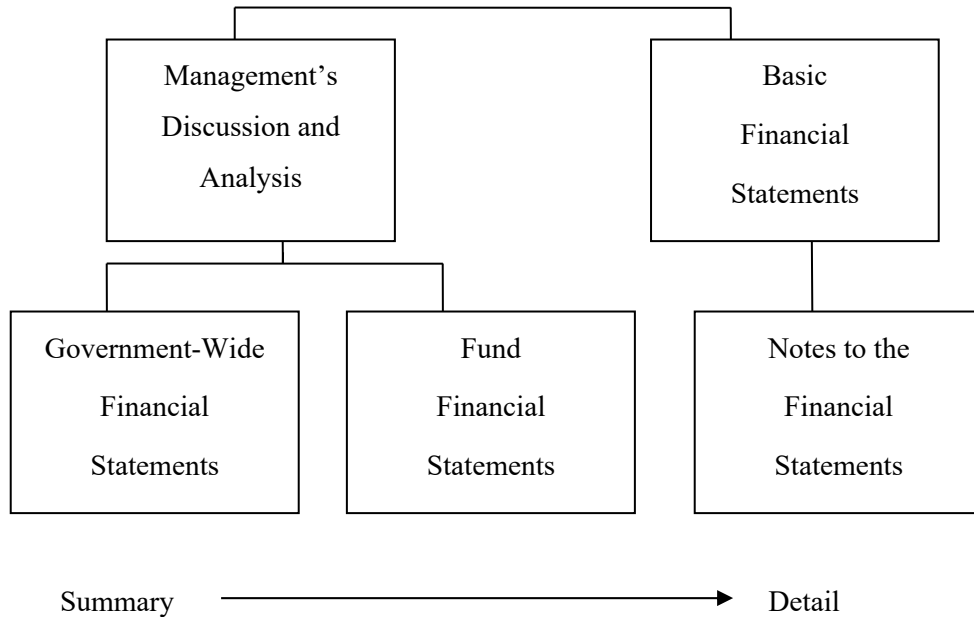
Moody's	Aa2
Standard & Poor's	AA+

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 L) 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.

Custodial (Fiduciary) Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Gaston County has two fiduciary funds, which are custodial 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 31 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 81 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 \$45,414,676 as of June 30, 2021. The County's net position increased by \$46,670,530 for the fiscal year ended June 30, 2021.

The largest portion of net position in the amount of \$101,901,025 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, \$57,797,261 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$114,283,610) 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, 2021 was \$171,669,708.

Gaston County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 264,913,698	\$ 224,101,985	\$ 16,179,435	\$ 17,927,407	\$ 281,093,133	\$ 242,029,392
Capital assets	129,417,273	121,435,862	30,447,116	23,891,906	159,864,389	145,327,768
Total assets	<u>394,330,971</u>	<u>345,537,847</u>	<u>46,626,551</u>	<u>41,819,313</u>	<u>440,957,522</u>	<u>387,357,160</u>
Deferred Outflows of Resources	<u>47,443,781</u>	<u>33,607,566</u>	<u>659,699</u>	<u>483,827</u>	<u>48,103,480</u>	<u>34,091,393</u>
Liabilities:						
Long-term liabilities						
outstanding	353,879,845	349,776,199	16,025,527	14,572,216	369,905,372	364,348,415
Other liabilities	<u>66,224,838</u>	<u>47,873,310</u>	<u>2,762,864</u>	<u>2,284,323</u>	<u>68,987,702</u>	<u>50,157,633</u>
Total liabilities	<u>420,104,683</u>	<u>397,649,509</u>	<u>18,788,391</u>	<u>16,856,539</u>	<u>438,893,074</u>	<u>414,506,048</u>
Deferred Inflows of Resources	<u>4,706,385</u>	<u>8,317,091</u>	<u>46,867</u>	<u>111,345</u>	<u>4,753,252</u>	<u>8,428,436</u>
Net Position:						
Net investment in						
capital assets	72,265,228	78,593,203	29,635,797	23,471,977	101,901,025	102,065,180
Restricted	57,797,261	46,751,723	-	-	57,797,261	46,751,723
Unrestricted	<u>(113,098,805)</u>	<u>(152,166,113)</u>	<u>(1,184,805)</u>	<u>1,863,279</u>	<u>(114,283,610)</u>	<u>(150,302,834)</u>
Total net position	<u>\$ 16,963,684</u>	<u>\$ (26,821,187)</u>	<u>\$ 28,450,992</u>	<u>\$ 25,335,256</u>	<u>\$ 45,414,676</u>	<u>\$ (1,485,931)</u>

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

- Refunding of school debt, resulting in savings in debt service payments.
- Increase in operating grants received, mainly due to coronavirus response in the community.
- Increase in fees, licenses and permit revenue due to commercial and residential projects.
- 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 39,318,415	\$ 35,504,360	\$ 12,562,448	\$ 12,141,271	\$ 51,880,863	\$ 47,645,631
Operating grants and contributions	34,223,987	22,914,117	20,000	-	34,243,987	22,914,117
Capital grants and contributions	22,050,758	11,743,926	-	-	22,050,758	11,743,926
General revenues:						
Property taxes	176,874,990	172,021,975	-	-	176,874,990	172,021,975
Other taxes	56,623,399	41,081,488	-	-	56,623,399	41,081,488
Other	3,067,812	13,217,860	9,057	146,945	3,076,869	13,364,805
Total revenues	<u>332,159,361</u>	<u>296,483,726</u>	<u>12,591,505</u>	<u>12,288,216</u>	<u>344,750,866</u>	<u>308,771,942</u>
Expenses:						
General government	37,683,711	35,595,530	-	-	37,683,711	35,595,530
Public safety	74,710,903	62,939,205	-	-	74,710,903	62,939,205
Environmental protection	35,496	100,204	-	-	35,496	100,204
Economic and physical development	20,506,642	21,538,252	-	-	20,506,642	21,538,252
Human services	62,817,313	61,986,901	-	-	62,817,313	61,986,901
Cultural and recreational	7,828,226	6,770,357	-	-	7,828,226	6,770,357
Education	78,112,936	88,040,979	-	-	78,112,936	88,040,979
Interest on long-term debt	6,909,340	9,595,732	-	-	6,909,340	9,595,732
Solid waste management	-	-	9,475,769	11,257,256	9,475,769	11,257,256
Total expenses	<u>288,604,567</u>	<u>286,567,160</u>	<u>9,475,769</u>	<u>11,257,256</u>	<u>298,080,336</u>	<u>297,824,416</u>
Change in net position	<u>43,554,794</u>	<u>9,916,566</u>	<u>3,115,736</u>	<u>1,030,960</u>	<u>46,670,530</u>	<u>10,947,526</u>
Net Position:						
Beginning of year - July 1	(26,821,187)	(36,737,753)	25,335,256	24,304,296	(1,485,931)	(12,433,457)
Restatement	<u>230,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,077</u>	<u>-</u>
Beginning of year - restated	<u>(26,591,110)</u>	<u>(36,737,753)</u>	<u>25,335,256</u>	<u>24,304,296</u>	<u>(1,255,854)</u>	<u>(12,433,457)</u>
End of year - June 30	<u>\$ 16,963,684</u>	<u>\$ (26,821,187)</u>	<u>\$ 28,450,992</u>	<u>\$ 25,335,256</u>	<u>\$ 45,414,676</u>	<u>\$ (1,485,931)</u>

Governmental Activities. Governmental activities increased the County's net position by \$43,554,794, thereby accounting for 93.32% 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 decreased mainly due to conservative budgeting due to uncertainties in the economy related to the Coronavirus pandemic.
- Property tax revenues collections continue to be strong and were higher over FY20. The property tax rate decreased 1% due to continued growth in the County's assessed property values at 3.9% increase over the prior year.
- Other general revenues collections remain strong throughout the pandemic due to increases in the County saw increases in inspections and permit revenue in addition to register of deeds fees.
- Sales tax revenue collections continues to be strong, and the County collection in FY21 were higher over FY20, with an increase of 13.49%.

Business-Type Activities. Business-type activities increased the County's net position by \$3,115,736, which was 6.68% of the total change of the County's net position. Key elements in this change are as follows:

- Overall decrease in operating expenditures over 2020/2021
- 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 \$62,451,063, while total fund balance increased to \$74,039,288. 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 26.21% of General Fund expenses and transfers to other funds, while total fund balance represents 31.08% 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 debt service payment traditionally paid from the General Fund was budgeted and paid from in the Debt Service fund in FY2021.

The Public Assistance Fund, a major fund, had an increase in fund balance during the current year of \$8,764,174 to bring the year-end fund balance to \$24,931,637. The increase in fund balance was mainly due to transfers from the General Fund and increases to intergovernmental revenue.

The Capital Improvements Fund, a major fund, had a decrease in fund balance during the current year of \$27,592,164 to bring the year-end fund balance to \$62,078,388. 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 decrease in fund balance during the current year of \$11,292,993 to bring the year-end fund balance to \$637,867. The decrease in fund balance was mainly due to the debt service payments made during the year and establishment of the Community Investment Funds and transfer of fund balance to this fund to increase the County's debt capacity.

At June 30, 2021, the governmental funds of Gaston County reported a combined fund balance of \$203,417,872, a 14.71% increase over last year. The primary reason for the increase in property taxes, sales taxes, restricted intergovernmental revenues, and debt proceeds.

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 \$21,078,453 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 \$15,143,038 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 \$35,912,440 under budgeted expenditures. The Gaston County Health Department expenditures were \$11,479,270 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 (\$1,184,805). The total increase in net position for that fund was \$3,115,736. 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, 2021 totals \$159,864,389 (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, and parks improvements
- Acquisition of new vehicles for the County's departments to replace aging models
- Equipment purchases for public safety, and general government
- Continued development of Apple Creek Industrial Park

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

Figure 4

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 24,998,483	\$ 24,998,483	\$ 3,480,415	\$ 3,480,415	\$ 28,478,898	\$ 28,478,898
Buildings and improvements	57,839,801	59,893,719	18,641,447	17,419,720	76,481,248	77,313,439
Equipment	2,403,628	2,558,132	1,691,795	1,625,634	4,095,423	4,183,766
Vehicles and motorized equipment	6,650,848	7,611,304	1,224,874	625,656	7,875,722	8,236,960
Construction in progress	37,524,513	26,374,224	5,408,585	740,481	42,933,098	27,114,705
Total	\$ 129,417,273	\$ 121,435,862	\$ 30,447,116	\$ 23,891,906	\$ 159,864,389	\$ 145,327,768

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, 2021, Gaston County had total bonded debt outstanding of \$196,342,000, 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 172,647,000	\$ 200,411,000	\$ -	\$ -	\$ 172,647,000	\$ 200,411,000
Limited obligation bonds	23,695,000	25,290,000	-	-	23,695,000	25,290,000
Capitalized leases	3,031,029	4,658,896	811,319	78,858	3,842,348	4,737,754
Installment purchases	4,027,194	4,393,302	-	341,071	4,027,194	4,734,373
Total	\$ 203,400,223	\$ 234,753,198	\$ 811,319	\$ 419,929	\$ 204,211,542	\$ 235,173,127

Gaston County's total debt decreased by \$30,961,585 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, 2021, the County's legal debt limit was approximately \$1,644,000,000. The outstanding debt subject to this limit was \$204,211,514, leaving a net legal debt margin of approximately \$1,439,499,431.

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 51 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 227,943, an increase of approximately 4,101 from last fiscal year. The County's unemployment rate was 5.3% in June 2021, compared to 8.3% in June 2020. Comparable rates for the State of North Carolina were 4.9% and 7.7%, respectively.

Construction within the County increased as indicated by the number of permits issued. In 2010/2021, the following permits were issued: 2,457 residential permits, 292 commercial permits, and 542 zoning permits. In addition to the overall increase in permits from 2019/2020, the number of inspections conducted increased.

Impact of Coronavirus on the County. During the fiscal year, the state and the nation were affected by the spread of a coronavirus. The Gaston County's response to the coronavirus pandemic included Board of Commissioners approved the CARE plan in response to the economic slowdown in the County. It was an effort to ensure the County did its part to help stimulate the economy through needed community infrastructure spending, and assist the public through business and community grants. GEMS, Public Health, Emergency Management & Fire Services, Communications, and many other departments collaborated to host vaccine clinics, operate the County's COVID-19 hotline, and to communicate with the public to ensure residents were aware of public health notifications, vaccine availability, or steps to stay safe.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: The Board of County Commissioners adopted the 2021/2022 budget with a flat tax rate of (83 cents per \$100) and appropriated \$2,404,045 of restricted Medicaid maximization fund balance in the General Fund. Ad valorem taxes was budgeted with a conservative increase over FY21, taking in to account slow growth rate in the local economy and population, despite the coronavirus pandemic. Sales tax revenue was also budgeted at an increase of 34% over FY21 adopted budget, indicating positive economic outlook in the future.

Budgeted expenditures and transfers-out in the General Fund are \$229,016,146. The largest component of those expenditures is the funding of the compensation and benefits of the County's employees. The County continued to budgeted a 3% merit-based salary adjustment (1.5% effectively as it will be effective mid-year), for its employees in 2021/2022. In addition, a new employer contribution 401K benefit to be implemented mid-year was budgeted. 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 2021/2022 budget included fifteen additional full-time positions for the following departments: Finance (3), Human Resources (1), Public Works (1), Register of Deeds (2), Building & Development Services (2), County Police (3), Gaston Emergency Medical Services (1), Parks & Recreation (1), and Landfill (1).

In the 2021/2022 budget, education funding for Gaston County schools and Gaston College totaled \$85,910,274, an increase of \$1,171,586 from the previous fiscal year. The funding breakdown is as follows: \$59,156,815 for operating, \$24,676,240 for debt service, and \$1,924,219 for capital. The increase was driven by an increase in operating allocations.

There is a 3% increase in the general fund budget over FY21. The County purchased 36 new or replacement vehicles. Twenty-five of those vehicles were for the following public safety departments: County police (9), sheriff's office (13), animal care and enforcement (1), and emergency management (2). The other 11 vehicles were for the following departments: tax (1), public works (1), building and development services (3), DHHS (1), Public Health (4), and parks and recreation (1). In addition to vehicles purchases, the County purchased new or replacement in equipment for Gaston Emergency Medical Services and the Landfill.

The Building Services Fund totaled \$2,726,022 in the 2021/2022 budget, a \$51,120 increase from 2020/2021. This is due to increased operating as a result of consolidating building services and planning and additional position due to increased demand and need for a newly fully funded position.

The building services fee structure remained increased over 2020/2021. The County saw an increase in residential and zoning permit fees as well as all other fees.

Business-Type Activities: The County's landfill fee structure included three increases for 2021/2022: a \$1 increase in the cost per ton for municipal solid waste, \$5 increase in yard waste per ton, and a \$13 increase in homogeneous: wood pallets per ton.

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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GASTON COUNTY, NC
FY 2021 ANNUAL COMPREHENSIVE
FINANCIAL REPORT

**BASIC
FINANCIAL
STATEMENTS**

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GASTON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total Primary Government
Assets:			
Current assets:			
Cash and cash equivalents	\$ 181,858,706	\$ 15,010,317	\$ 196,869,023
Ad valorem taxes receivable, net	1,197,432	-	1,197,432
Accounts receivable, net	35,700,672	1,132,100	36,832,772
Inventories	357,471	37,018	394,489
Prepaid items	54,752	-	54,752
Restricted cash and cash equivalents	45,203,784	-	45,203,784
Total current assets	264,372,817	16,179,435	280,552,252
Non-current assets:			
Net pension asset - ROD	540,881	-	540,881
Capital assets:			
Land, improvements, and construction in progress	62,522,996	8,889,000	71,411,996
Other capital assets, net of accumulated depreciation	66,894,277	21,558,116	88,452,393
Total capital assets	129,417,273	30,447,116	159,864,389
Total non-current assets	129,958,154	30,447,116	160,405,270
Total assets	394,330,971	46,626,551	440,957,522
Deferred Outflows of Resources:			
OPEB deferrals	11,853,679	218,934	12,072,613
Pension deferrals	28,497,509	440,765	28,938,274
Deferred charge on refunding	7,092,593	-	7,092,593
Total deferred outflows of resources	47,443,781	659,699	48,103,480
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	38,697,013	1,284,731	39,981,744
Prepaid fees	1,164,306	-	1,164,306
Due in less than one year	26,363,519	1,478,133	27,841,652
Total current liabilities	66,224,838	2,762,864	68,987,702
Long-term liabilities:			
Net pension liability - LGERS	38,379,826	797,787	39,177,613
Total pension liability - LEOSSA	18,012,303	-	18,012,303
Total OPEB liability	83,377,889	1,539,862	84,917,751
Due in more than one year	214,109,827	13,687,878	227,797,705
Total long-term liabilities	353,879,845	16,025,527	369,905,372
Total liabilities	420,104,683	18,788,391	438,893,074
Deferred Inflows of Resources:			
OPEB deferrals	2,301,642	42,511	2,344,153
Pension deferrals	1,586,972	4,356	1,591,328
Prepaid taxes	817,771	-	817,771
Total deferred inflows of resources	4,706,385	46,867	4,753,252
Net Position:			
Net investment in capital assets	72,265,228	29,635,797	101,901,025
Restricted for:			
Stabilization by state statute	33,802,434	-	33,802,434
Medicaid maximization	20,197,106	-	20,197,106
Fire protection	228,235	-	228,235
Public safety protection	377,196	-	377,196
Emergency telephone	1,024,921	-	1,024,921
Register of Deeds	1,440,763	-	1,440,763
Register of Deeds - pension plan	726,606	-	726,606
Unrestricted net position	(113,098,805)	(1,184,805)	(114,283,610)
Total net position	\$ 16,963,684	\$ 28,450,992	\$ 45,414,676

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

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 37,683,711	\$ 6,159,375	\$ 667,331	\$ 18,047,937
Public safety	74,710,903	18,993,234	138,038	-
Environmental protection	35,496	3,711,079	-	-
Economic and physical development	20,506,642	2,455,852	20,750	-
Human services	62,817,313	7,829,923	32,669,305	4,002,821
Cultural and recreational	7,828,226	168,952	728,563	-
Education	78,112,936	-	-	-
Interest expense and fees	6,909,340	-	-	-
Total governmental activities	<u>288,604,567</u>	<u>39,318,415</u>	<u>34,223,987</u>	<u>22,050,758</u>
Business-Type Activities:				
Solid waste	<u>9,475,769</u>	<u>12,562,448</u>	<u>20,000</u>	<u>-</u>
Total business-type activities	<u>9,475,769</u>	<u>12,562,448</u>	<u>20,000</u>	<u>-</u>
Total primary government	<u>\$ 298,080,336</u>	<u>\$ 51,880,863</u>	<u>\$ 34,243,987</u>	<u>\$ 22,050,758</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, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs:			
Primary Government:			
Governmental Activities:			
General government	\$ (12,809,068)	\$ -	\$ (12,809,068)
Public safety	(55,579,631)	-	(55,579,631)
Environmental protection	3,675,583	-	3,675,583
Economic and physical development	(18,030,040)	-	(18,030,040)
Human services	(18,315,264)	-	(18,315,264)
Cultural and recreational	(6,930,711)	-	(6,930,711)
Education	(78,112,936)	-	(78,112,936)
Interest expense and fees	(6,909,340)	-	(6,909,340)
Total governmental activities	(193,011,407)	-	(193,011,407)
Business-Type Activities:			
Solid waste	-	3,106,679	3,106,679
Total business-type activities	-	3,106,679	3,106,679
Total primary government	(193,011,407)	3,106,679	(189,904,728)
General Revenues:			
Taxes:			
Ad valorem taxes	176,874,990	-	176,874,990
Sales tax	56,623,399	-	56,623,399
Real estate transfer taxes	2,988,156	-	2,988,156
Investment earnings	79,656	9,057	88,713
Total general revenues	236,566,201	9,057	236,575,258
Change in net position	43,554,794	3,115,736	46,670,530
Net Position:			
Beginning of year - July 1	(26,821,187)	25,335,256	(1,485,931)
Restatement	230,077	-	230,077
Beginning of year - restated	(26,591,110)	25,335,256	(1,255,854)
End of year - June 30	\$ 16,963,684	\$ 28,450,992	\$ 45,414,676

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

GASTON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major				
	General Fund	Public Assistance Fund	Capital Improvements Fund	Community Investments Fund	Debt Service Fund
Assets:					
Cash and cash equivalents	\$ 72,839,994	\$ 17,174,677	\$ 50,310,240	\$ 13,772,984	\$ 637,867
Ad valorem taxes receivable, net	1,099,861	-	-	-	-
Accounts receivable	13,152,210	3,642,205	912	18,586,861	-
Inventories	304,027	53,444	-	-	-
Prepaid items	52,909	1,720	-	-	-
Restricted cash and cash equivalents	22,928,535	6,204,943	12,640,430	2,842,733	-
Total assets	\$ 110,377,536	\$ 27,076,989	\$ 62,951,582	\$ 35,202,578	\$ 637,867
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 31,318,439	\$ 2,120,559	\$ 873,194	2,582	\$ -
Prepaid fees	1,164,306	-	-	-	-
Total liabilities	32,482,745	2,120,559	873,194	2,582	-
Deferred Inflows of Resources:					
Prepaid taxes	817,771	-	-	-	-
Unavailable taxes	1,099,861	-	-	-	-
Unavailable revenue	1,937,871	24,793	-	-	-
Total deferred inflows of resources	3,855,503	24,793	-	-	-
Fund Balances:					
Non-Spendable:					
Inventories	304,027	53,444	-	-	-
Prepays	52,909	1,720	-	-	-
Restricted:					
Stabilization by state statute	11,231,289	3,641,779	41,549	18,586,861	-
Restricted for Medicaid maximization	20,197,106	-	-	-	-
Education	-	-	11,541,823	-	-
Fire protection	-	-	-	-	-
Sheriff protection	-	-	-	-	-
Capital projects	-	-	1,098,607	-	-
Emergency telephone	-	-	-	-	-
Register of Deeds	1,440,763	-	-	-	-
Committed:					
Future capital projects	-	-	18,167,831	9,824,965	-
Tax revaluation	-	-	-	-	-
Assigned:					
Insurance reserves	4,426,373	-	-	-	-
Subsequent year's expenditures	16,819,005	10,260,271	31,228,578	6,788,170	-
Gaston County tap fees	181,777	-	-	-	-
Library	-	-	-	-	-
Public assistance	-	10,974,423	-	-	-
Parking	-	-	-	-	-
Travel and tourism	-	-	-	-	-
Public safety	-	-	-	-	-
Debt service	-	-	-	-	637,867
Unassigned	19,386,039	-	-	-	-
Total fund balances	74,039,288	24,931,637	62,078,388	35,199,996	637,867
Total liabilities, deferred inflows of resources, and fund balances	\$ 110,377,536	\$ 27,076,989	\$ 62,951,582	\$ 35,202,578	\$ 637,867

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

GASTON COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Nonmajor</u> <u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets:		
Cash and cash equivalents	\$ 6,326,348	\$ 161,062,110
Ad valorem taxes receivable, net	97,571	1,197,432
Accounts receivable	300,956	35,683,144
Inventories	-	357,471
Prepaid items	123	54,752
Restricted cash and cash equivalents	<u>587,143</u>	<u>45,203,784</u>
Total assets	<u>\$ 7,312,141</u>	<u>\$ 243,558,693</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable and accrued liabilities	\$ 683,874	\$ 34,998,648
Prepaid fees	<u>-</u>	<u>1,164,306</u>
Total liabilities	<u>683,874</u>	<u>36,162,954</u>
Deferred Inflows of Resources:		
Prepaid taxes	-	817,771
Unavailable taxes	97,571	1,197,432
Unavailable revenue	<u>-</u>	<u>1,962,664</u>
Total deferred inflows of resources	<u>97,571</u>	<u>3,977,867</u>
Fund Balances:		
Non-Spendable:		
Inventories	-	357,471
Prepays	123	54,752
Restricted:		
Stabilization by state statute	300,956	33,802,434
Restricted for Medicaid maximization	-	20,197,106
Education	-	11,541,823
Fire protection	228,235	228,235
Sheriff protection	377,196	377,196
Capital projects	-	1,098,607
Emergency telephone	1,024,921	1,024,921
Register of Deeds	-	1,440,763
Committed:		
Future capital projects	-	27,992,796
Tax revaluation	587,143	587,143
Assigned:		
Insurance reserves	-	4,426,373
Subsequent year's expenditures	-	65,096,024
Gaston County tap fees	-	181,777
Library	-	-
Public assistance	-	10,974,423
Parking	1,369,465	1,369,465
Travel and tourism	1,041,754	1,041,754
Public safety	1,630,866	1,630,866
Debt service	-	637,867
Unassigned	<u>(29,963)</u>	<u>19,356,076</u>
Total fund balances	<u>6,530,696</u>	<u>203,417,872</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,312,141</u>	<u>\$ 243,558,693</u>

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, 2021**

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

Total fund balances, per Exhibit C	\$ 203,417,872
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	129,417,273
Net pension asset - ROD	540,881
Net pension liability - LGERS	(38,379,826)
Total pension liability - LEOSSA	(18,012,303)
Total OPEB liability	(83,377,889)
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.	17,115,759
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.	3,160,096
Charges related to refundings issued	7,092,593
Deferred outflows of resources related to pension are not reported in the funds.	28,497,509
Deferred outflows of resources related to OPEB are not reported in the funds.	11,853,679
Deferred inflows of resources related to pension are not reported in the funds.	(1,586,972)
Deferred inflows of resources related to OPEB are not reported in the funds.	(2,301,642)
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(240,473,346)</u>
Net position of governmental activities, per Exhibit A	<u>\$ 16,963,684</u>

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

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GASTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Major				
	General Fund	Public Assistance Fund	Capital Improvements Fund	Community Investments Fund	Debt Service Fund
Revenues:					
Ad valorem taxes	\$ 172,048,613	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	29,217,795	-	-	29,465,219	-
Restricted intergovernmental revenues	22,128,961	29,734,446	-	2,934,859	-
Fees, licenses, and permits	9,889,809	-	-	-	-
Sales and services	19,845,793	-	-	-	-
E911 surcharge	-	-	-	-	-
Investment earnings	-	14,086	38,139	3,179	7,413
Miscellaneous revenues	2,080,427	214,695	2,455,852	-	-
Total revenues	<u>255,211,398</u>	<u>29,963,227</u>	<u>2,493,991</u>	<u>32,403,257</u>	<u>7,413</u>
Expenditures:					
Current:					
General government	38,204,907	-	-	-	-
Public safety	66,908,314	-	-	-	-
Economic and physical development	3,702,145	-	-	-	-
Human services	20,154,614	39,553,698	-	-	-
Cultural and recreational	6,303,425	-	-	-	-
Education	57,240,267	-	-	-	-
Capital outlay	-	-	36,781,478	-	-
Debt service:					
Principal retirement	-	70,041	-	-	23,193,875
Interest and fees	-	2,268	-	-	9,594,124
Total expenditures	<u>192,513,672</u>	<u>39,626,007</u>	<u>36,781,478</u>	<u>-</u>	<u>32,787,999</u>
Revenues over (under) expenditures	<u>62,697,726</u>	<u>(9,662,780)</u>	<u>(34,287,487)</u>	<u>32,403,257</u>	<u>(32,780,586)</u>
Other Financing Sources (Uses):					
Debt issued	-	209,349	-	1,749,087	50,145,000
Premium from issuance of bond	-	-	-	-	10,371,875
Payment to escrow agent	-	-	-	-	(60,192,495)
Capital contribution	-	-	-	-	1,710,881
Transfers in	3,836,023	18,513,395	12,392,703	44,677,829	31,243,105
Transfers out	(45,715,350)	(295,790)	(5,697,380)	(43,630,177)	(11,790,773)
Total other financing sources (uses)	<u>(41,879,327)</u>	<u>18,426,954</u>	<u>6,695,323</u>	<u>2,796,739</u>	<u>21,487,593</u>
Net change in fund balances	<u>20,818,399</u>	<u>8,764,174</u>	<u>(27,592,164)</u>	<u>35,199,996</u>	<u>(11,292,993)</u>
Fund Balances:					
Beginning of year - July 1	54,080,431	16,167,463	89,670,552	-	11,930,860
Restatement	(859,542)	-	-	-	-
Beginning of year - restated	<u>53,220,889</u>	<u>16,167,463</u>	<u>89,670,552</u>	<u>-</u>	<u>11,930,860</u>
End of year - June 30	<u>\$ 74,039,288</u>	<u>\$ 24,931,637</u>	<u>\$ 62,078,388</u>	<u>\$ 35,199,996</u>	<u>\$ 637,867</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, 2021**

	Nonmajor Other Governmental Funds	Total Governmental Funds
Revenues:		
Ad valorem taxes	\$ 5,518,048	\$ 177,566,661
Other taxes and licenses	928,541	59,611,555
Restricted intergovernmental revenues	1,554,682	56,352,948
Fees, licenses, and permits	-	9,889,809
Sales and services	-	19,845,793
E911 surcharge	579,741	579,741
Investment earnings	4,290	67,107
Miscellaneous revenues	505,745	5,256,719
Total revenues	<u>9,091,047</u>	<u>329,170,333</u>
Expenditures:		
Current:		
General government	300,637	38,505,544
Public safety	7,744,471	74,652,785
Economic and physical development	768,162	4,470,307
Human services	-	59,708,312
Cultural and recreational	581,444	6,884,869
Education	-	57,240,267
Capital outlay	-	36,781,478
Debt service:		
Principal retirement	-	23,263,916
Interest and fees	-	9,596,392
Total expenditures	<u>9,394,714</u>	<u>311,103,870</u>
Revenues over (under) expenditures	<u>(303,667)</u>	<u>18,066,463</u>
Other Financing Sources (Uses):		
Debt issued	-	52,103,436
Premium received on debt issue	-	10,371,875
Payment on refunded debt	-	(60,192,495)
Capital contribution	-	1,710,881
Transfers in	256,648	110,919,703
Transfers out	-	(107,129,470)
Total other financing sources (uses)	<u>256,648</u>	<u>7,783,930</u>
Net change in fund balances	<u>(47,019)</u>	<u>25,850,393</u>
Fund Balances:		
Beginning of year - July 1	5,488,096	177,337,402
Restatement	<u>1,089,619</u>	<u>230,077</u>
Beginning of year - restated	<u>6,577,715</u>	<u>177,567,479</u>
End of year - June 30	<u>\$ 6,530,696</u>	<u>\$ 203,417,872</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, 2021**

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

Net change in fund balances - total governmental funds (Exhibit E)	\$ 25,850,393
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.	16,135,454
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(7,571,764)
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.	(582,279)
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	(691,671)
Sales and services	342,847
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.	(4,193,669)
Pension expense - LEOSSA	(1,231,822)
Pension expense - LGERS	(5,004,490)
Pension expense - ROD	(28,493)
OPEB plan expense	(974,602)
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.	(52,103,436)
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.	23,263,916
Payments for refunded debt	60,192,495
Changes in deferred charge on refunding	35,228
Change in premium related to bonds	(7,720,051)
Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type	<u>(2,163,262)</u>
Change in net position of governmental activities - Exhibit B	<u>\$ 43,554,794</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, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance Over/Under
Revenues:				
Ad valorem taxes	\$ 163,422,745	\$ 163,422,745	\$ 172,048,613	\$ 8,625,868
Other taxes and licenses	28,282,719	28,282,719	29,217,795	935,076
Restricted intergovernmental revenues	6,138,358	27,163,060	22,128,961	(5,034,099)
Permits and fees	5,241,922	5,247,116	9,889,809	4,642,693
Sales and services	20,167,053	19,957,053	19,845,793	(111,260)
Investment earnings	1,000,000	1,000,456	-	(1,000,456)
Miscellaneous	1,128,458	1,386,559	2,080,427	693,868
Total revenues	<u>225,381,255</u>	<u>246,459,708</u>	<u>255,211,398</u>	<u>8,751,690</u>
Expenditures:				
General government	37,755,176	49,548,276	38,204,907	11,343,369
Public safety	66,492,642	77,295,343	66,908,314	10,387,029
Economic and physical development	4,009,420	4,131,824	3,702,145	429,679
Human services	24,059,197	32,946,440	20,154,614	12,791,826
Cultural and recreational	6,492,758	7,079,113	6,303,425	775,688
Education	57,425,116	57,425,116	57,240,267	184,849
Principal retirement	1,936,221	-	-	-
Interest and fees	71,571	-	-	-
Total expenditures	<u>198,242,101</u>	<u>228,426,112</u>	<u>192,513,672</u>	<u>35,912,440</u>
Revenues over (under) expenditures	<u>27,139,154</u>	<u>18,033,596</u>	<u>62,697,726</u>	<u>44,664,130</u>
Other Financing Sources (Uses):				
Appropriated fund balance	8,702,693	23,845,731	-	(23,845,731)
Installment purchase contracts issued	-	-	-	-
Transfers in	3,000,000	3,836,023	3,836,023	-
Transfers (out)	(38,841,847)	(45,715,350)	(45,715,350)	-
Total other financing sources (uses)	<u>(27,139,154)</u>	<u>(18,033,596)</u>	<u>(41,879,327)</u>	<u>(23,845,731)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>20,818,399</u>	<u>\$ 20,818,399</u>
Fund Balances:				
Beginning of year - July 1			54,080,431	
Restatement			(859,542)	
Beginning of year - restated			<u>53,220,889</u>	
End of year - June 30			<u>\$ 74,039,288</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, 2021**

	Public Assistance Fund			
	Original Budget	Final Budget	Actual	Variance Over/Under
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-
Restricted intergovernmental revenues	26,380,017	34,251,117	29,734,446	(4,516,671)
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	14,086	14,086
Miscellaneous	370,805	385,583	214,695	(170,888)
Total revenues	<u>26,750,822</u>	<u>34,636,700</u>	<u>29,963,227</u>	<u>(4,673,473)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Human services	45,657,055	56,188,151	39,553,698	16,634,453
Cultural and recreational	-	-	-	-
Education	-	-	-	-
Principal retirement	92,778	92,778	70,041	22,737
Interest and fees	5,375	5,374	2,268	3,106
Total expenditures	<u>45,755,208</u>	<u>56,286,303</u>	<u>39,626,007</u>	<u>16,660,296</u>
Revenues over (under) expenditures	<u>(19,004,386)</u>	<u>(21,649,603)</u>	<u>(9,662,780)</u>	<u>11,986,823</u>
Other Financing Sources (Uses):				
Appropriated fund balance	250,000	3,222,649	-	(3,222,649)
Installment purchase contracts issued	-	209,349	209,349	-
Transfers in	18,754,386	19,004,386	18,513,395	(490,991)
Transfers (out)	-	(786,781)	(295,790)	490,991
Total other financing sources (uses)	<u>19,004,386</u>	<u>21,649,603</u>	<u>18,426,954</u>	<u>(3,222,649)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	8,764,174	<u>\$ 8,764,174</u>
Fund Balances:				
Beginning of year - July 1			<u>16,167,463</u>	
End of year - June 30			<u>\$ 24,931,637</u>	

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

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities	Governmental Activities
	Enterprise Solid Waste Fund	Internal Service Fund
Assets:		
Current assets:		
Cash and cash equivalents	\$ 15,010,317	\$ 20,796,596
Accounts receivable, net	1,132,100	17,528
Inventories	37,018	-
Total current assets	16,179,435	20,814,124
Non-current assets:		
Land, improvements, and construction in progress	8,889,000	-
Capital assets, net	44,896,455	-
Accumulated depreciation	(23,338,339)	-
Total non-current assets	30,447,116	-
Total assets	46,626,551	20,814,124
Deferred Outflows of Resources:		
OPEB deferrals	218,934	-
Pension deferrals	440,765	-
Total deferred outflows of resources	659,699	-
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	1,284,731	3,698,365
Compensated absences	54,490	-
Current portion of notes payable and capital leases	292,704	-
Current portion of closure and post-closure care	1,130,939	-
Total current liabilities	2,762,864	3,698,365
Non-current liabilities:		
Net pension liability	797,787	-
Compensated absences	163,469	-
Capital leases and notes payable	518,615	-
Total OPEB liability	1,539,862	-
Landfill closure and post-closure care	13,005,794	-
Total non-current liabilities	16,025,527	-
Total liabilities	18,788,391	3,698,365
Deferred Inflows of Resources:		
OPEB deferrals	42,511	-
Pension deferrals	4,356	-
Total deferred inflows of resources	46,867	-
Net Position:		
Net investment in capital assets	29,635,797	-
Unrestricted net position	(1,184,805)	17,115,759
Total net position	\$ 28,450,992	\$ 17,115,759

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, 2021

	Business-Type Activities	Governmental Activities
	Enterprise Solid Waste Fund	Internal Service Fund
Operating Revenues:		
Charges for services	\$ 9,634,659	\$ 22,938,487
Energy charges	2,257,366	-
Other operating revenues	670,423	-
Total operating revenues	12,562,448	22,938,487
Operating Expenses:		
Operating expenses	6,563,999	21,324,065
Renewable energy department	1,464,048	-
Depreciation	1,438,586	-
Total operating expenses	9,466,633	21,324,065
Operating income (loss)	3,095,815	1,614,422
Non-Operating Revenues (Expenses):		
Interest expense	(9,136)	-
Other grants and revenue	20,000	-
Investment earnings	9,057	12,549
Total non-operating revenues (expenses)	19,921	12,549
Income (loss) before transfers	3,115,736	1,626,971
Transfers out	-	(3,790,233)
Change in net position	3,115,736	(2,163,262)
Net Position:		
Beginning of year - July 1	25,335,256	19,279,021
End of year - June 30	\$ 28,450,992	\$ 17,115,759

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, 2021

	Business-Type Activities	Governmental Activities
	Enterprise Solid Waste Fund	Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from customers	\$ 11,868,786	\$ 19,472,749
Receipts from interfund charges for insurance programs	-	3,500,000
Other operating receipts	670,423	-
Cash paid to employees for services	(1,926,641)	-
Cash paid for goods and services	(4,809,630)	(20,791,522)
Net cash provided (used) by operating activities	<u>5,802,938</u>	<u>2,181,227</u>
Cash Flows From Non-Capital Financing Activities:		
Transfer in (out)	-	(3,790,233)
Net cash (used) provided by non-capital financing activities	<u>-</u>	<u>(3,790,233)</u>
Cash Flows from Capital and Related Financing Activities:		
Principal payments	(492,771)	-
Proceeds from issuance of long-term debt	884,161	-
Acquisition of capital assets	(7,993,796)	-
Other non-operating revenues	20,000	-
Interest expense	(9,136)	-
Net cash provided (used) by capital and related financing activities	<u>(7,591,542)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest income (loss)	<u>9,057</u>	<u>12,549</u>
Net increase (decrease) in cash and cash equivalents	(1,779,547)	(1,596,457)
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>16,789,864</u>	<u>22,393,053</u>
End of year - June 30	<u>\$ 15,010,317</u>	<u>\$ 20,796,596</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 3,095,815	\$ 1,614,422
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,438,586	-
Landfill closure and post-closure care cost	573,646	-
Changes in Assets and Liabilities:		
Increase (decrease) in net pension liability	170,124	-
(Increase) decrease in deferred outflows of resources for pensions	(69,653)	-
(Increase) decrease in deferred outflows of resources for OPEB	(106,219)	-
Increase (decrease) in deferred inflows of resources for pensions	2,480	-
Increase (decrease) in deferred inflows of resources for OPEB	(66,958)	-
Increase (decrease) in OPEB liability	191,177	-
(Increase) decrease in accounts receivable	(23,239)	34,262
(Increase) decrease in inventories and prepaid expenses	(8,336)	-
Increase (decrease) in accounts payable	544,660	532,543
Increase (decrease) in accrued payroll and other liabilities	<u>60,855</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 5,802,938</u>	<u>\$ 2,181,227</u>

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

GASTON COUNTY, NORTH CAROLINA**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS****JUNE 30, 2021**

	Custodial Funds
Assets:	
Cash and cash equivalents	\$ 356,011
Receivable for other governments, net	<u>134,223</u>
Total assets	<u>490,234</u>
Liabilities:	
Accounts payable and accrued liabilities	<u>712</u>
Total liabilities	<u>712</u>
Net Position:	
Restricted For:	
Individuals, organizations, and other governments	<u>489,522</u>
Total net position	<u><u>\$ 489,522</u></u>

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

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds
Additions:	
Ad valorem taxes collected for other governments	\$ 73,451,133
Collections on behalf of inmates	<u>1,663,657</u>
Total additions	<u>75,114,790</u>
Deductions:	
Tax distributions to other governments	73,415,717
Payments on behalf of inmates	<u>1,555,076</u>
Total deductions	<u>74,970,793</u>
Net increase (decrease) in fiduciary net position	<u>143,997</u>
Net position - beginning of year	-
Prior period restatement - change in accounting principle	<u>345,525</u>
Net position - beginning, as restated	<u>345,525</u>
Net position - end of year	<u><u>\$ 489,522</u></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, 2021

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 generally accepted accounting principles, the County determined there to be no component units required to be presented with the financial statements. There are no separate legal entities for which the County controls the boards or memberships, requires financial accountability, or is fiscally dependent on the County.

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, 2021

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary fund. 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.

Community Investments Fund. The Community Investments Fund is used to account for financial resources for community improvements for all County departments.

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, 2021

Fiduciary funds include the following fund type:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following Custodial Funds: The Municipality Tax Fund, which accounts for property taxes and motor vehicle taxes that are billed and collected by the County for various municipalities and special districts within the County; and the Sheriff Inmate Fund, which accounts for inmate deposits and payments.

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 eleven legally budgeted funds. The Travel and Tourism Fund, Representative Payee Fund, Property Revaluation Fund, Emergency Telephone System Fund, Drug Forfeitures Fund, Controlled Substance Abuse Tax Fund, Parking Fee Fund, Fire District Fund, Fines and Forfeitures Fund, Civil Process Fund and the Deed of Trust 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 custodial 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, 2021

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, 2021

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for all governmental and enterprise funds. All budgets are prepared using the modified accrual basis of accounting.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds 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, 2021. 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 Governmental Portfolio, a SEC registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAm rating from S&P and AAA-mf by Moody's Investor Service.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

American Rescue Plan Act (ARPA) funds, Urgent Repair Grant Advancement funds, and Emergency Rental Assistance Program funds are classified as restricted cash because they must be expended in accordance with the purpose for which the funds were issued. Vehicle Financing Proceeds are classified as restricted cash because they must be expended in accordance with the purpose for which the financial was issued. 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	
US Treasury for ARPA funds	\$ 21,806,052
Urgent Repair Grant Advancement	18,743
Vehicle Financing Proceeds	1,103,740
Public Assistance Fund - Major	
Emergency Rental Assistance Program	6,204,943
Capital Improvements Fund - Major:	
Unspent bond proceeds	12,640,430
Community Investments Fund - Major:	
Vehicle Financing Proceeds	2,842,733
Nonmajor other governmental funds:	
Tax revaluation	587,143
Total restricted cash	<u>\$ 45,203,784</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, 2020.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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)	4,372,092	-	-
Health department	21,205	-	-
Accounts receivable	-	-	10,000
Total	<u>\$ 8,393,297</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, 2021

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, and pension and OPEB related deferrals.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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.

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.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 \$11,541,823 in unspent bond proceeds at June 30, 2021.

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.

Restricted for Capital Projects – portion of fund balance restricted for capital expenditures and projects. The Capital Improvements Fund had \$1,098,607 in unspent bond proceeds at June 30, 2021.

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.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 \$12,640,430 and Register of Deeds pension plan of \$726,606 at June 30, 2021.

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.

Committed for Future Capital Projects – portion of fund balance that can only be used for future capital projects.

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.

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.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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.

Assigned for Library – portion of fund balance budgeted by the Board for library 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	\$ 74,039,288
Less:	
Inventories	304,027
Prepays	52,909
Stabilization by state statute	<u>11,231,289</u>
Fund balance available for appropriation	<u><u>\$ 62,451,063</u></u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

	General Fund	Public Assistance Fund	Capital Improvements Fund
Encumbrances	<u>\$ 16,950</u>	<u>\$ 24,367</u>	<u>\$ 40,637</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 (LERS) 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

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the 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, 2021, the carrying amount of the County's deposits was \$50,704,934, and the related bank balance was \$53,275,506. Of the bank balance, \$353,830 was covered by federal depository insurance, and \$52,921,676 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, 2021, the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Book Value	Within 12 Months	1-3 Years	Over 3 Years
US government agencies	Fair Value Level 2	\$ 26,498,146	\$ -	\$ 26,498,146	\$ -
Commercial Paper	Fair Value Level 1	28,173,261	28,173,261	-	-
US Treasury Notes	Fair Value Level 1	11,103,114	-	11,103,114	-
Total		65,774,521	28,173,261	37,601,260	-
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	125,937,818	N/A	N/A	-
Total		<u>\$ 191,712,339</u>	<u>\$ 28,173,261</u>	<u>\$ 37,601,260</u>	<u>\$ -</u>

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, 2021

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 North Carolina Capital Management Trust (NCCMT) is authorized by G.S. 159-30(c)(8). The County's investments in US agencies (Federal Home Loan Bank) are rated AA+ by S&P and Aaa by Moody's Investors Services.

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>
2018	\$ 1,086,512	\$ 258,047	\$ 1,344,559
2019	1,263,338	186,342	1,449,680
2020	1,275,463	73,339	1,348,802
2021	1,278,395	-	1,278,395
Total	<u>\$ 4,903,708</u>	<u>\$ 517,728</u>	<u>\$ 5,421,436</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

D. Accounts Receivable

Accounts receivable at the government-wide level at June 30, 2021 were as follows:

	Governmental Activities	Business-Type Activities
Emergency Medical Services (GEMS), net	\$ 2,522,590	\$ -
Landfill fees, net	-	1,132,100
Health department fees, net	141,909	-
Due from other governments, public assistance	3,642,205	-
Due from other governments, capital improvement	912	-
Due from other governments, Special Revenue Fund	270,993	-
Internal Service Fund	17,528	-
Sales tax paid	20,037,858	-
Other	9,066,677	-
Accounts receivable	<u>\$ 35,700,672</u>	<u>\$ 1,132,100</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

E. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 24,998,483	\$ -	\$ -	\$ -	\$ 24,998,483
Construction in progress	26,374,224	14,068,053	(116,398)	(2,801,366)	37,524,513
Total non-depreciable capital assets	<u>51,372,707</u>	<u>14,068,053</u>	<u>(116,398)</u>	<u>(2,801,366)</u>	<u>62,522,996</u>
Depreciable Capital Assets:					
Buildings and improvements	133,759,697	165,165	(451,446)	1,463,837	134,937,253
Equipment	22,086,456	237,894	-	1,337,529	23,661,879
Vehicles and motorized equipment	23,709,223	1,664,342	(407,388)	-	24,966,177
Total depreciable capital assets	<u>179,555,376</u>	<u>2,067,401</u>	<u>(858,834)</u>	<u>2,801,366</u>	<u>183,565,309</u>
Less Accumulated Depreciation:					
Buildings and improvements	73,865,978	3,231,474	-	-	77,097,452
Equipment	19,528,324	1,729,927	-	-	21,258,251
Vehicles and motorized equipment	16,097,919	2,610,363	(392,953)	-	18,315,329
Total accumulated depreciation	<u>109,492,221</u>	<u>\$ 7,571,764</u>	<u>\$ (392,953)</u>	<u>\$ -</u>	<u>116,671,032</u>
Total depreciable capital assets, net	<u>70,063,155</u>				<u>66,894,277</u>
Governmental activities					
capital assets, net	<u>\$ 121,435,862</u>				<u>\$ 129,417,273</u>

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

General government	\$ 2,924,582
Public safety	2,969,066
Economic and physical development	36,814
Human services	910,920
Cultural and recreational	730,382
Total depreciation expense	<u>\$ 7,571,764</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Business-Type Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 3,480,415	\$ -	\$ -	\$ -	\$ 3,480,415
Construction in progress	740,481	4,668,104	-	-	5,408,585
Total non-depreciable capital assets	<u>4,220,896</u>	<u>4,668,104</u>	<u>-</u>	<u>-</u>	<u>8,889,000</u>
Depreciable Capital Assets:					
Buildings and improvements	31,133,077	2,115,074	-	-	33,248,151
Equipment	3,116,425	340,443	-	-	3,456,868
Vehicles and motorized equipment	7,321,261	870,175	-	-	8,191,436
Total depreciable capital assets	<u>41,570,763</u>	<u>3,325,692</u>	<u>-</u>	<u>-</u>	<u>44,896,455</u>
Less Accumulated Depreciation:					
Buildings and improvements	13,713,357	893,347	-	-	14,606,704
Equipment	1,490,791	274,282	-	-	1,765,073
Vehicles and motorized equipment	6,695,605	270,957	-	-	6,966,562
Total accumulated depreciation	<u>21,899,753</u>	<u>\$ 1,438,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>23,338,339</u>
Total depreciable capital assets, net	<u>19,671,010</u>				<u>21,558,116</u>
Business-type activities capital assets, net	<u>\$ 23,891,906</u>				<u>\$ 30,447,116</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2021 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	\$ 129,417,273	\$ 30,447,116
Less:		
Long-term debt	(228,925,585)	(811,319)
Add:		
Debt related to assets not owned by the County	171,669,708	-
Unspent debt proceeds related to debt for assets owned by the County*	<u>103,832</u>	<u>-</u>
Total	<u>(57,152,045)</u>	<u>(811,319)</u>
Net investment in capital assets	<u>\$ 72,265,228</u>	<u>\$ 29,635,797</u>

*Unexpended debt proceeds related to education debt in the amount of \$12,536,598 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, 2021

Construction Commitments

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

Project	Remaining Commitment
ADA Compliance Upgrades	\$ 2,853,761
Dallas Park CMAQ Trail	616,917
Dallas Park Expansion	240,979
Jail Infill/Expansion	624,930
Motor Vehicles: FY21 LP	776,038
New Animal Control Facility	112,867
Apple Creek Business Park	13,257,747
Building Controls Upgrade Yr 3	33,000
CAC Building	1,862,673
CDBG Program Income	21,240
Cherryville Business Park	185,107
General Renovations/Improvements	18,916
Jail Security Camera Upgrades	146,295
Other Improv & Cap Outlay	2,733,664
NC PARTF Grant	318,225
Parking Lot Improvements	1,666,349
Poston Park Trails/Parks	75,552

F. Payables

Payables at the government-wide level at June 30, 2021 were as follows:

	Vendors	Accrued Expenses	Total
Governmental Activities:			
General	\$ -	\$ 31,318,439	\$ 31,318,439
Public assistance	-	2,120,559	2,120,559
Capital improvement	873,194	-	873,194
Community Investment	2,582	-	2,582
Nonmajor special revenue	-	683,874	683,874
Internal Service Fund	3,698,365	-	3,698,365
Total governmental activities	<u>\$ 4,574,141</u>	<u>\$ 34,122,872</u>	<u>\$ 38,697,013</u>
Business-Type Activities:			
Solid waste	<u>\$ -</u>	<u>\$ 1,284,731</u>	<u>\$ 1,284,731</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021 amount to \$14,136,733. This estimated amount is based on what it would cost to perform all closure and post-closure care costs in 2021. 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, 2021.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

H. Deferred Inflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Charge on refunding of debt	\$ 7,092,593	\$ -
Pensions - difference between expected and actual experience	5,741,257	38,904
Pensions - net difference between projected and actual investment earnings	5,513,200	46,281
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	1,503,617	1,286,330
Pensions - change of assumptions	7,201,667	219,813
Contributions to pension plan	8,539,702	-
Benefit payments and administration costs paid subsequent to the measurement date (LEOSSA)	438,831	-
OPEB - difference between expected and actual experience	421,098	1,587,017
OPEB - change of assumptions	7,662,164	757,136
Benefit payments and plan administrative expense made subsequent to the measurement date	3,989,351	-
Prepaid taxes not yet earned (General Fund)	-	817,771
Taxes receivable, net (General Fund)	-	1,099,861
Taxes receivable, net (Special Revenue Fund)	-	97,571
Health department receivable, net (General Fund)	-	141,909
Other (General Fund)	-	1,795,962
Total	<u>\$ 48,103,480</u>	<u>\$ 7,888,555</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, 2021

At June 30, 2021, 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>
Vehicles	\$ 4,153,997	\$ 1,030,890	\$ 3,123,107

Business-Type Activities:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 905,671	\$ 424,200	\$ 481,471
Vehicles	1,041,304	292,232	749,072
Total	<u>\$ 1,946,975</u>	<u>\$ 716,432</u>	<u>\$ 1,230,543</u>

For the County, the future minimum lease payments as of June 30, 2021 were as follows:

Governmental Activities:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,601,646	\$ 30,993
2023	934,743	10,755
2024	494,640	2,259
Total	<u>\$ 3,031,029</u>	<u>\$ 44,007</u>

Business-Type Activities:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 292,704	\$ 6,406
2023	295,385	3,725
2024	223,230	1,020
Total	<u>\$ 811,319</u>	<u>\$ 11,151</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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.

\$ 37,505,000

\$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.

33,390,000

\$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.

2,092,000

\$54,145,000 General Obligation Refunding Bonds, Series 2020:

Principal due in annual installments through February 1, 2029.

Installments range from \$4,485,000 to \$7,665,000. Interest payable semi - annually (February and August) at 5.0% issued October 2020.

45,660,000

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

Principal due in annual installments through August 1, 2038.

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

54,000,000

Total

\$ 172,647,000

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

In October 2020, the County issued \$50,145,000 of General Obligation Refunding Bonds and used the proceeds to payoff the outstanding balance due on the Series 2017 General Obligation Bonds and Series 2017 General Obligation Refunding Bonds. The refunding was undertaken to reduce total debt payments over the next 8 years and resulted in a savings of approximately \$4,428,000. On June 30, 2021, \$59,283,000 of general obligation bonds is considered defeased.

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

Year Ending			
June 30	Principal	Interest	Total
2022	\$ 15,170,000	\$ 7,431,450	\$ 22,601,450
2023	16,280,000	6,672,950	22,952,950
2024	16,285,000	5,916,450	22,201,450
2025	16,285,000	5,189,350	21,474,350
2026	16,195,000	4,461,900	20,656,900
2027-2031	53,840,000	12,194,400	66,034,400
2032-2036	27,500,000	4,440,000	31,940,000
2037-2039	9,000,000	540,000	9,540,000
Total	<u>\$ 170,555,000</u>	<u>\$ 46,846,500</u>	<u>\$ 217,401,500</u>

The County's outstanding note from direct placements related to governmental activities of \$2,092,000 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 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.)

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
2022	\$ 2,092,000	\$ 42,258	\$ 2,134,258
Total	<u>\$ 2,092,000</u>	<u>\$ 42,258</u>	<u>\$ 2,134,258</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 County's limited obligation bonds payable at June 30, 2021 are comprised of the following individual issues:

- Series 2019A Limited Obligation Bonds, \$17,485,000
- Series 2019B Limited Obligation Bonds, \$6,210,000

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.

\$ 17,485,000

\$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.

6,210,000

Total

\$ 23,695,000

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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
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	1,595,000	759,783	2,354,783
2027-2031	6,050,000	2,939,399	8,989,399
2032-2036	6,050,000	1,450,500	7,500,500
2037	3,620,000	217,050	3,837,050
Total	<u>\$ 23,695,000</u>	<u>\$ 8,943,456</u>	<u>\$ 32,638,456</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.

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, 2021 was \$4,027,194. 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 \$4,027,194 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
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	366,108	71,904	438,012
2027-2031	1,830,540	224,698	2,055,238
2032	366,114	62,818	428,932
Total	<u>\$ 4,027,194</u>	<u>\$ 701,064</u>	<u>\$ 4,728,258</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion
Governmental Activities:					
General obligation bonds	\$ 191,183,000	\$ 50,145,000	\$ (70,773,000)	\$ 170,555,000	\$ 15,170,000
General obligation bonds - direct placement	9,228,000	-	(7,136,000)	2,092,000	2,092,000
Premium	17,805,311	10,371,875	(2,651,824)	25,525,362	2,651,825
Limited Obligation Bonds	25,290,000	-	(1,595,000)	23,695,000	1,595,000
Capitalized leases of equipment	4,658,896	1,958,436	(3,586,303)	3,031,029	1,601,646
State revolving loan - direct borrowing	4,393,302	-	(366,108)	4,027,194	366,108
Compensated absences	7,354,092	11,547,761	(7,354,092)	11,547,761	2,886,940
Total OPEB liability	73,027,001	10,350,888	-	83,377,889	-
Net pension liability (LGERS)	30,014,101	8,365,725	-	38,379,826	-
Total pension liability (LEOSSA)	13,289,055	4,723,248	-	18,012,303	-
Total governmental activities	<u>\$ 376,242,758</u>	<u>\$ 97,462,933</u>	<u>\$ (93,462,327)</u>	<u>\$ 380,243,364</u>	<u>\$ 26,363,519</u>
Business-Type Activities:					
Installment purchases - direct placement	\$ 341,071	\$ -	\$ (341,071)	\$ -	\$ -
Compensated absences	157,104	60,855	-	217,959	54,490
Net pension liability (LGERS)	627,663	170,124	-	797,787	-
Total OPEB liability	1,348,685	191,177	-	1,539,862	-
Landfill closure and post-closure costs	13,563,087	573,646	-	14,136,733	1,130,939
Capitalized leases of equipment	78,858	884,161	(151,700)	811,319	292,704
Total business-type activities	<u>\$ 16,116,468</u>	<u>\$ 1,879,963</u>	<u>\$ (492,771)</u>	<u>\$ 17,503,660</u>	<u>\$ 1,478,133</u>

Compensated absences, OPEB liability, and pension liabilities of the governmental activities are generally liquidated by the General Fund. At June 30, 2021, Gaston County had a legal debt margin of approximately \$1,439,499,431.

Debt Related to Capital Activities

Of the total governmental activities' debt listed, only \$57,255,877 relates to assets the County holds title. There is \$103,832 in unspent restricted cash related to this debt.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

J. Interfund Balances and Activity

The composition of interfund transfers during the year ended June 30, 2021 is as follows:

From	To	Purpose	Amount
General Fund	Public Assistance Fund (020)	County amount transferred to balance budget for FY21 for various expenditures.	\$ 18,513,395
General Fund	Travel & Tourism Fund (022)	Allocation of the health insurance budget of various departments to the dental and life insurance accounts. All insurances were budgeted in the health insurance line item accounts in adopted budget.	6,648
General Fund	Revaluation Fund (023)	County amount transferred to balance budget for FY21 for various expenditures.	250,000
General Fund	Capital Improvements Fund (040)	Funds designated as Indirect Cost reimbursement from 2019 Urgent Repair Program to CDBG Program Income project designated as matching funds for future home rehabilitation grants.	5,631
General Fund	Community Investment Fund (041)	Vehicle debt service included in Debt Service Fund (030) beginning in FY21 and with the establishment of the Community Investment Fund (041). Vehicle debt service was not included in Fund 030 in the adopted budget. All funding sources for capital expenditures flow through the CIF (041).	1,936,823
General Fund	Community Investment Fund (041)	Establishment of Community Investment Fund (CIF). Revenues traditionally budgeted in Debt Service, School Debt Service and Capital Improvement funds now flow directly into the CIF as a long-term strategy to increase County's debt capacity.	19,587,462
General Fund	Community Investment Fund (041)	2019 Vehicle financing Interest earnings and unspent proceeds refunded back to Bank of America.	48,766
Building Services Fund	Community Investment Fund (041)	FY21 Vehicle debt service payments to CIF to be transferred to Debt Service Fund.	66,625
Public Assistance Fund	General Fund (010)	Remaining Child Advocacy Center budget from Public Assistance to General Fund (Hope United Survivor's Network).	45,790
Public Assistance Fund	Community Investment Fund (041)	Establishment of Community Investment Fund (CIF). Revenues traditionally budgeted in Debt Service, School Debt Service and Capital Improvement funds now flow directly into the CIF as a long-term strategy to increase County's debt capacity.	250,000
Capital Improvements Fund	Community Investment Fund (041)	Transfer full amount of 2018 School Bond premium from Capital fund (040) to Community Investment (041) to be used for 2018 school bond debt service payments.	5,600,790
Capital Improvements Fund	Community Investment Fund (041)	Unspent GO school bond premium funds (2017 & 2018 bonds) appropriated for debt issuance costs to CIF for future debt service payments on school bonds.	96,590

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Community Investment	Debt Service Fund (030)	Funding for vehicle debt service payments that were not included in Debt Service Fund in adopted budget.	1,932,480
		Establishment of Community Investment Fund (CIF).	
Community Investment	Debt Service Fund (030)	Revenues traditionally budgeted in Debt Service, School Debt Service and Capital Improvement funds now flow directly into the CIF as a long-term strategy to increase County's debt capacity.	5,036,055
Community Investment	Debt Service Fund (030)	FY21 Vehicle debt service payments for Building Services Fund.	70,969
		Establishment of Community Investment Fund (CIF).	
Community Investment	Debt Service: Schools (031)	Revenues traditionally budgeted in Debt Service, School Debt Service and Capital Improvement funds now flow directly into the CIF as a long-term strategy to increase County's debt capacity.	24,203,601
		Establishment of Community Investment Fund (CIF).	
Community Investment	Capital Improvements Fund (040)	Revenues traditionally budgeted in Debt Service, School Debt Service and Capital Improvement funds now flow directly into the CIF as a long-term strategy to increase County's debt capacity.	5,289,219
Community Investment	Capital Improvements Fund (040)	FY21 Vehicle Lease Purchase Financing.	1,749,087
Community Investment	Capital Improvements Fund (040)	Funding transfer for new extrusion facility on the Gaston College Kimbrell Campus in Belmont.	5,300,000
Community Investment	Capital Improvements Fund (040)	2019 Vehicle financing Interest earnings and unspent proceeds refunded back to Bank of America.	48,766
Self Insurance Fund	General Fund (010)	Transfer to cover a portion of estimated group health insurance expenses for FY21.	3,000,000
Self Insurance Fund	General Fund (010)	Allocation of the health insurance budget of various departments to the dental and life insurance accounts. All insurances were budgeted in the health insurance line item accounts in adopted budget.	790,233
General Fund	Community Investment Fund (041)	Construction of a new extrusion facility on the Gaston College Kimbrell Campus in Belmont.	5,300,000
		Establishment of Community Investment Fund (CIF).	
Debt Service Fund (030)	Community Investment Fund (041)	Revenues traditionally budgeted in Debt Service, School Debt Service and Capital Improvement funds now flow directly into the CIF as a long-term strategy to increase County's debt capacity. In addition, the unassigned fund balance in these funds were move to the CIF fund.	11,790,773
Total			<u>\$ 110,919,703</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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.

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	
	2021	2020
Unpaid claims, beginning of fiscal year	\$ 3,165,822	\$ 3,551,477
Incurred claims (including IBNRs)	14,476,562	14,329,850
Claim payments	(13,944,019)	(14,715,505)
Unpaid claims, end of fiscal year	<u>\$ 3,698,365</u>	<u>\$ 3,165,822</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 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, 2021, 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, 2021 were \$5,576,363 and \$5,997,219 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, 2021. 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

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021. The County has no equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2021. 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 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.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report 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.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, was 10.9% of compensation for law enforcement officers and 10.19% 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 \$8,425,503 for the year ended June 30, 2021.

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.

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

At June 30, 2021, the County reported a liability of \$39,177,613 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020, 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, 2021, the County's proportion was 1.096%, (measured as of June 30, 2020), which was a decrease of 0.026% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$13,583,685. At June 30, 2021, 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	\$ 4,947,445	\$ -
Changes of assumptions	2,915,583	-
Net difference between projected and actual earnings on pension plan investments	5,513,200	-
Changes in proportion and differences between County contributions and proportionate share of contributions	306,248	217,790
County's contributions subsequent to the measurement date	8,425,503	-
Total	<u>\$ 22,107,979</u>	<u>\$ 217,790</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$8,425,503 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, 2022. 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
2022	3,807,992
2023	5,099,447
2024	2,925,624
2025	1,631,623
2026	-
Thereafter	-
Total	<u>\$ 13,464,686</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 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 - 8.10 percent, including inflation & productivity factor
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, 2019 valuation, with the exception of the discount rate, 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

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real 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>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 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:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 79,487,109</u>	<u>\$ 39,177,613</u>	<u>\$ 5,677,588</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report 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. A separate report was not issued for the plan.

The Separation Allowance covers all full-time law enforcement officers of the County. At December 31, 2019 valuation, the Separation Allowance's membership consisted of:

Law Enforcement Officers' Special Separation Allowance	
Retirees receiving benefits	42
Active plan members	<u>239</u>
Total	<u><u>281</u></u>

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, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rate for all members are multiplied by 97% and Set Forward by 1 year.

Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

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 \$909,198 as benefits came due for the reporting period.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

At June 30, 2021, the County reported a total pension liability of \$18,012,303. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$2,147,043. At June 30, 2021, 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	\$ 438,831	\$ -
Difference between expected and actual experience	793,812	27,882
Changes of assumptions and other inputs	<u>4,286,084</u>	<u>219,813</u>
Total	<u><u>\$ 5,518,727</u></u>	<u><u>\$ 247,695</u></u>

\$438,831 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2022	\$ 1,272,879
2023	1,191,792
2024	1,067,304
2025	899,997
2026	400,229
Thereafter	<u>-</u>
Total	<u><u>\$ 4,832,201</u></u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 (1.93)%, 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 (0.93%) or 1-percentage-point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	<u>\$ 19,427,053</u>	<u>\$ 18,012,303</u>	<u>\$ 16,703,695</u>

Schedule of Changes in Total Pension Liability	
Law Enforcement Officers' Special Separation Allowance	
Beginning balance	\$ 13,289,055
Service cost	463,489
Interest on the total pension liability	418,403
Difference between expected and actual experience	(34,133)
Changes of assumptions and other inputs	4,784,687
Benefit payments made	(909,198)
Net change in total pension liability	4,723,248
Ending balance of the total pension liability	<u>\$ 18,012,303</u>

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 3.26% at December 31, 2019 to 1.93% at December 31, 2020.

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, 2019 valuation were based on the results of an actuarial experience study as of 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

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report 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, 2021 were \$1,592,273, which consisted of \$758,635 from the County and \$833,638 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 (LGERS) 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 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 Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report 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 \$114,199 for the year ended June 30, 2021.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

At June 30, 2021, the County reported an asset of \$540,881 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuations as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County's proportion was 2.360%, which was a decrease of 9.457 % from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$142,704. At June 30, 2021, 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	\$ -	\$ 11,022
Net difference between projected and actual earnings on pension plan investments	-	46,281
Changes in proportion and differences between County contributions and proportionate share of contributions	1,197,369	1,068,540
County's contributions subsequent to the measurement date	<u>114,199</u>	<u>-</u>
Total	<u>\$ 1,311,568</u>	<u>\$ 1,125,843</u>

\$114,199 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, 2022. 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
2022	\$ 56,366
2023	47,706
2024	(20,887)
2025	<u>(11,659)</u>
Total	<u>\$ 71,526</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Actuarial Assumptions. The total pension liability in the December 31, 2019 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 productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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, 2019 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, 2020 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 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, 2021

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)	\$ (459,411)	\$ (540,881)	\$ (609,818)

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

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of December 31, 2020, with an actuarial valuation date of December 31, 2019. 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)	\$ 39,177,613	\$ -	\$ (540,881)	\$ 38,636,732
Proportion of the net pension liability (asset)	1.096%	NA	2.360%	-
Total pension liability	-	18,012,303	-	18,012,303
Pension expense	13,583,685	2,147,043	142,704	15,873,432

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	LGERS	LEOSSA	ROD	Total
Differences between expected and actual experience	\$ 4,947,445	\$ 793,812	\$ -	\$ 5,741,257
Changes of assumptions	2,915,583	4,286,084	-	7,201,667
Net difference between projected and actual earnings on pension plan investments	5,513,200	-	-	5,513,200
Changes in proportion and differences between County contributions and proportionate share of contributions	306,248	-	1,197,369	1,503,617
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	8,425,503	438,831	114,199	8,978,533
Total deferred outflows of resources	<u>\$ 22,107,979</u>	<u>\$ 5,518,727</u>	<u>\$ 1,311,568</u>	<u>\$ 28,938,274</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ -	\$ 27,882	\$ 11,022	\$ 38,904
Net difference between projected and actual earnings on pension plan investments	-	-	46,281	46,281
Changes of assumptions	-	219,813	-	219,813
Changes in proportion and differences between County contributions and proportionate share of contributions	217,790	-	1,068,540	1,286,330
Total deferred inflows of resources	<u>\$ 217,790</u>	<u>\$ 247,695</u>	<u>\$ 1,125,843</u>	<u>\$ 1,591,328</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, 2021, the County made payments for post-retirement health benefit premiums of \$3,807,231. 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, 2021

- 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, 2020, 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 \$84,917,751 was measured as of June 30, 2020 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	3.50%
Measurement date	2.21%
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, 2021

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2020	<u>\$ 74,375,686</u>
Changes for the Year:	
Service cost	1,198,671
Interest	2,579,049
Differences between expected and actual experience	211,525
Changes of assumptions or other inputs	10,360,051
Benefit payments	<u>(3,807,231)</u>
Net changes	<u>10,542,065</u>
Balance at June 30, 2021	<u><u>\$ 84,917,751</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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	<u>\$ 94,594,513</u>	<u>\$ 84,917,751</u>	<u>\$ 76,707,636</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 80,332,221	\$ 84,917,751	\$ 90,073,427

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$4,909,722. At June 30, 2021, 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	\$ 421,098	\$ 1,587,017
Changes of assumptions	7,662,164	757,136
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>3,989,351</u>	<u>-</u>
Total	<u>\$ 12,072,613</u>	<u>\$ 2,344,153</u>

\$3,989,351 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, 2022. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2022	\$ 2,431,259
2023	3,307,850
2024	-
2025	-
2026	-
Thereafter	-
Total	<u>\$ 5,739,109</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

F. Claims and Judgments

At June 30, 2021, 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. Disclosure of Significant Commitments and Contingencies

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19), a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

The County was awarded \$43,612,126 from the Federal American Rescue Plan (ARP). The County received \$21,806,063 in 2021 fiscal year. The remaining amount of \$21,806,063 is expected to be received within the next 12 months.

H. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

GASTON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

Governmental Activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)	
				Cash related to funds held on behalf of DSS was reclassified from the Social Services Trust Fund into a newly created Representative Payee Special
\$ 230,077	\$ -	\$ 230,077	\$ -	Revenue Fund as a restatement of fund balance,
				Cash related to funds held on behalf of incarcerated inmates was reclassified from the Sheriff Inmate Agency Fund into a newly created Jail Inmate Pay
-	-	-	246,718	Pay Custodial Fund.
				Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a
-	-	-	98,807	newly created Municipal Tax Custodial Fund.
				Cash related to funds held for Sheriff Civil Process fees was reclassified from the General Fund into a newly created Civil Process Special Revenue
-	(859,542)	859,542	-	Fund as a restatement of fund balance.
<u>\$ 230,077</u>	<u>\$ (859,542)</u>	<u>\$ 1,089,619</u>	<u>\$ 345,525</u>	

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 Employee 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 FIVE FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance				
	2021	2020	2019	2018	2017
Beginning balance	\$ 13,289,055	\$ 12,312,206	\$ 11,847,267	\$ 10,886,409	\$ 10,936,528
Service cost	463,489	411,848	421,381	341,920	387,553
Interest on the total pension liability	418,403	433,980	361,747	407,079	380,199
Difference between expected and actual experience	(34,133)	552,843	919,101	253,678	-
Changes in assumptions or other inputs	4,784,687	357,514	(438,152)	638,815	(244,487)
Benefit payments	(909,198)	(779,336)	(799,138)	(680,634)	(573,384)
Ending balance of the total pension liability	<u>\$ 18,012,303</u>	<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 EMPLOYEE PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FIVE FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance				
	2021	2020	2019	2018	2017
Total pension liability	\$ 18,012,303	\$ 13,289,055	\$ 12,312,206	\$ 11,847,267	\$ 10,886,409
Covered employee payroll	16,006,541	15,269,438	14,185,827	13,342,210	14,212,061
Total pension liability as a percentage of covered employee payroll	112.53%	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.

*Valuation payroll

GASTON COUNTY, NORTH CAROLINA**OTHER POST-EMPLOYMENT BENEFITS****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS****LAST FOUR FISCAL YEARS**

	Other Post-Employment Benefits			
	2021	2020	2019	2018
Service cost	\$ 1,198,671	\$ 1,586,540	\$ 1,650,496	\$ 1,804,661
Interest	2,579,049	2,891,578	2,694,526	2,408,143
Differences between expected and actual experience	211,525	(5,006,612)	1,080,160	(648,987)
Changes of assumptions or other inputs	10,360,051	2,698,068	(2,631,144)	(4,749,335)
Benefit payments	(3,807,231)	(4,214,816)	(4,088,332)	(2,191,789)
Net change in total OPEB liability	10,542,065	(2,045,242)	(1,294,294)	(3,377,307)
Total OPEB liability - beginning	74,375,686	76,420,928	77,715,222	81,092,529
Total OPEB liability - ending	<u>\$ 84,917,751</u>	<u>\$ 74,375,686</u>	<u>\$ 76,420,928</u>	<u>\$ 77,715,222</u>
Covered employee payroll	\$ 26,197,912	\$ 26,197,912	\$ 30,225,889	\$ 30,225,889
Total OPEB liability as a percentage of covered employee payroll	324.14%	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
2021	2.21%
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 EIGHT FISCAL YEARS***

	Local Government Employees' Retirement System			
	2021	2020	2019	2018
County's proportion of the net pension liability (asset) (%)	1.09636%	1.12203%	1.11494%	1.07214%
County's proportion of the net pension liability (asset) (\$)	\$ 39,177,613	\$ 30,641,764	\$ 26,450,190	\$ 16,379,329
County's covered payroll*	\$ 78,976,783	\$ 76,866,665	\$ 73,803,006	\$ 69,171,453
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	49.61%	39.86%	35.84%	23.68%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%

* 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

**COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

	Local Government Employees' Retirement System			
	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	1.11399%	1.09906%	1.14287%	1.16630%
County's proportion of the net pension liability (asset) (\$)	\$ 23,642,600	\$ 4,932,515	\$ (6,740,036)	\$ 14,058,394
County's covered payroll*	\$ 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	35.02%	7.46%	-10.21%	21.17%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

GASTON COUNTY, NORTH CAROLINA

GASTON COUNTY'S CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS

Local Government Employees' Retirement System				
	2021	2020	2019	2018
Contractually required contribution	\$ 8,425,503	\$ 7,144,846	\$ 6,049,796	\$ 5,637,293
Contributions in relation to the contractually required contribution	8,425,503	7,144,846	6,049,796	5,637,293
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 82,522,928	\$ 78,976,783	\$ 76,866,665	\$ 73,803,006
Contributions as a percentage of covered payroll	10.21%	9.05%	7.87%	7.64%

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 EIGHT FISCAL YEARS

Local Government Employees' Retirement System				
	2017	2016	2015	2014
Contractually required contribution	\$ 5,126,405	\$ 4,687,940	\$ 4,693,058	\$ 4,711,193
Contributions in relation to the contractually required contribution	<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>
County's covered payroll	\$ 69,171,453	\$ 67,510,404	\$ 66,133,607	\$ 65,995,520
Contributions as a percentage of covered payroll	7.41%	6.94%	7.10%	7.14%

GASTON COUNTY, NORTH CAROLINA

**COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

	Register of Deeds' Supplemental Pension Fund			
	2021	2020	2019	2018
County's proportion of the net pension liability (asset) (%)	2.36007%	11.81697%	0.78517%	0.85230%
County's proportion of the net pension liability (asset) (\$)	\$ (540,881)	\$ (2,332,906)	\$ (130,048)	\$ (145,479)
County's covered payroll*	\$ 118,687	\$ 112,373	\$ 106,313	\$ 103,227
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-455.72%	-2076.04%	-122.33%	-140.93%
Plan fiduciary net position as a percentage of the total pension liability **	173.62%	164.11%	153.31%	153.77%

* 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
COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS*

	Register of Deeds' Supplemental Pension Fund			
	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	1.13299%	1.34155%	1.42133%	1.39896%
County's proportion of the net pension liability (asset) (\$)	\$ (211,824)	\$ (310,898)	\$ (322,166)	\$ (298,818)
County's covered payroll*	\$ 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	-218.77%	-332.66%	-354.23%	-331.40%
Plan fiduciary net position as a percentage of the total pension liability **	160.17%	197.29%	193.88%	190.50%

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

Register of Deeds' Supplemental Pension Fund				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 114,199	\$ 108,791	\$ 112,317	\$ 6,719
Contributions in relation to the contractually required contribution	<u>114,199</u>	<u>108,791</u>	<u>112,317</u>	<u>6,719</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 118,687	\$ 112,373	\$ 109,385	\$ 106,313
Contributions as a percentage of covered payroll	96.22%	96.81%	102.68%	6.32%

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 EIGHT FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund				
	2017	2016	2015	2014
Contractually required contribution	\$ 7,405	\$ 10,735	\$ 10,765	\$ 11,605
Contributions in relation to the contractually required contribution	<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>
County's covered payroll	\$ 103,227	\$ 96,827	\$ 93,457	\$ 90,947
Contributions as a percentage of covered payroll	7.17%	11.09%	11.52%	12.76%

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GASTON COUNTY, NC
FY 2021 ANNUAL COMPREHENSIVE
FINANCIAL REPORT

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules

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G A S T O N C O U N T Y , N C
F Y 2 0 2 1 A N N U A L C O M P R E H E N S I V E
F I N A N C I A L R E P O R T

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.

Community Investment Fund

The Community Investment Fund is used to account for the financial resources for community improvements for all County departments.

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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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 163,257,745	\$ 171,156,265	\$ 7,898,520	\$ 165,351,898
Penalties and interest	165,000	892,348	727,348	678,660
Total	163,422,745	172,048,613	8,625,868	166,030,558
Other Taxes and Licenses:				
One-cent tax	11,588,500	11,588,500	-	13,300,000
Half-cent sales tax	15,294,219	15,569,680	275,461	17,676,443
Real estate transfer taxes	1,400,000	2,059,615	659,615	1,465,663
Total	28,282,719	29,217,795	935,076	32,442,106
Restricted Intergovernmental Revenues:				
Federal grants	23,090,251	18,173,152	(4,917,099)	4,902,786
State grants	2,602,809	2,134,294	(468,515)	4,476,540
Federal prisoner detention reimbursements	1,220,000	1,633,517	413,517	1,193,065
Court facilities fees	250,000	187,998	(62,002)	270,287
Total	27,163,060	22,128,961	(5,034,099)	10,842,678
Fees, Licenses, and Permits:				
Inspection fees	2,674,902	3,270,655	595,753	2,451,515
Register of Deeds' fees	1,150,000	1,593,023	443,023	1,287,006
Other	1,422,214	5,026,131	3,603,917	2,745,863
Total	5,247,116	9,889,809	4,642,693	6,484,384
Sales and Services:				
Medical transport fees	11,478,011	11,415,992	(62,019)	10,616,894
Library fees	50,000	17,837	(32,163)	62,591
Jail fees	145,000	149,855	4,855	185,333
Animal shelter fees	503,200	440,424	(62,776)	407,896
Municipal election fees	-	-	-	127,434
Central transportation fees	409,000	200,252	(208,748)	311,093
Recreation fees	140,000	151,115	11,115	121,077
Personal health fees	858,800	4,670,403	3,811,603	4,583,510
Highland Medical Center	398,900	16,070	(382,830)	99,863
Environmental health fees	260,000	336,335	76,335	277,115
Family planning fees	928,000	508,699	(419,301)	435,003
Maternal and child health fees	2,707,000	555,063	(2,151,937)	794,609
Gynecological clinic fees	15,800	4,107	(11,693)	6,224
Miscellaneous	2,063,342	1,379,641	(683,701)	1,951,731
Total	19,957,053	19,845,793	(111,260)	19,980,373

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Investment Earnings	1,000,456	-	(1,000,456)	721,706
Miscellaneous Revenue:				
Sales of surplus property	139,963	135,110	(4,853)	188,777
Insurance settlements	-	242,351	242,351	93,656
Other	1,246,596	1,702,966	456,370	1,804,740
Total	1,386,559	2,080,427	693,868	2,087,173
Total revenues	246,459,708	255,211,398	8,751,690	238,588,978
Expenditures:				
General Government:				
County Commissioners:				
Salaries and employee benefits	543,471	542,793	678	462,796
Operating expenditures	1,183,895	508,169	675,726	558,459
Capital outlay	14,941	14,941	-	-
Total	1,742,307	1,065,903	676,404	1,021,255
County Manager				
Salaries and employee benefits	1,368,153	1,368,153	-	971,932
Operating expenditures	117,457	112,287	5,170	65,445
Total	1,485,610	1,480,440	5,170	1,037,377
County Attorney:				
Salaries and employee benefits	634,424	634,424	-	515,158
Operating expenditures	40,948	35,304	5,644	24,665
Total	675,372	669,728	5,644	539,823
Elections:				
Salaries and employee benefits	411,094	410,520	574	360,330
Operating expenditures	1,411,000	1,209,232	201,768	684,372
Capital outlay	55,544	42,185	13,359	5,593
Total	1,877,638	1,661,937	215,701	1,050,295
Register of Deeds:				
Salaries and employee benefits	1,016,946	1,016,946	-	985,068
Operating expenditures	291,166	178,748	112,418	208,895
Total	1,308,112	1,195,694	112,418	1,193,963
Finance:				
Salaries and employee benefits	1,435,487	1,434,665	822	1,051,995
Operating expenditures	378,688	283,394	95,294	320,606
Total	1,814,175	1,718,059	96,116	1,372,601

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Budget:				
Salaries and employee benefits	658,541	658,539	2	525,879
Operating expenditures	2,804,430	998,384	1,806,046	1,317,203
Total	3,462,971	1,656,923	1,806,048	1,843,082
Internal Audit:				
Salaries and employee benefits	228,291	227,425	866	1,097
Operating expenditures	10,727	8,471	2,256	-
Capital outlay	-	-	-	-
Total	239,018	235,896	3,122	1,097
Purchasing:				
Salaries and employee benefits	-	-	-	189,363
Operating expenditures	-	-	-	5,439
Total	-	-	-	194,802
Information Technology:				
Salaries and employee benefits	3,409,023	3,408,995	28	3,367,816
Operating expenditures	2,872,421	2,322,229	550,192	1,854,828
Total	6,281,444	5,731,224	550,220	5,222,644
ACCESS/Central Transportation Administration:				
Salaries and employee benefits	270,447	176,765	93,682	183,294
Operating expenditures	121,389	78,975	42,414	83,572
Total	391,836	255,740	136,096	266,866
ACCESS/Central Transportation Operations:				
Salaries and employee benefits	971,538	835,798	135,740	923,542
Operating expenditures	507,207	328,484	178,723	356,665
Service fees to other departments	-	-	-	(9,592)
Capital outlay	-	-	-	198,760
Total	1,478,745	1,164,282	314,463	1,469,375
Tax:				
Salaries and employee benefits	3,443,338	3,443,045	293	3,503,527
Operating expenditures	1,361,788	1,313,437	48,351	1,254,068
Capital outlay	-	-	-	-
Total	4,805,126	4,756,482	48,644	4,757,595
Human Resources:				
Salaries and employee benefits	1,356,420	1,355,641	779	1,010,687
Operating expenditures	971,656	785,146	186,510	589,374
Capital outlay	6,300	5,680	620	-
Total	2,334,376	2,146,467	187,909	1,600,061

GASTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Human Relations:				
Operating expenditures	49,200	39,635	9,565	39,862
Total	49,200	39,635	9,565	39,862
Public Works Administration:				
Salaries and employee benefits	658,844	658,972	(128)	502,729
Operating expenditures	277,138	71,190	205,948	165,411
Capital outlay	31,539	30,487	1,052	-
Total	967,521	760,649	206,872	668,140
Fleet Maintenance:				
Salaries and employee benefits	576,371	519,139	57,232	576,286
Operating expenditures	(76,811)	(53,202)	(23,609)	(85,309)
Capital outlay	88,696	5,696	83,000	-
Total	588,256	471,633	116,623	490,977
Facilities Management:				
Salaries and employee benefits	887,205	927,097	(39,892)	817,795
Operating expenditures	3,757,429	3,003,395	754,034	2,949,232
Service fees to other departments	70,850	45,825	25,025	74,011
Total	4,715,484	3,976,317	739,167	3,841,038
Grounds Maintenance:				
Salaries and employee benefits	474,787	474,697	90	488,419
Operating expenditures	220,747	139,417	81,330	199,982
Capital outlay	10,958	10,958	-	10,142
Total	706,492	625,072	81,420	698,543
Courts:				
Operating expenditures	1,102,650	943,153	159,497	934,025
Total	1,102,650	943,153	159,497	934,025
Print Shop:				
Salaries and employee benefits	192,616	209,826	(17,210)	162,576
Operating expenditures	8,083	79,042	(70,959)	98,946
Capital Outlay	19,568	19,567	1	-
Total	220,267	308,435	(88,168)	261,522
Cable Access:				
Salaries and employee benefits	179,036	178,794	242	179,124
Operating expenditures	48,959	26,457	22,502	38,430
Capital outlay	6,000	-	6,000	-
Total	233,995	205,251	28,744	217,554

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Public Information:				
Salaries and employee benefits	293,239	293,225	14	133,799
Operating expenditures	191,699	186,327	5,372	6,529
Total	484,938	479,552	5,386	140,328
Non-Departmental Expenditures:				
Medicare supplement	1,106,206	999,892	106,314	977,288
Retirees	3,500,000	3,500,000	-	3,500,000
Risk management fees	52,000	-	52,000	-
County-wide salary and benefits	5,202,275	-	5,202,275	-
Gaston County Alternative Community:				
Lake Wylie Marine Commission	25,000	25,000	-	25,000
Insurance reserves	650,000	507,238	142,762	751,050
Special grants	1,666,747	1,588,431	78,316	228,785
Pretrial Services	1,176,855	1,176,855	-	1,176,855
Carolina land and lakes	-	-	-	10,000
Drug task force	-	-	-	(8)
Investment Grant program	1,706,000	1,352,753	353,247	1,396,371
Stormwater fees	22,660	23,766	(1,106)	21,313
Indirect cost reimbursement from DSS	(2,525,000)	(2,517,500)	(7,500)	(2,732,888)
Total	12,582,743	6,656,435	5,926,308	5,353,766
Total general government	49,548,276	38,204,907	11,343,369	34,216,591
Public Safety:				
County Police:				
Salaries and employee benefits	17,978,594	13,428,207	4,550,387	13,517,316
Operating expenditures	2,464,387	1,878,248	586,139	2,263,682
Capital outlay	537,569	469,448	68,121	1,128,607
Services to other departments	(1,041,485)	(1,159,078)	117,593	(1,104,198)
Total	19,939,065	14,616,825	5,322,240	15,805,407
Sheriff:				
Salaries and employee benefits	9,756,224	7,430,068	2,326,156	8,947,380
Operating expenditures	1,976,305	1,918,433	57,872	1,816,744
Capital outlay	194,368	83,847	110,521	477,634
Services to other departments	(290,564)	(290,564)	-	-
Total	11,636,333	9,141,784	2,494,549	11,241,758
Jail:				
Salaries and employee benefits	9,632,152	10,341,294	(709,142)	8,605,517
Operating expenditures	5,471,163	5,247,055	224,108	4,935,891
Capital outlay	44,020	44,013	7	-
Total	15,147,335	15,632,362	(485,027)	13,541,408

GASTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Law Enforcement Special Allowance:				
Salaries and employee benefits	974,640	974,640	-	883,198
Total	974,640	974,640	-	883,198
Juvenile Detention Home:				
Operating expenditures	425,000	198,738	226,262	98,454
Total	425,000	198,738	226,262	98,454
Emergency Management & Fire Services:				
Salaries and employee benefits	658,916	658,585	331	583,622
Operating expenditures	1,108,407	848,545	259,862	864,823
Capital outlay	139,419	88,273	51,146	1,800
Total	1,906,742	1,595,403	311,339	1,450,245
Building Services:				
Salaries and employee benefits	2,203,750	2,203,748	2	2,047,471
Operating expenditures	398,321	328,521	69,800	280,626
Capital outlay	2,072	861	1,211	83,825
Total	2,604,143	2,533,130	71,013	2,411,922
Medical Examiner:				
Operating expenditures	120,000	137,700	(17,700)	122,688
Total	120,000	137,700	(17,700)	122,688
Emergency Medical Services:				
Salaries and employee benefits	9,689,892	9,689,155	737	9,109,115
Operating expenditures	4,007,808	3,950,257	57,551	4,042,848
Capital outlay	183,316	149,842	33,474	1,437,105
Rescue squad supplements	1,429,428	1,342,694	86,734	1,355,772
Total	15,310,444	15,131,948	178,496	15,944,840
Animal Control:				
Salaries and employee benefits	1,829,503	1,828,716	787	1,719,029
Operating expenditures	671,861	516,414	155,447	456,569
Capital outlay	11,735	-	11,735	108,823
Total	2,513,099	2,345,130	167,969	2,284,421
Telecommunications:				
Salaries and employee benefits	5,030,128	3,922,359	1,107,769	3,980,057
Operating expenditures	1,686,914	676,975	1,009,939	1,049,357
Capital outlay	1,500	1,320	180	-
Total	6,718,542	4,600,654	2,117,888	5,029,414
Total public safety	77,295,343	66,908,314	10,387,029	68,813,755

GASTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Environmental Protection:				
Forestry Control Services:				
Operating expenditures	89,584	78,372	11,212	69,718
Total environmental protection	89,584	78,372	11,212	69,718
Economic and Physical Development:				
Planning:				
Salaries and employee benefits	528,389	527,843	546	712,457
Operating expenditures	148,021	68,219	79,802	49,695
Capital outlay	10,000	6,620	3,380	-
Total	686,410	602,682	83,728	762,152
Economic Development Commission:				
Salaries and employee benefits	956,975	956,974	1	763,181
Operating expenditures	352,150	232,474	119,676	245,170
Capital outlay	19,914	18,494	1,420	-
Total	1,329,039	1,207,942	121,097	1,008,351
Court Drive Development	65,400	47,000	18,400	45,000
Technology Park Development	122,800	65,000	57,800	78,562
Cooperative Extension Service:				
Salaries and employee benefits	138,526	138,524	2	131,408
Operating expenditures	554,712	474,087	80,625	454,738
Total	693,238	612,611	80,627	586,146
Urgent Repair Program:				
Operating expenditures	101,733	82,979	18,754	92,647
Total	101,733	82,979	18,754	92,647
Agricultural Stabilization:				
Operating expenditures	10,106	9,421	685	9,770
Total	10,106	9,421	685	9,770
4-H Programs:				
Operating expenditures	7,900	2,799	5,101	10,595
Total	7,900	2,799	5,101	10,595
Quality of Natural Resources Commission:				
Operating expenditures	3,000	988	2,012	148
Total	3,000	988	2,012	148

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Gaston County Soil and Water Conservation:				
Salaries and employee benefits	887,917	887,881	36	838,252
Operating expenditures	104,122	73,983	30,139	71,986
Capital outlay	30,575	30,487	88	25,861
Total	1,022,614	992,351	30,263	936,099
 Total economic and physical development	 4,131,824	 3,702,145	 429,679	 3,529,470
Human Services:				
Health Department:				
Administration:				
Salaries and employee benefits	2,098,815	1,908,310	190,505	1,867,622
Operating expenditures	5,846,718	1,437,181	4,409,537	1,756,647
Total	7,945,533	3,345,491	4,600,042	3,624,269
 Allied Health:				
Salaries and employee benefits	1,560,792	1,363,820	196,972	1,559,755
Operating expenditures	693,745	471,932	221,813	354,810
Total	2,254,537	1,835,752	418,785	1,914,565
 Personal Health:				
Salaries and employee benefits	2,998,203	2,658,125	340,078	2,771,749
Operating expenditures	4,170,999	961,851	3,209,148	639,944
Total	7,169,202	3,619,976	3,549,226	3,411,693
 Environmental Health:				
Salaries and employee benefits	1,609,260	1,472,238	137,022	1,433,051
Operating expenditures	602,379	426,881	175,498	210,644
Capital outlay	16,847	15,786	1,061	-
Total	2,228,486	1,914,905	313,581	1,643,695
 Gynecological Health:				
Salaries and employee benefits	7,410	6,838	572	6,647
Operating expenditures	15,600	1,366	14,234	2,146
Total	23,010	8,204	14,806	8,793
 Family Planning:				
Salaries and employee benefits	2,285,366	1,280,249	1,005,117	1,623,014
Operating expenditures	590,129	418,998	171,131	334,081
Total	2,875,495	1,699,247	1,176,248	1,957,095
 Women, Infants, and Children:				
Salaries and employee benefits	926,559	854,446	72,113	865,935
Operating expenditures	22,409	11,190	11,219	5,442
Total	948,968	865,636	83,332	871,377

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Maternal and Child Health:				
Salaries and employee benefits	2,010,154	1,344,114	666,040	1,614,961
Operating expenditures	670,372	388,236	282,136	665,206
Total	2,680,526	1,732,350	948,176	2,280,167
Highland Health Center:				
Salaries and employee benefits	668,653	454,107	214,546	579,886
Operating expenditures	305,362	144,262	161,100	172,623
Total	974,015	598,369	375,646	752,509
Gaston Family Health Services:				
Medical services - operating expenditures	344,872	344,872	-	344,872
Total	344,872	344,872	-	344,872
Total health department	27,444,644	15,964,802	11,479,842	16,809,035
Contribution to Pathways	884,300	884,300	-	884,300
Battered Spouse - Hope United:				
Salaries and employee benefits	788,496	442,363	346,133	2,021
Operating expenditures	303,918	204,653	99,265	-
Capital outlay	24,623	24,621	2	-
Total	1,117,037	671,637	445,400	2,021
Child Advocacy Ctr. - Hope United:				
Salaries and employee benefits	740,188	395,809	344,379	2,733
Operating expenditures	163,197	79,584	83,613	-
Capital outlay	50,879	48,879	2,000	-
Total	954,264	524,272	429,992	2,733
Family Justice Center - Hope United:				
Salaries and employee benefits	585,871	407,424	178,447	118,072
Operating expenditures	448,697	273,348	175,349	39,630
Capital outlay	28,155	28,155	-	-
Total	1,062,723	708,927	353,796	157,702
Veterans Services:				
Salaries and employee benefits	302,296	302,295	1	300,859
Operating expenditures	114,177	42,039	72,138	46,412
Total	416,473	344,334	72,139	347,271
Youth Services	898,999	888,342	10,657	957,728
Gaston Skills:				
Operating expenditures	168,000	168,000	-	168,000
Total	168,000	168,000	-	168,000
Total human services	32,946,440	20,154,614	12,791,826	19,328,790

GASTON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Cultural and Recreational:				
Recreation:				
Salaries and employee benefits	468,160	468,159	1	439,000
Operating expenditures	890,913	681,929	208,984	518,642
Capital outlay	-	-	-	22,348
Total	1,359,073	1,150,088	208,985	979,990
Museum:				
Salaries and employee benefits	515,314	514,738	576	485,821
Operating expenditures	124,035	95,063	28,972	85,470
Capital outlay	-	-	-	25,158
Total	639,349	609,801	29,548	596,449
Main Library Services:				
Salaries and employee benefits	2,015,565	2,092,915	(77,350)	2,095,310
Operating expenditures	1,398,526	970,051	428,475	828,343
Total	3,414,091	3,062,966	351,125	2,923,653
Branch Library Services:				
Salaries and employee benefits	1,222,254	1,144,124	78,130	1,125,029
Operating expenditures	239,485	221,312	18,173	330,333
Total	1,461,739	1,365,436	96,303	1,455,362
Senior Center:				
Salaries and employee benefits	30,285	30,248	37	25,277
Operating expenditures	157,686	84,886	72,800	83,807
Capital outlay	16,890	-	16,890	-
Total	204,861	115,134	89,727	109,084
Total cultural and recreational	7,079,113	6,303,425	775,688	6,064,538
Education:				
Gaston College:				
Operating expenditures	5,576,363	5,576,363	-	5,585,769
Total	5,576,363	5,576,363	-	5,585,769
County Schools:				
Resource officers	1,332,049	1,159,078	172,971	1,104,198
School of excellence	65,000	53,122	11,878	14,583
Operating expenditures	50,451,704	50,451,704	-	50,886,912
Total	51,848,753	51,663,904	184,849	52,005,693
Total education	57,425,116	57,240,267	184,849	57,591,462

GASTON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Debt Service:				
Principal retirement	-	-	-	12,991,158
Interest and fees	-	-	-	466,031
Total debt service	-	-	-	13,457,189
 Total expenditures	<u>228,426,112</u>	<u>192,513,672</u>	<u>35,912,440</u>	<u>203,071,513</u>
 Revenues over (under) expenditures	<u>18,033,596</u>	<u>62,697,726</u>	<u>44,664,130</u>	<u>35,517,465</u>
 Other Financing Sources (Uses):				
Installment purchase contracts issued	-	-	-	1,099,727
Fund balance appropriated	23,845,731	-	(23,845,731)	-
Transfers From (to) Other Funds:				
From Public Assistance	45,790	45,790	-	10,963,328
From Self-Insurance Internal Service Fund	3,790,233	3,790,233	-	1,608,000
To Tourism	(6,648)	(6,648)	-	-
To Debt Service Fund	-	-	-	(23,212,554)
To Public Assistance Fund	(18,513,395)	(18,513,395)	-	(16,707,327)
To Property Revaluation Fund	(250,000)	(250,000)	-	(210,000)
To Community Investment Fund	(26,939,676)	(26,939,676)	-	(10,379,948)
To Capital Improvements Fund	(5,631)	(5,631)	-	-
From Tourism Fund	-	-	-	198,843
Total other financing sources (uses)	<u>(18,033,596)</u>	<u>(41,879,327)</u>	<u>(23,845,731)</u>	<u>(36,639,931)</u>
 Net change in fund balance	<u>\$ -</u>	<u>20,818,399</u>	<u>\$ 20,818,399</u>	<u>(1,122,466)</u>
 Fund Balance:				
Beginning of year - July 1		54,080,431		55,202,897
Restatement		(859,542)		-
Beginning of year - restated		<u>53,220,889</u>		<u>-</u>
 End of year - June 30		<u>\$ 74,039,288</u>		<u>\$ 54,080,431</u>

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, 2021 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues	\$ 34,251,117	\$ 29,734,446	\$ (4,516,671)	\$ 22,668,077
Investment earnings	-	14,086	14,086	36,708
Miscellaneous revenues	385,583	214,695	(170,888)	540,216
Total revenues	34,636,700	29,963,227	(4,673,473)	23,245,001
Expenditures:				
Social Services:				
Salaries and employee benefits	25,302,964	22,834,102	2,468,862	22,265,051
Operating expenditures	10,669,474	3,048,991	7,620,483	2,824,342
Capital outlay	623,389	227,896	395,493	122,073
Total	36,595,827	26,110,989	10,484,838	25,211,466
Counseling Center:				
Salaries and employee benefits	300,795	218,702	82,093	168,837
Operating expenditures	132,337	28,840	103,497	14,057
Total	433,132	247,542	185,590	182,894
WIA Administration:				
Salaries and employee benefits	66,015	39,905	26,110	92,197
Operating expenditures	376,829	141,814	235,015	112,806
Capital outlay	5,000	-	5,000	1,845
Total	447,844	181,719	266,125	206,848
WIA Adult:				
Salaries and employee benefits	88,239	86,590	1,649	252,235
Operating expenditures	725,025	314,352	410,673	663,888
Total	813,264	400,942	412,322	916,123
WIA Dislocated Worker:				
Salaries and employee benefits	89,655	84,520	5,135	-
Operating expenditures	625,025	244,116	380,909	3,688
Total	714,680	328,636	386,044	3,688

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, 2021 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
WIA Youth:				
Salaries and employee benefits	110,494	120,544	(10,050)	-
Operating expenditures	519,065	342,462	176,603	402,201
Total	629,559	463,006	166,553	402,201
WorkFirst - County:				
Salaries and employee benefits	924,466	890,563	33,903	833,765
Operating expenditures	486,800	10,573	476,227	86,616
Total	1,411,266	901,136	510,130	920,381
WorkFirst - Other:				
Operating expenditures	1,000	-	1,000	-
Battered Spouse Shelter:				
Salaries and employee benefits	5,564	8,619	(3,055)	392,003
Operating expenditures	310,667	47,719	262,948	255,356
Capital outlay	517	-	517	-
Total	316,748	56,338	260,410	647,359
Senior Center:				
Operating expenditures	22,500	9,225	13,275	3,937
Nutrition Program:				
Salaries and employee benefits	356,946	316,386	40,560	292,761
Operating expenditures	692,740	429,501	263,239	439,482
Total	1,049,686	745,887	303,799	732,243
In Home Aide-Services:				
Salaries and employee benefits	241,561	237,950	3,611	234,319
Operating expenditures	915,615	664,027	251,588	870,452
Total	1,157,176	901,977	255,199	1,104,771

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, 2021 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Child Advocacy:				
Salaries and employee benefits	-	-	-	285,787
Operating expenditures	-	-	-	16,412
Total	-	-	-	302,199
Gastonia Adult Daycare Center:				
Salaries and employee benefits	265,001	255,176	9,825	253,993
Operating expenditures	92,521	49,731	42,790	71,633
Total	357,522	304,907	52,615	325,626
Belmont Adult Daycare Center:				
Salaries and employee benefits	157,944	141,975	15,969	149,059
Operating expenditures	83,909	25,898	58,011	53,146
Capital outlay	2,000	-	2,000	-
Total	243,853	167,873	75,980	202,205
Community Alternative Program:				
Salaries and employee benefits	384,084	82,556	301,528	420,694
Operating expenditures	77,000	4,638	72,362	16,748
Total	461,084	87,194	373,890	437,442
Food Stamp Issuance:				
Operating expenditures	80,000	50,711	29,289	45,914
Public Assistance Expenditures:				
TANF	1,000	-	1,000	(126)
Low income energy assistance	1,296,353	1,136,653	159,700	977,019
Other financing assistance	379,226	256,092	123,134	295,089
Aid to the blind	25,500	-	25,500	10,216
Medicaid	121,000	10,719	110,281	13,098
Special assistance to adults	1,835,000	1,129,073	705,927	1,252,534
Crisis intervention	1,150,527	1,108,608	41,919	1,049,487
Transportation - Home and Community Care Block grant	817,272	227,487	589,785	208,041
Total	5,625,878	3,868,632	1,757,246	3,805,358

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, 2021 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Residential Service Expenditures:				
Title IV - Foster Care	3,293,205	2,790,985	502,220	2,759,297
Adoption	750,711	474,277	276,434	550,082
Receiving homes	269,642	129,629	140,013	229,560
State foster home	1,440,825	1,315,895	124,930	903,951
Special treatment	72,749	16,198	56,551	29,000
Total	5,827,132	4,726,984	1,100,148	4,471,890
Debt Service:				
Principal retirement	92,778	70,041	22,737	47,203
Interest and fees	5,374	2,268	3,106	1,703
Total	98,152	72,309	25,843	48,906
Total expenditures	56,286,303	39,626,007	16,660,296	39,971,451
Revenues over (under) expenditures	(21,649,603)	(9,662,780)	11,986,823	(16,726,450)
Other Financing Sources (Uses):				
Installment purchase contracts issued	209,349	209,349	-	-
Fund balance appropriated	3,222,649	-	(3,222,649)	-
Transfers from/to other funds:				
To General Fund	(536,781)	(45,790)	490,991	-
To Community Investment Fund	(250,000)	(250,000)	-	(1,200,000)
From General Fund	19,004,386	18,513,395	(490,991)	16,707,327
Total other financing sources (uses)	21,649,603	18,426,954	(3,222,649)	15,507,327
Net change in fund balance	\$ -	8,764,174	\$ 8,764,174	(1,219,123)
Fund Balance:				
Beginning of year - July 1		16,167,463		17,386,586
End of year - June 30		\$ 24,931,637		\$ 16,167,463

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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 7,413	\$ 7,413	\$ 63,873
Lottery proceeds - restricted intergovernmental	-	-	-	2,364,600
Sales tax	-	-	-	8,222,301
Total revenues	-	7,413	7,413	10,650,774
Expenditures:				
Principal Retirement:				
Administration/York - Chester	366,109	366,108	1	366,108
Vehicles	3,642,759	3,516,262	126,497	-
School bonds	17,948,506	17,716,505	232,001	19,719,000
Jail infill	167,392	167,391	1	156,522
Apple Creek	1,210,000	1,210,000	-	1,135,000
Radio equipment and infrastructure	217,609	217,609	-	203,478
Total principal retirement	23,552,375	23,193,875	358,500	21,580,108
Interest and Fees:				
Bond issuance fees	324,380	324,380	-	-
Administration/York - Chester	107,856	107,856	-	116,844
School bonds	7,322,871	7,228,644	94,227	8,584,191
Vehicles	71,571	50,893	20,678	-
Professional fees	945,254	858,249	87,005	48,756
Jail infill	354,012	354,011	1	338,711
Apple Creek	209,877	209,877	-	224,300
Radio equipment and infrastructure	460,214	460,214	-	440,324
Total interest and fees	9,796,035	9,594,124	201,911	9,753,126
Total expenditures	33,348,410	32,787,999	560,411	31,333,234
Revenues over (under) expenditures	(33,348,410)	(32,780,586)	567,824	(20,682,460)
Other Financing Sources (Uses):				
Refunding bonds issued	50,145,000	50,145,000	-	-
Premium from issuance of bond	10,371,875	10,371,875	-	-
Payment to escrow agent	(60,192,495)	(60,192,495)	-	-
Capital contribution	1,710,881	1,710,881	-	-
Fund balance appropriated	11,860,817	-	(11,860,817)	-
Transfer to Community Investment Fund	(11,790,773)	(11,790,773)	-	-
Transfers from Community Investment Fund	31,243,105	31,243,105	-	23,212,554
Total other financing sources (uses)	33,348,410	21,487,593	(11,860,817)	23,212,554
Net change in fund balance	\$ -	(11,292,993)	\$ (11,292,993)	2,530,094
Fund Balance:				
Beginning of year - July 1		11,930,860		9,400,766
End of year - June 30		\$ 637,867		\$ 11,930,860

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, 2021**

	Budget	Actual	Variance Over/Under
Revenues:			
Restricted Intergovernmental Revenues:			
Bldg Reuse Grt: Project Drain	\$ 100,000	\$ -	\$ (100,000)
Bldg Reuse Grant: Metyx	140,000	-	(140,000)
Investment Earnings:			
School Bond Proceeds - General Obligation	6,065	6,527	462
Gaston Community College - General Obligation	39	45	6
School bond proceeds - Build America	26	26	-
Interest Earned LOBs (Tx Exempt)	-	113	113
Other	-	31,428	31,428
Miscellaneous Revenues:			
Property sales: Apple Creek	-	2,294,028	2,294,028
Property sales: GTP	-	160,000	160,000
Rent:York Chester Square	-	1,824	1,824
Total revenues	<u>246,130</u>	<u>2,493,991</u>	<u>2,247,861</u>
Capital Expenditures by Department:			
Animal control:			
New Animal Control Facility	169,954	57,087	112,867
Public Safety:			
Jail Infill/Expansion	761,888	170,180	591,708
Vehicles	1,580,753	869,670	711,083
EDC:			
Land Purchase and Development	22,680,906	8,523,556	14,157,350
Vehicles	36,733	36,733	-
One NC Grant : Tosaf	168,750	-	168,750
Public Infrastructure Grant: Tosaf / 2015-044-3212-2587	250,000	125,000	125,000
One NC Grt: Project LENO	50,000	-	50,000
Bldg Reuse:Proj Rolling Door	2,500	-	2,500
Bldg Reuse Grant: Metyx	147,000	-	147,000
Bldg Reuse Grt:Proj Drain	100,000	-	100,000
Historic Preservation:			
Land	62,573	-	62,573
Human Services			
CAC Building	2,000,000	137,327	1,862,673
Vehicles	58,488	26,010	32,478
Public Works:			
New Animal Control Facility Design	8,324	8,324	-
Renovations and Improvements	13,046,738	5,237,535	7,809,203
Vehicles	73,114	-	73,114
Highway Planning and Construction Grants:			
Congestion Mitigation and Air Quality / CMAQ-000S(899)	417,974	-	417,974
Congestion Mitigation and Air Quality / CMAQ-000S(900)	946,847	-	946,847
Congestion Mitigation and Air Quality / CMAQ (C-5606M)	1,860,578	-	1,860,578
Congestion Mitigation and Air Quality / CMAQ	625,024	8,107	616,917

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, 2021**

	Budget	Actual	Variance Over/Under
Recreation:			
Dallas Park Expansion	484,716	243,736	240,980
Post Parks Trails/Parks	75,552	-	75,552
Pump Track Lights	129,981	126,525	3,456
NC PARTF Grant	500,000	181,775	318,225
CDBG:			
Program Income	29,717	8,477	21,240
Special Grants and Programs:			
Township	482,289	-	482,289
Non-departmental expenditures:			
ERP System	79,889	-	79,889
Vehicles	48,766	48,766	-
Gaston County Schools	31,354,790	20,047,162	11,307,628
Gaston College	7,167,873	825,508	6,342,365
Debt Issuance Costs			
Water and sewer lines	258,333	100,000	158,333
Total expenditures	85,660,050	36,781,478	48,878,572
Revenues over (under) expenditures	(85,413,920)	(34,287,487)	51,126,433
Other Financing Sources (Uses):			
Fund balance appropriated	78,718,597	-	(78,718,597)
Transfers in (out):			
Transfers from the General Fund	5,631	5,631	-
Transfers from the Community Investment Fund	12,387,072	12,387,072	-
Transfers to Community Investment Fund	(5,697,380)	(5,697,380)	-
Total other financing sources (uses)	85,413,920	6,695,323	(78,718,597)
Net change in fund balance	\$ -	(27,592,164)	\$ (27,592,164)
Fund Balance:			
Beginning of year - July 1		89,670,552	
End of year - June 30		\$ 62,078,388	

GASTON COUNTY, NORTH CAROLINA

MAJOR COMMUNITY INVESTMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales tax	\$ 10,684,092	\$ 29,465,219	\$ 18,781,127
Interest on investments	-	3,179	3,179
Restricted Intergovernmental Revenues:			
Lottery proceeds	<u>2,050,000</u>	<u>2,934,859</u>	<u>884,859</u>
Total revenues	<u>12,734,092</u>	<u>32,403,257</u>	<u>19,669,165</u>
 Capital Expenditures by Department:			
Gaston County Schools	<u>5,600,790</u>	<u>-</u>	<u>5,600,790</u>
 Revenues over (under) expenditures	<u>7,133,302</u>	<u>32,403,257</u>	<u>25,269,955</u>
 Other Financing Sources (Uses):			
Installment purchase proceeds	1,749,087	1,749,087	-
Transfers in (out):			
Transfers from the General Fund	26,868,707	26,868,707	-
Transfers from the Building Services	70,969	70,969	-
Transfers from the Public Assist Fund	250,000	250,000	-
Transfers from Capital Improvement Fund	5,697,380	5,697,380	-
Transfers from the Debt Service Fund	4,857,606	4,857,606	-
Transfers from the School Debt Service	6,933,167	6,933,167	-
Transfers to the Debt Service Fund	(7,039,504)	(7,039,504)	-
Transfers to the School Debt Service	(24,203,601)	(24,203,601)	-
Transfers to the Capital Improvement Fund	<u>(22,317,113)</u>	<u>(12,387,072)</u>	<u>9,930,041</u>
Total other financing sources (uses)	<u>(7,133,302)</u>	<u>2,796,739</u>	<u>9,930,041</u>
 Net change in fund balance	<u>\$ -</u>	<u>35,199,996</u>	<u>\$ 35,199,996</u>
 Fund Balance:			
Beginning of year - July 1		<u>-</u>	
 End of year - June 30		<u>\$ 35,199,996</u>	

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GASTON COUNTY, NC
FY 2021 ANNUAL COMPREHENSIVE
FINANCIAL REPORT

NONMAJOR GOVERNMENTAL FUNDS

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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

- **Representative Payee Fund** – This fund accounts for the monies of indigents for which the county Department of Social Services acts as an agent.
- **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.
- **Deed of Trust Fund** – accounts for the revenues of the Deed of Trust within the County which is remitted to the State of North.
- **Civil Process Fund** – accounts for the revenues remitted to the County for fees and commissions assessed and collected in civil actions and special proceeding, except for actions brought under Chapter 50B of the North Carolina General Statutes.
- **Fines and Forfeitures Fund** – This fund accounts for various legal fines and forfeitures that the County collects.

GASTON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Representative Payee Fund	Travel and Tourism Fund	Property Revaluation Fund	Emergency Telephone System Fund	Drug Forfeitures Fund
Assets:					
Cash and cash equivalents	\$ 377,196	\$ 1,161,219	\$ -	\$ 1,030,453	\$ 545,660
Ad valorem taxes receivable, net	-	-	-	-	-
Accounts receivable	-	153,722	-	48,312	-
Inventory	-	123	-	-	-
Restricted cash	-	-	587,143	-	-
Total assets	<u>\$ 377,196</u>	<u>\$ 1,315,064</u>	<u>\$ 587,143</u>	<u>\$ 1,078,765</u>	<u>\$ 545,660</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 119,465	\$ -	\$ 5,532	\$ -
Total liabilities	<u>-</u>	<u>119,465</u>	<u>-</u>	<u>5,532</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Non-Spendable:					
Inventory	-	123	-	-	-
Restricted:					
Stabilization by state statute	-	153,722	-	48,312	-
Human Services	377,196	-	-	-	-
Fire protection	-	-	-	-	-
Emergency telephone	-	-	-	1,024,921	-
Committed:					
Tax revaluation	-	-	587,143	-	-
Assigned:					
Parking	-	-	-	-	-
Travel and tourism	-	1,041,754	-	-	-
Public safety	-	-	-	-	545,660
Unassigned	-	-	-	-	-
Total fund balances	<u>377,196</u>	<u>1,195,599</u>	<u>587,143</u>	<u>1,073,233</u>	<u>545,660</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 377,196</u>	<u>\$ 1,315,064</u>	<u>\$ 587,143</u>	<u>\$ 1,078,765</u>	<u>\$ 545,660</u>

GASTON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Controlled Substance Abuse Tax Fund	Parking Fee Fund	Fire Districts Fund	Deed of Trust Fund	Civil Process Fund	Fines and Forfeitures Fund	Total
Assets:							
Cash and cash equivalents	\$ 340,420	\$ 1,369,465	\$ 731,784	\$ 17,589	\$ 744,786	\$ 7,776	\$ 6,326,348
Ad valorem taxes receivable, net	-	-	97,571			-	97,571
Accounts receivable	-	6,670	62,289	1,054		28,909	300,956
Prepays	-	-	-	-	-	-	123
Restricted cash	-	-	-	-	-	-	587,143
Total assets	<u>\$ 340,420</u>	<u>\$ 1,376,135</u>	<u>\$ 891,644</u>	<u>\$ 18,643</u>	<u>\$ 744,786</u>	<u>\$ 36,685</u>	<u>\$ 7,312,141</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 503,549	\$ 18,643	\$ -	\$ 36,685	\$ 683,874
Total liabilities	<u>-</u>	<u>-</u>	<u>503,549</u>	<u>18,643</u>	<u>-</u>	<u>36,685</u>	<u>683,874</u>
Deferred Inflows of Resources:							
Unavailable taxes	-	-	97,571	-	-	-	97,571
Fund Balances:							
Non-Spendable:							
Prepays	-	-	-	-	-	-	123
Restricted:							
Stabilization by state statute	-	6,670	62,289	1,054	-	28,909	300,956
Sheriff protection	-	-	-	-	-	-	377,196
Fire protection	-	-	228,235	-	-	-	228,235
Emergency telephone	-	-	-	-	-	-	1,024,921
Committed:							
Tax revaluation	-	-	-	-	-	-	587,143
Assigned:							
Parking	-	1,369,465	-	-	-	-	1,369,465
Travel and tourism	-	-	-	-	-	-	1,041,754
Public safety	340,420	-	-	-	744,786	-	1,630,866
Unassigned	-	-	-	(1,054)	-	(28,909)	(29,963)
Total fund balances	<u>340,420</u>	<u>1,376,135</u>	<u>290,524</u>	<u>-</u>	<u>744,786</u>	<u>-</u>	<u>6,530,696</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 340,420</u>	<u>\$ 1,376,135</u>	<u>\$ 891,644</u>	<u>\$ 18,643</u>	<u>\$ 744,786</u>	<u>\$ 36,685</u>	<u>\$ 7,312,141</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, 2021

	Representative Payee Fund	Travel and Tourism Fund	Property Revaluation Fund	Emergency Telephone System Fund	Drug Forfeitures Fund
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Occupancy taxes	-	928,541	-	-	-
Restricted intergovernmental revenues	728,563	20,750	-	-	69,508
E911 surcharge	-	-	-	579,741	-
Investment earnings	-	898	354	631	724
Miscellaneous revenues	-	-	-	-	-
Total revenues	<u>728,563</u>	<u>950,189</u>	<u>354</u>	<u>580,372</u>	<u>70,232</u>
Expenditures:					
Current:					
General government	-	-	41,077	-	-
Public safety	-	-	-	505,414	531,476
Economic and physical development	-	768,162	-	-	-
Cultural and recreational	581,444	-	-	-	-
Total expenditures	<u>581,444</u>	<u>768,162</u>	<u>41,077</u>	<u>505,414</u>	<u>531,476</u>
Revenues over (under) expenditures	147,119	182,027	(40,723)	74,958	(461,244)
Other Financing Sources (Uses):					
Transfers in/out	-	6,648	250,000	-	-
Net change in fund balances	<u>147,119</u>	<u>188,675</u>	<u>209,277</u>	<u>74,958</u>	<u>(461,244)</u>
Fund Balances:					
Beginning of year - July 1	-	1,006,924	377,866	998,275	1,006,904
Restatement	230,077	-	-	-	-
Beginning of year - restated	<u>230,077</u>	<u>1,006,924</u>	<u>377,866</u>	<u>998,275</u>	<u>1,006,904</u>
End of year - June 30	<u>\$ 377,196</u>	<u>\$ 1,195,599</u>	<u>\$ 587,143</u>	<u>\$ 1,073,233</u>	<u>\$ 545,660</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, 2021

	Controlled Substance Abuse Tax Fund	Parking Fee Fund	Fire Districts Fund	Deed of Trust Fund	Civil Process Fund	Fines and Forfeitures Fund	Total
Revenues:							
Ad valorem taxes	\$ -	\$ -	\$ 5,518,048	\$ -	\$ -	\$ -	\$ 5,518,048
Occupancy taxes	-	-	-	-	-	-	928,541
Restricted intergovernmental revenues	68,530	-	-	-	-	667,331	1,554,682
E911 surcharge	-	-	-	-	-	-	579,741
Investment earnings	203	826	654	-	-	-	4,290
Miscellaneous revenues	-	189,710	487	196,229	119,319	-	505,745
Total revenues	<u>68,733</u>	<u>190,536</u>	<u>5,519,189</u>	<u>196,229</u>	<u>119,319</u>	<u>667,331</u>	<u>9,091,047</u>
Expenditures:							
Current:							
General government	-	63,331	-	196,229	-	-	300,637
Public safety	1,713	-	5,804,462	-	234,075	667,331	7,744,471
Economic and physical development	-	-	-	-	-	-	768,162
Cultural and recreational	-	-	-	-	-	-	581,444
Total expenditures	<u>1,713</u>	<u>63,331</u>	<u>5,804,462</u>	<u>196,229</u>	<u>234,075</u>	<u>667,331</u>	<u>9,394,714</u>
Revenues over (under) expenditures	67,020	127,205	(285,273)	-	(114,756)	-	(303,667)
Other Financing Sources (Uses):							
Transfers in/out	-	-	-	-	-	-	256,648
Net change in fund balances	<u>67,020</u>	<u>127,205</u>	<u>(285,273)</u>	<u>-</u>	<u>(114,756)</u>	<u>-</u>	<u>(47,019)</u>
Fund Balances:							
Beginning of year - July 1	273,400	1,248,930	575,797	-	-	-	5,488,096
Restatement	-	-	-	-	859,542	-	1,089,619
Beginning of year - restated	<u>273,400</u>	<u>1,248,930</u>	<u>575,797</u>	<u>-</u>	<u>859,542</u>	<u>-</u>	<u>6,577,715</u>
End of year - June 30	<u>\$ 340,420</u>	<u>\$ 1,376,135</u>	<u>\$ 290,524</u>	<u>\$ -</u>	<u>\$ 744,786</u>	<u>\$ -</u>	<u>\$ 6,530,696</u>

GASTON COUNTY, NORTH CAROLINA

REPRESENTATIVE PAYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues	\$ 750,000	\$ 728,563	\$ (21,437)	\$ -
Expenditures:				
General Government:				
Payee operating	<u>750,000</u>	<u>581,444</u>	<u>168,556</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>147,119</u>	<u>\$ 147,119</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
Restatement		<u>230,077</u>		<u>-</u>
Beginning of year - restated		<u>230,077</u>		<u>-</u>
End of year - June 30		<u>\$ 377,196</u>		<u>\$ -</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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Occupancy tax	\$ 826,174	\$ 928,541	\$ 102,367	\$ 753,807
Restricted intergovernmental revenues	20,750	20,750	-	-
Investment earnings	-	898	898	21,975
Miscellaneous revenue	40,000	-	(40,000)	6,300
Total revenues	886,924	950,189	63,265	782,082
Expenditures:				
Economic and physical development:				
Salaries and employee benefits	334,012	333,988	24	275,822
Operating expenditures	559,560	434,174	125,386	588,255
Total expenditures	893,572	768,162	125,410	864,077
Revenues over (under) expenditures	(6,648)	182,027	188,675	(81,995)
Other Financing Sources (Uses):				
Transfer from General Fund	6,648	6,648	-	(262,096)
Net change in fund balance	\$ -	188,675	\$ 188,675	(344,091)
Fund Balance:				
Beginning of year - July 1		1,006,924		1,351,015
End of year - June 30		\$ 1,195,599		\$ 1,006,924

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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ 354	\$ 354	\$ 3,320
Expenditures:				
General government:				
Operating expenditures	<u>250,000</u>	<u>41,077</u>	<u>208,923</u>	<u>47,847</u>
Revenues over (under) expenditures	(250,000)	(40,723)	209,277	(44,527)
Other Financing Sources (Uses):				
Transfers from General Fund	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>210,000</u>
Net change in fund balance	<u>\$ -</u>	<u>209,277</u>	<u>\$ 209,277</u>	<u>165,473</u>
Fund Balance:				
Beginning of year - July 1		<u>377,866</u>		<u>212,393</u>
End of year - June 30		<u>\$ 587,143</u>		<u>\$ 377,866</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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
E911 surcharge	\$ 637,961	\$ 579,741	\$ (58,220)	\$ 698,276
Investment earnings	-	631	631	8,327
Total revenues	<u>637,961</u>	<u>580,372</u>	<u>(57,589)</u>	<u>706,603</u>
Expenditures:				
Public safety:				
Operating expenditures	719,451	505,414	214,037	428,575
Principal retirement	-	-	-	1,329,670
Total expenditures	<u>719,451</u>	<u>505,414</u>	<u>214,037</u>	<u>1,758,245</u>
Revenues over (under) expenditures	(81,490)	74,958	156,448	(1,051,642)
Other Financing Sources (Uses):				
Appropriated fund balance	<u>81,490</u>	-	<u>(81,490)</u>	-
Net change in fund balance	<u>\$ -</u>	74,958	<u>\$ 74,958</u>	(1,051,642)
Fund Balance:				
Beginning of year - July 1		<u>998,275</u>		<u>2,049,917</u>
End of year - June 30		<u>\$ 1,073,233</u>		<u>\$ 998,275</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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenue - police	\$ -	\$ 69,508	\$ 69,508	\$ 8,275
Investment earnings	130	724	594	14,083
Total revenues	<u>130</u>	<u>70,232</u>	<u>70,102</u>	<u>22,358</u>
Expenditures:				
Public safety:				
Operating expenditures - police	537,493	531,476	6,017	85,408
Operating expenditures - sheriff	<u>40</u>	<u>-</u>	<u>40</u>	<u>-</u>
Total expenditures	<u>537,533</u>	<u>531,476</u>	<u>6,057</u>	<u>85,408</u>
Revenues over (under) expenditures	(537,403)	(461,244)	76,159	(63,050)
Other Financing Sources (Uses):				
Fund balance appropriated	<u>537,403</u>	<u>-</u>	<u>(537,403)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(461,244)</u>	<u>\$ (461,244)</u>	<u>(63,050)</u>
Fund Balance:				
Beginning of year - July 1		<u>1,006,904</u>		<u>1,069,954</u>
End of year - June 30		<u>\$ 545,660</u>		<u>\$ 1,006,904</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, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Controlled substance tax - police	\$ -	\$ 60,294	\$ 60,294	\$ 55,546
Controlled substance tax - sheriff	-	8,236	8,236	7,884
Investment earnings	48	203	155	3,278
Total revenues	48	68,733	68,685	66,708
Expenditures:				
Public safety:				
Operating expenditures - police	13,948	1,713	12,235	9,446
Operating expenditures - sheriff	23	-	23	-
Total expenditures	13,971	1,713	12,258	9,446
Revenues over (under) expenditures	(13,923)	67,020	80,943	57,262
Other Financing Sources (Uses):				
Fund balance appropriated	13,923	-	(13,923)	-
Net change in fund balance	\$ -	67,020	\$ 67,020	57,262
Fund Balance:				
Beginning of year - July 1		273,400		216,138
End of year - June 30		\$ 340,420		\$ 273,400

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Parking fees collected	\$ 82,626	\$ 189,710	\$ 107,084	\$ 150,595
Investment earnings	-	826	826	10,838
Total revenues	<u>82,626</u>	<u>190,536</u>	<u>107,910</u>	<u>161,433</u>
Expenditures:				
General Government:				
Salaries and employee benefits	46,751	40,299	6,452	41,625
Operating expenditures	34,300	23,032	11,268	16,297
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total expenditures	<u>86,051</u>	<u>63,331</u>	<u>22,720</u>	<u>57,922</u>
Revenues over (under) expenditures	(3,425)	127,205	130,630	103,511
Other Financing Sources (Uses):				
Fund balance appropriated	<u>3,425</u>	<u>-</u>	<u>(3,425)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>127,205</u>	<u>\$ 127,205</u>	<u>103,511</u>
Fund Balance:				
Beginning of year - July 1		<u>1,248,930</u>		<u>1,145,419</u>
End of year - June 30		<u>\$ 1,376,135</u>		<u>\$ 1,248,930</u>

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, 2021****WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020**

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes:				
Taxes	\$ 5,321,640	\$ 5,481,407	\$ 159,767	\$ 5,256,152
Penalties and interest	-	36,641	36,641	27,928
Investment earnings	-	654	654	5,299
Miscellaneous revenue	-	487	487	-
Total revenues	<u>5,321,640</u>	<u>5,519,189</u>	<u>197,549</u>	<u>5,289,379</u>
Expenditures:				
Public safety:				
Operating expenditures	<u>5,804,527</u>	<u>5,804,462</u>	<u>65</u>	<u>5,845,139</u>
Revenues over (under) expenditures	(482,887)	(285,273)	197,614	(555,760)
Other Financing Sources (Uses):				
Fund balance appropriated	<u>482,887</u>	<u>-</u>	<u>(482,887)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(285,273)</u>	<u>\$ (285,273)</u>	<u>(555,760)</u>
Fund Balance:				
Beginning of year - July 1		<u>575,797</u>		<u>1,131,557</u>
End of year - June 30		<u>\$ 290,524</u>		<u>\$ 575,797</u>

GASTON COUNTY, NORTH CAROLINA**DEED OF TRUST****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2021****WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Miscellaneous revenues	\$ 196,953	\$ 196,229	\$ (724)	\$ -
Expenditures:				
General Government:				
Fines and penalties	<u>196,953</u>	<u>196,229</u>	<u>724</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

GASTON COUNTY, NORTH CAROLINA

CIVIL PROCESS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Miscellaneous revenues	\$ 119,315	\$ 119,319	\$ 4	\$ -
Expenditures:				
Salaries and employee benefits	234,075	234,075	-	-
Revenues over (under) expenditures	(114,760)	(114,756)	4	-
Other Financing Sources (Uses):				
Fund balance appropriated	114,760	-	(114,760)	-
Net change in fund balance	\$ -	(114,756)	\$ (114,756)	-
Fund Balance:				
Beginning of year - July 1		-		-
Restatement		859,542		-
Beginning of year - restated		859,542		-
End of year - June 30		\$ 744,786		\$ -

GASTON COUNTY, NORTH CAROLINA**FINES AND FORFEITURES FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2021****WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ 585,807	\$ 667,331	\$ 81,524	\$ -
Expenditures:				
General government:				
Fees and penalties	<u>585,807</u>	<u>667,331</u>	<u>(81,524)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

GASTON COUNTY, NC
FY 2021 ANNUAL COMPREHENSIVE
FINANCIAL REPORT

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, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	2021			2020
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Landfill charges	\$ 8,602,328	\$ 9,634,659	\$ 1,032,331	\$ 9,076,553
Other operating revenues	446,250	670,423	224,173	615,195
Restricted intergovernmental	20,000	20,000	-	-
Energy charges	2,052,923	2,257,366	204,443	2,449,523
Total operating revenues	11,121,501	12,582,448	1,460,947	12,141,271
Investment Earnings	-	9,057	9,057	146,945
Total revenues	11,121,501	12,591,505	1,470,004	12,288,216
Expenditures:				
Landfill Department:				
Salaries and employee benefits	2,122,179	1,889,402	232,777	1,954,309
Professional services	390,000	388,211	1,789	371,854
Operating expenditures	3,676,151	1,724,160	1,951,991	2,784,597
Capital outlay	19,004,789	8,916,409	10,088,380	1,454,892
Renewable Energy Department:				
Salaries and employee benefits	219,494	219,045	449	225,195
Professional services	20,000	14,250	5,750	13,800
Operating expenditures	1,361,155	1,224,733	136,422	923,476
Capital outlay	939,918	6,020	933,898	15,439
Total operating expenditures	27,733,686	14,382,230	13,351,456	7,743,562
Debt Service Payments	849,965	501,907	348,058	911,201
Total expenditures	28,583,651	14,884,137	13,699,514	8,654,763
Revenues over (under) expenditures	(17,462,150)	(2,292,632)	15,169,518	3,633,453
Other Financing Sources (Uses):				
Proceeds from capital lease	884,161	884,161	-	-
Fund balance appropriated	16,577,989	-	(16,577,989)	-
Total other financing sources (uses)	17,462,150	884,161	(16,577,989)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (1,408,471)	\$ (1,408,471)	\$ 3,633,453

GASTON COUNTY, NORTH CAROLINA

SOLID WASTE FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL - (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2020

	<u>2021</u>		<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Actual</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (1,408,471)	
Reconciling Items:			
(Increase) decrease in accrued vacation payable		(60,855)	
(Increase) decrease in accrual landfill closure and post-closure care		(573,646)	
(Increase) decrease in net pension liability		(170,124)	
Change in deferred outflows - pension		69,653	
Change in deferred inflows - pension		(2,480)	
Change in deferred outflows - OPEB		106,219	
Change in deferred inflows - OPEB		66,958	
Principal payments		492,771	
Proceeds from capital lease		(884,161)	
(Increase) decrease in OPEB liability		(191,177)	
Capital outlay capitalized		7,993,796	
Depreciation		<u>(1,438,586)</u>	
Change in net position		<u>\$ 3,115,736</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, 2021

	2021		
	Financial Plan	Actual	Variance Over/Under
Revenues:			
Charges for services:			
Health insurance	\$ 21,748,130	\$ 21,758,364	\$ 10,234
Dental insurance	348,615	725,598	376,983
Life insurance	316,000	454,525	138,525
Total charges for services	<u>22,412,745</u>	<u>22,938,487</u>	<u>525,742</u>
Investment earnings	<u>-</u>	<u>12,549</u>	<u>12,549</u>
Total revenues	<u>22,412,745</u>	<u>22,951,036</u>	<u>538,291</u>
Expenditures:			
Other operating expenditures:			
Benefits paid:			
Health insurance	19,022,253	15,985,984	3,036,269
Dental insurance	610,163	650,923	(40,760)
Life insurance	480,000	524,473	(44,473)
Administrative costs:			
Health insurance	3,314,390	4,087,193	(772,803)
Dental insurance	43,450	47,747	(4,297)
Professional services	27,840	27,745	95
Total other operating expenditures	<u>23,498,096</u>	<u>21,324,065</u>	<u>2,174,031</u>
Revenues over (under) expenditures	<u>(1,085,351)</u>	<u>1,626,971</u>	<u>2,712,322</u>
Other Financing Sources (Uses):			
Fund balance appropriated	4,875,584	-	(4,875,584)
Transfers out - General Fund	(3,790,233)	(3,790,233)	-
Total other financing sources (uses)	<u>1,085,351</u>	<u>(3,790,233)</u>	<u>(4,875,584)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(2,163,262)</u>	<u>\$ (2,163,262)</u>
Net Position:			
Beginning of year - July 1		<u>19,279,021</u>	
End of year - June 30		<u>\$ 17,115,759</u>	

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CUSTODIAL FUNDS

Custodial 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

- **Municipality Tax Custodial 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.

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GASTON COUNTY, NORTH CAROLINA**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS****JUNE 30, 2021**

	Municipality Tax Custodial Fund	Sheriff Inmate Custodial Fund	Total
Assets:			
Cash and cash equivalents	\$ 712	355,299	\$ 356,011
Receivable for others, net	134,223	-	134,223
Total assets	134,935	355,299	490,234
Liabilities:			
Accounts payable and accrued liabilities	712	-	712
Net Position:			
Restricted For:			
Individuals, organizations, and other governments	134,223	355,299	489,522
Total net position	<u>\$ 134,223</u>	<u>\$ 355,299</u>	<u>\$ 489,522</u>

GASTON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Municipality Tax Custodial Fund	Sheriff Inmate Custodial Fund	Total
Additions:			
Collections for other governments	\$ 73,451,133	\$ -	\$ 73,451,133
Collections on behalf of inmates	-	1,663,657	1,663,657
Total additions	<u>73,451,133</u>	<u>1,663,657</u>	<u>75,114,790</u>
Deductions:			
Tax distributions to other governments	73,415,717	-	73,415,717
Payments on behalf of inmates	-	1,555,076	1,555,076
Total deductions	<u>73,415,717</u>	<u>1,555,076</u>	<u>74,970,793</u>
Net increase (decrease) in fiduciary net position	<u>35,416</u>	<u>108,581</u>	<u>143,997</u>
Net position, beginning of year	-	-	-
Prior period restatement - change in accounting principle	98,807	246,718	345,525
Net position, beginning, as restated	<u>98,807</u>	<u>246,718</u>	<u>345,525</u>
Net position, end of year	<u>\$ 134,223</u>	<u>\$ 355,299</u>	<u>\$ 489,522</u>

OTHER SUPPLEMENTAL SCHEDULES

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GASTON COUNTY, NORTH CAROLINA**SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2021**

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 170,971,588	\$ 169,413,769	\$ 1,557,819
2019-2020	2,359,204	63,198	1,610,076	812,326
2018-2019	696,196	51,944	272,837	475,303
2017-2018	544,679	33,516	158,004	420,191
2016-2017	391,772	18	84,954	306,836
2015-2016	319,304	-	61,864	257,440
2014-2015	333,382	-	61,161	272,221
2013-2014	278,896	-	40,432	238,464
2012-2013	223,687	-	31,520	192,167
2011-2012	208,519	-	21,266	187,253
2010-2011	211,847	-	19,187	192,660
2009-2010	200,393	1,202	14,414	187,181
Total	<u>\$ 5,767,879</u>	<u>\$ 171,121,466</u>	<u>\$ 171,789,484</u>	<u>5,099,861</u>

Less: Allowance for uncollectible ad valorem taxes receivable:

General Fund (4,000,000)Ad valorem taxes receivable, net \$ 1,099,861**Reconciliation with Revenues:**

General Fund	\$ 172,048,613
Penalties and interest collected current year	(453,377)
Releases	532,917
Interest on prior years' delinquent taxes	(418,173)
Miscellaneous adjustment	76,042
Amount written off per Statute of Limitations	<u>3,462</u>

Total collections and credits \$ 171,789,484

GASTON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT PROPERTY TAX LEVY - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 20,513,942,169	\$ 0.0083	\$ 170,265,720	\$ 152,244,821	\$ 18,020,899
Penalties	-		436,575	287,720	148,855
Total	20,513,942,169		170,702,295	152,532,541	18,169,754
Discoveries:					
Current year taxes	60,272,518		500,262	500,262	-
Adjusted Prepays	1,847,831		15,337	15,337	-
Penalties	6,046,747		50,188	50,188	-
Total	68,167,096		565,787	565,787	-
Abatements					
Current year taxes	(34,886,699)		(289,560)	(289,560)	-
Penalties	(835,422)		(6,934)	(6,934)	-
Total	(35,722,121)		(296,494)	(296,494)	-
Total property valuation	\$ 20,546,387,144				
Net Levy			170,971,588	152,801,834	18,169,754
Uncollected taxes at June 30, 2021 (General Fund)			1,557,819	1,557,819	-
Current Year Taxes Collected			\$ 169,413,769	\$ 151,244,015	\$ 18,169,754
Current Levy Collection Percentage			99.09%	98.98%	100.00%
Prior Year Levy Collection Percentage			99.11%	98.99%	100.00%

GASTON COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2021****Secondary Market Disclosures:****Assessed Valuation:**

Assessment ratio		<u>100.00%</u>
Real and personal property	\$	17,431,210,503
Tag and tax vehicles		2,171,192,627
Public service companies		<u>943,984,014</u>
Total assessed valuation	\$	<u>20,546,387,144</u>
Tax rate per \$100		0.0083
Levy (includes discoveries, releases, and abatements, excludes penalties)	\$	<u>170,971,588</u>

GASTON COUNTY, NORTH CAROLINA

SCHEDULE OF THE TEN LARGEST TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2021

Taxpayer	Type of Business	2021 Assessed Valuation	Percentage of Total Assessed Valuation
Duke Energy Carolinas LLC	Electric Utility	\$ 593,774,093	2.89%
Daimler Trucks North America	Manufacturing	179,346,264	0.87%
Triangle Real Estate Gaston Inc	Real Estate	95,747,126	0.69%
Public Service Co. of NC, Inc.	Natural Gas Co.	95,747,126	0.47%
Owens Corning Non-Woven	Manufacturing	89,371,315	0.43%
FMC Lithium USA Corp FMC Chemical Plant	Manufacturing	87,796,949	0.43%
Southwood Realty Company	Real Estate	70,874,850	0.34%
Georgia Pacific Mt. Holly	Manufacturing	55,169,651	0.27%
Firestone Fibers & Textiles	Manufacturing	51,578,115	0.25%
Mann + Hummel Filtration Tech US	Manufacturing	45,508,091	0.22%
Total		<u>\$ 1,364,913,580</u>	<u>6.87%</u>

STATISTICAL SECTION

This part of the Annual Comprehensive 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>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>	<u>2021</u>
Government activities										
Net investment in capital assets	\$ 65,519,776	\$ 14,034,292	\$ 51,070,843	\$ 55,545,813	\$ 71,461,891	\$ 72,933,525	\$ 72,946,461	\$ 67,300,111	\$ 78,593,203	\$ 72,265,228
Restricted	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	57,797,261
Unrestricted	(139,950,135)	(79,277,715)	(103,919,075)	(82,292,573)	(95,007,944)	(99,008,303)	(160,435,574)	(181,349,359)	(152,166,113)	(113,098,805)
Total governmental activities net position	\$ (5,777,786)	\$ (15,308,178)	\$ 668,693	\$ 23,930,850	\$ 28,487,753	\$ 9,050,864	\$ (42,916,998)	\$ (36,737,753)	\$ (26,821,187)	\$ 16,963,684
Business-type activities										
Net investment in capital assets	\$ 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	\$ 29,635,797
Unrestricted	(5,966,825)	(5,774,553)	(4,595,614)	(4,361,654)	(2,085,745)	(2,645,334)	(702,062)	959,248	1,863,279	(1,184,805)
Total business-type activities net position	\$ 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	\$ 28,450,992
Primary government										
Net investment in capital assets	\$ 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	\$ 101,901,025
Restricted	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	57,797,261
Unrestricted	(145,916,960)	(85,052,268)	(108,514,689)	(86,654,227)	(97,093,689)	(101,653,637)	(161,137,636)	(180,390,111)	(150,302,834)	(114,283,610)
Total primary government net position	\$ 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)	\$ 45,414,676

Gaston County

Changes in Net Position

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<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>	<u>2021</u>
Expenses										
Governmental activities:										
General government	\$ 24,739,786	\$ 24,874,384	\$ 25,154,391	\$ 27,552,105	\$ 28,558,125	\$ 28,494,793	\$ 32,021,171	\$ 24,654,945	\$ 35,595,530	\$ 37,683,711
Public safety	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	74,710,903
Environmental protection	65,307	63,277	49,390	83,892	64,799	82,563	80,459	54,555	100,204	35,496
Economic and physical development	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	20,506,642
Human services	58,297,624	59,523,625	58,608,554	58,060,108	62,370,891	63,926,904	56,430,359	57,901,271	61,986,901	62,817,313
Cultural and recreation	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	7,828,226
Education	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	78,112,936
Debt service - interest and fees	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	6,909,340
Total governmental activities expenses	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	288,604,567
Business-type activities:										
Solid Waste	6,506,491	6,562,494	5,668,250	7,399,385	8,001,750	8,722,360	9,422,597	9,097,588	11,257,256	9,475,769
Total primary government expenses	\$ 252,706,891	\$ 238,583,329	\$ 221,666,130	\$ 228,430,143	\$ 243,614,294	\$ 271,601,038	\$ 262,692,034	\$ 273,358,118	\$ 297,824,416	\$ 298,080,336
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 6,159,375
Public safety	11,923,948	11,024,350	12,480,569	13,026,981	13,199,535	13,669,409	15,053,195	18,847,526	15,709,718	18,993,234
Environmental protection	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	3,711,079
Economic and physical development	1,407,436	2,371,692	2,338,859	1,754,027	378,454	940,616	421,410	1,824	26,824	2,455,852
Human Services	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	7,829,923
Cultural and recreation	178,660	172,997	206,058	193,471	215,113	260,552	246,616	231,254	183,668	169,952
Operating grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	667,331
Public safety	76,964	201,534	112,236	545,193	1,109,440	48,618	116,893	81,807	71,705	138,038
Environmental protection	-	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	-	20,750
Human Services	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	32,669,305
Cultural and recreation	380,384	-	-	-	-	-	-	-	-	728,563
Capital grants and contributions:										
General government	582,954	1,064,113	456,718	420,403	402,209	812,010	645,239	516,253	4,902,786	18,047,937
Economic and physical development	1,300,426	1,960,160	1,214,550	328,042	109,938	656,980	264,649	624,881	-	-
Human Services	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	-	-	-	-	-	-	-	-	-	4,002,821
Education	2,186,383	3,317,510	2,093,005	2,056,824	2,369,350	1,980,336	2,120,880	2,242,658	2,364,600	-
Total governmental activities program revenues	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	95,593,160
Business-type activities:										
Charges for services:										
Solid Waste	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	12,562,448
Operating grants and contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	20,000
Capital grants and contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	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	12,582,448
Total primary government program revenues	\$ 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	\$ 108,175,608

Gaston County

Changes in Net Position

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>	<u>2020</u>	<u>2021</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (193,011,407)
Business-type activities	2,207,806	1,218,895	1,910,531	1,273,915	2,241,680	2,379,526	1,684,318	2,903,910	884,015	3,106,679
Total primary government net expense	\$ (176,625,287)	\$ (164,848,762)	\$ (152,667,584)	\$ (137,391,342)	\$ (167,598,322)	\$ (191,658,758)	\$ (186,275,491)	\$ (187,965,174)	\$ (215,520,742)	\$ (189,904,728)

General Revenues and Other Changes in Net Position

Governmental activities:

Ad valorem taxes	\$ 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	\$ 176,874,990
Sales tax	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	56,623,399
Real estate transfer taxes	435,024	523,720	650,651	724,130	1,803,998	1,710,358	2,120,723	7,544,708	10,441,771	2,988,156
Hotel occupancy tax	-	-	-	-	-	-	-	-	-	-
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-
Unrestricted governmental revenue	-	-	-	-	-	-	-	-	-	-
Investment earnings	234,974	157,900	180,311	166,921	357,894	906,903	1,734,305	3,338,776	2,776,089	79,656
Transfers	-	-	-	-	-	(366,730)	(462,698)	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
Total governmental activities	153,520,462	156,637,265	170,554,986	170,836,227	174,396,905	181,632,561	188,617,573	201,825,863	226,321,323	236,566,201

Business-type activities:

Investment earnings	4,241	4,426	6,415	6,436	12,847	44,490	131,598	141,003	146,945	9,057
Transfers	-	-	-	-	-	366,730	462,698	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
Total governmental activities	4,241	4,426	6,415	6,436	12,847	411,220	594,296	141,003	146,945	9,057
Total primary government	\$ 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	\$ 236,575,258

Change in Net Position

Governmental activities	\$ (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	\$ 43,554,794
Business-type activities	2,212,047	1,223,321	1,916,946	1,280,351	2,254,527	2,790,746	2,278,614	3,044,913	1,030,960	3,115,736
Total primary government	\$ (23,100,584)	\$ (8,307,071)	\$ 17,893,817	\$ 33,451,321	\$ 6,811,430	\$ (9,614,977)	\$ 2,936,378	\$ 14,001,692	\$ 10,947,526	\$ 46,670,530

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

	<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>	<u>2021</u>
General Fund										
Nonspendable	\$ 135,955	\$ 107,875	\$ 213,014	\$ 234,324	\$ 258,057	\$ 359,525	\$ 830,609	\$ 547,329	\$ 381,137	\$ 356,936
Restricted	17,511,819	18,351,235	22,184,319	24,349,723	24,810,036	24,832,155	28,249,790	32,955,914	25,362,832	32,869,158
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	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	21,427,155
Unassigned	15,928,520	16,904,079	16,699,313	29,619,149	15,486,470	12,638,808	2,450,356	4,884,062	6,828,242	19,386,039
Total General Fund	\$ 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	\$ 74,039,288
All Other Governmental Funds										
Nonspendable	\$ -	\$ 2,945	\$ 2,073	\$ 369	\$ 18,067	\$ 54,571	\$ 88,687	\$ 16,363	\$ 41,367	\$ 55,287
Restricted	51,140,754	31,584,010	31,332,606	26,327,887	70,014,957	36,244,219	24,624,826	108,726,287	71,487,974	36,841,927
Committed	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	28,579,939
Assigned	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	63,931,394
Unassigned	-	-	-	-	-	-	-	-	-	(29,963)
Total all other governmental funds	\$ 69,709,130	\$ 48,745,880	\$ 51,687,220	\$ 54,135,245	\$ 112,454,376	\$ 84,011,327	\$ 73,192,889	\$ 158,571,112	\$ 123,256,971	\$ 129,378,584

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

	<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>	<u>2021</u>
Revenues										
Ad valorem taxes	\$ 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	\$ 177,566,661
Other taxes and licenses	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	59,611,555
Unrestricted governmental revenues	-	-	-	-	-	-	-	-	-	-
Restricted intergovernmental revenues	35,365,206	35,947,180	34,350,428	35,948,393	37,354,507	36,921,808	29,330,886	32,146,584	36,121,395	56,352,948
Fees, licenses and permits	2,097,073	2,530,360	2,599,136	3,363,174	3,933,473	4,227,840	4,614,578	6,526,808	6,484,384	9,889,809
Sales and services	20,607,371	19,030,953	17,621,320	18,497,802	18,239,812	18,559,984	22,560,970	23,283,237	19,980,373	19,845,793
E911 surcharge	1,115,633	797,563	695,543	729,724	714,921	734,975	736,000	760,571	698,276	579,741
Investment earnings	220,676	133,760	155,547	150,420	332,737	838,903	3,112,370	3,112,370	2,577,553	67,107
Miscellaneous revenues	5,676,124	5,430,410	5,102,956	24,139,339	3,130,389	4,288,594	3,931,473	2,328,043	2,636,773	5,256,719
Total revenues	219,278,118	220,446,302	232,825,710	255,460,092	238,237,922	247,097,481	250,314,109	267,208,574	291,336,651	329,170,333
Expenditures										
General government	22,561,773	23,467,884	23,965,459	25,227,484	26,299,804	26,805,601	30,290,301	31,726,839	34,322,360	38,505,544
Public safety	53,465,283	55,756,864	56,497,044	58,366,090	60,586,898	63,057,252	65,452,881	84,276,206	75,182,323	74,652,785
Environmental protection	65,307	63,277	49,390	83,892	64,799	60,916	81,533	65,385	69,718	0
Economic and physical development	4,001,812	3,492,907	3,422,972	3,457,506	4,192,734	4,568,532	4,417,548	4,496,983	4,393,547	4,470,307
Human services	58,013,720	58,648,954	58,547,080	58,703,124	61,931,748	61,589,102	56,434,756	57,772,654	59,251,335	59,708,312
Cultural and recreational	5,177,382	4,988,208	5,141,154	5,235,321	5,384,033	5,548,764	5,819,668	5,902,072	6,064,538	6,884,869
Education	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	57,240,267
Capital outlay	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	36,781,478
Debt service:										
Principal retirement	15,247,451	16,126,511	16,605,222	16,981,256	17,133,085	19,714,275	78,023,256	19,410,727	35,948,139	23,263,916
Interest and fees	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	9,596,392
Total expenditures	256,018,512	243,981,777	230,413,531	236,259,754	249,784,607	279,902,658	334,029,898	296,975,871	330,480,988	311,103,870
Excess of revenues over (under) expenditures	(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)	18,066,463
Other Financing Sources (Uses)										
Installment purchase contracts issued	1,093,812	2,098,645	2,956,264	1,713,854	2,610,233	-	3,459,164	15,886,553	1,099,727	1,958,436
Refunding bonds issued	7,338,000	58,855,000	-	-	5,020,000	-	59,182,000	-	-	50,145,000
Bonds issued	-	-	-	-	50,025,000	1,861,715	6,000,000	60,000,000	-	-
Limited obligation bonds	-	-	-	-	-	-	-	26,785,000	-	-
Capital contribution	-	-	-	-	-	-	-	-	-	1,710,881
Clean water state revolving loan issued	6,007,742	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	(6,700,000)	(68,937,600)	-	-	(5,308,094)	-	-	8,506,758	-	(60,192,495)
Bond premium	-	10,473,662	-	-	5,637,189	-	-	-	-	10,371,875
Transfers in	36,095,158	34,705,245	41,087,190	51,381,592	54,099,440	43,198,890	45,580,119	43,617,299	64,543,253	110,919,703
Transfers out	(37,936,190)	(34,705,245)	(41,087,190)	(49,927,276)	(54,096,440)	(43,565,620)	(45,277,048)	(42,009,299)	(62,935,253)	(107,129,470)
Total other financing sources (uses)	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	7,783,930
Net change in fund balances	\$ (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)	\$ 25,850,393
Debt service as a percentage of noncapital expenditures	10.35%	10.89%	11.24%	10.91%	10.35%	9.19%	26.22%	9.41%	14.92%	29.39%

* Increase in Debt Services 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
2012	11,758,531,818	1,098,972,159	684,047,832	13,459,222,470	\$ 0.8350	103.22%	13,039,355,232
2013	11,885,496,431	1,135,502,234	712,961,046	13,606,995,098	\$ 0.8350	110.02%	12,367,746,862
2014	12,022,852,325	1,155,826,213	740,469,518	13,781,792,162	\$ 0.8700	105.80%	13,026,268,584
2015	11,849,164,221	1,200,100,637	644,166,799	13,867,119,761	\$ 0.8700	108.41%	12,791,365,890
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%	14,762,331,311
2018	14,063,126,530	1,584,208,673	789,707,392	16,437,042,595	\$ 0.8700	86.34%	19,037,575,394
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	99.05%	19,934,654,623
2021	17,431,210,503	2,171,192,627	943,984,014	20,546,387,144	\$ 0.8300	99.04%	20,745,544,370

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>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>	<u>2021</u>
County Direct Rate										
General *	0.8350	0.8350	0.8700	0.8700	0.8700	0.8700	0.8700	0.8700	0.8400	0.8300
City Rates										
Belmont	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.5150	0.5150	0.5150
Bessemer City	0.4300	0.4300	0.4300	0.4300	0.4300	0.4500	0.4500	0.4700	0.4500	0.4500
Cherryville	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.5200
Gastonia	0.5200	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5200	0.5200
Kings Mountain	0.4000	0.4000	0.4000	0.4000	0.4000	0.4300	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	0.4850	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	0.4000	0.4000	0.4000	0.4000	0.4200
High Shoals	0.3030	0.3130	0.3070	0.3070	0.3070	0.3070	0.3070	0.3070	0.3060	0.3800
Lowell	0.4000	0.4000	0.4000	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4900
McAdenville	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3300	0.3300	0.3300	0.3300
Ranlo	0.2910	0.2860	0.2860	0.2860	0.3160	0.3260	0.3160	0.3160	0.3120	0.5000
Spencer Mountain	0.1300	N/A	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

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

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>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>	<u>2021</u>
Fire District Rates										
Agriculture Center	0.0600	0.0630	0.0630	0.0630	0.0630	0.0730	0.0730	0.0730	0.0920	0.0112
Alexis	0.0850	0.0850	0.0850	0.0850	0.0900	0.0900	0.0950	0.0950	0.0790	0.0990
Chapel Grove	0.0750	0.0950	0.0950	0.0950	0.1050	0.1050	0.1050	0.1050	0.0930	0.0930
Chestnut Ridge	0.0730	0.0730	0.0800	0.0800	0.0840	0.0840	0.0840	0.0950	0.0810	0.1010
Community	0.0930	0.0930	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200	0.0990	0.1190
Crouse	0.0740	0.0740	0.0740	0.0740	0.0740	0.0740	0.0740	0.0860	0.0690	0.0750
East Gaston	0.0740	0.0840	0.0840	0.0840	0.0840	0.0840	0.0840	0.0840	0.0720	0.0920
High Shoals	0.0970	0.0970	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030	0.1040	0.1040
Hughs Pond	0.1010	0.1010	0.1010	0.1010	0.1010	0.1010	0.1100	0.1100	0.1050	0.1050
Long Shoals	0.0970	0.0970	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030	0.1040	0.1040
Lowell	0.0500	0.0500	0.0500	0.0500	0.0500	0.0740	0.0740	0.0740	0.0680	0.0680
Lucia-Riverbend	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1100	0.1140	0.0930	0.1130
New Hope	0.0700	0.0800	0.0800	0.0800	0.0880	0.0880	0.0880	0.1000	0.0840	0.0970
Ranlo	0.0790	0.0840	0.0840	0.0840	0.0840	0.0740	0.0840	0.0840	0.0880	0.0910
South Gastonia	0.0750	0.0950	0.0950	0.0950	0.1050	0.1050	0.1050	0.1050	0.0930	0.0930
South Point	0.0540	0.0640	0.0640	0.0640	0.0640	0.0500	0.0400	0.0400	0.0360	0.0500
Spencer Mountain	0.0620	0.0700	0.0700	0.0700	0.0800	0.0800	0.0800	0.0800	0.0930	0.1030
Tryonota	0.0730	0.0730	0.0800	0.0800	0.0840	0.0840	0.0840	0.0950	0.0810	0.1010
Union Road	0.0670	0.0670	0.0670	0.0670	0.0770	0.0770	0.0770	0.0770	0.0650	0.0760
Waco	0.0730	0.0730	0.0730	0.0730	0.0730	0.0730	0.0950	0.0950	0.0810	0.0950
Special Taxing Rates										
Gastonia York-Chester District	0.5200	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5200	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.

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

	Fiscal Year 2021			Fiscal Year 2012		
	Assessed Value	Rank	Percentage of Total Assessed Valuation	Assessed Value	Rank	Percentage of Total Assessed Valuation
Taxpayer						
Duke Energy Carolinas LLC	\$ 593,774,093	1	2.9%	\$ 434,574,340	1	2.9%
Daimler Trucks North America	179,346,264	2	0.9%	82,433,260	2	0.6%
Triangle Real Estate Gaston Inc.	142,131,190	3	0.7%	60,574,305	5	0.4%
Public Service Company of NC, Inc.	95,747,126	4	0.5%	70,687,341	3	0.5%
Owens Corning Non-Woven	89,371,315	5	0.4%	-	-	-
FMC Lithium USA Corporation	87,796,949	6	0.4%	47,865,974	7	0.3%
Southwood Realty Company	70,874,850	7	0.3%	34,443,012	9	0.2%
Georgia-Pacific LLC	55,169,651	8	0.3%	-	-	-
Firestone Fibers & Textiles	51,578,115	9	0.3%	-	-	-
Mann + Hummel Filtration Tech US	45,508,091	10	0.2%	-	-	-
Rutherford EMC	-	-	-	34,403,963	10	0.2%
AT&T (formerly BellSouth Telephone)	-	-	-	62,739,817	4	0.4%
Pharr Yarns	-	-	-	48,879,634	6	0.3%
Dole Food Company	-	-	-	37,749,384	8	0.3%
Total	\$ 1,614,343,839		7.86%	\$ 914,351,030		6.10%

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
2012	123,490,459	119,665,752	96.90%	3,637,454	123,303,206	99.85%
2013	125,234,084	121,338,719	96.89%	3,703,199	125,041,918	99.85%
2014	127,281,287	124,586,719	97.88%	3,680,947	127,042,822	99.81%
2015	121,177,992	119,432,901	98.56%	1,472,870	120,905,771	99.78%
2016	120,282,146	118,722,082	98.70%	1,302,624	120,024,706	99.79%
2017	123,779,768	122,235,040	98.75%	1,241,145	123,476,185	99.75%
2018	127,701,957	126,229,056	98.85%	1,088,745	127,317,801	99.70%
2019	130,421,455	129,174,313	99.04%	831,179	130,005,492	99.68%
2020	166,281,606	163,922,402	98.58%	1,610,076	165,532,478	99.55%
2021	170,971,588	169,413,769	99.09%	-	169,413,769	99.09%

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			
2012	223,792,514	-	223,792,514	3.10%	1.72%	1,074.29
2013	207,119,648	-	207,119,648	2.81%	1.67%	989.28
2014	193,470,690	-	193,470,690	2.52%	1.49%	920.43
2015	178,203,288	-	178,203,288	2.22%	1.39%	839.80
2016	213,575,436	-	213,575,436	2.58%	1.51%	992.13
2017	195,722,876	-	195,722,876	2.23%	1.33%	895.98
2018	186,341,784	-	186,341,784	2.08%	0.98%	843.15
2019	269,601,609	-	269,601,609	2.89%	1.55%	1,210.37
2020	234,753,198	-	234,753,198	*	1.18%	1,048.75
2021	203,400,222	-	203,400,222	*	0.98%	892.33

* Information not yet available.

Notes:

- (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	General Obligation Bonds	Certificates of Participation	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
			Capital Leases	Installment Purchases	Unamortized Premium	State Revolving Loan	Capital Leases	Installment Purchases					
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	3.18%	1,104		
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	3.03%	1,064		
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	2.71%	987		
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	2.38%	899		
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%	1,071		
2017	185,044,000	-	3,679,317	1,507,933	12,946,062	5,491,626	435,014	2,277,315	211,381,267	2.41%	968		
2018	176,575,000	-	4,641,266	-	11,872,005	5,125,518	611,101	1,655,833	200,480,723	2.24%	907		
2019	220,130,000	-	17,927,200	26,785,000	19,304,706	4,759,409	284,003	954,306	290,144,624	3.11%	1,303		
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		
2021	172,647,000	-	3,031,030	23,695,000	25,525,362	4,027,192	811,319	-	229,736,903	*	1,008		

* Information not yet available.

Notes:

(a) See "Demographic and Economic Statistics" schedule for personal income and population figures.

**Gaston County
Legal Debt Margin Information
Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value of Property	\$ 13,459,222,470	\$ 13,606,995,098	\$ 13,781,792,162	\$ 13,867,119,761	\$ 13,808,052,961	\$ 15,943,317,816	\$ 16,437,042,595	\$ 16,855,932,097	\$ 19,745,275,404	\$ 20,546,387,144
Debt Limit, 8% of Assessed Value (Statutory Limitation)	1,076,737,798	1,088,559,608	1,102,543,373	1,109,369,581	1,104,644,237	1,275,465,425	1,314,963,408	1,348,474,568	1,579,622,032	1,643,710,972
Amount of Debt Applicable to Limit										
General Obligation Bonds	200,543,000	185,848,000	173,782,000	161,684,000	199,590,000	185,044,000	176,575,000	220,130,000	200,411,000	172,647,000
Certificates of Participation	7,270,000	5,935,000	4,545,000	3,095,000	1,580,000	-	-	-	-	-
Other Debt	15,979,514	15,336,648	15,143,690	13,424,288	12,405,436	10,678,876	9,766,784	49,471,609	34,342,198	31,564,541
	223,792,514	207,119,648	193,470,690	178,203,288	213,575,436	195,722,876	186,341,784	269,601,609	234,753,198	204,211,541
Less: Resources Restricted to Paying Principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	223,792,514	207,119,648	193,470,690	178,203,288	213,575,436	195,722,876	186,341,784	269,601,609	234,753,198	204,211,541
Legal Debt Margin	\$ 852,945,284	\$ 881,439,960	\$ 909,072,683	\$ 931,166,293	\$ 891,068,801	\$ 1,079,742,549	\$ 1,128,621,624	\$ 1,078,872,959	\$ 1,344,868,834	\$ 1,439,499,431
Total net debt applicable to the limit as a percentage of debt limit	20.78%	19.03%	17.55%	16.06%	19.33%	15.35%	14.17%	19.99%	14.86%	12.42%

Gaston County
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	2020 Population** (a)	Personal Income*** (b) (thousands of dollars)	Per Capita Personal Income*** (b)	Public School Enrollment**** (c)	Private School Enrollment**** (d)	Unemployment Rate** (e)
2012	208,317	7,229,042	34,771	31,666	2,188	10.5%
2013	209,364	7,361,901	35,189	31,780	2,212	9.0%
2014	210,195	7,666,726	36,414	31,059	2,215	6.8%
2015	212,197	8,014,752	37,642	32,316	2,129	6.0%
2016	215,269	8,285,523	38,249	32,333	2,081	5.3%
2017	218,445	8,781,087	39,977	32,371	2,195	4.6%
2018	221,006	8,944,138	40,175	32,630	2,290	4.0%
2019	222,744	9,319,266	41,506	31,966	2,220	3.9%
2020	223,842	*	*	31,545	2,129	8.0%
2021	227,943	*	*	30,619	2,148	*

* Information is not yet available.

Sources:

- (a) North Carolina Office of State Budget and Management (OSBM), State Demographer's Office. All estimates are as of July 1 of estimate year except as noted.
- (b) US Department of Commerce, Bureau of Economic Analysis (BEA).
- (c) North Carolina Department of Public Instruction (NC DPI).
- (d) North Carolina Department of Administration (DOA), Division of Non-Public Education.
- (e) US Department of Labor, US Bureau of Labor Statistics (BLS), Annual Average.

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

	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Caromont Health (A Corp)	1000+	1	-	1000+	2	-
Gaston County Schools	1000+	2	-	1000+	1	-
Freightliner Corp	1000+	3	-	1000+	5	-
County Of Gaston	1000+	4	-	1000+	3	-
Wal-Mart Associates Inc.	1000+	5	-	1000+	4	-
Mann+hummel	1000+	6	-	-	-	-
American & Efird Llc	1000+	7	-	1000+	7	-
Food Lion	500-999	8	-	-	-	-
City Of Gastonia	500-999	9	-	500-999	9	-
Bud Antle Inc	500-999	10	-	-	-	-
Wix Filtration Corporation	-	-	-	1000+	6	-
Pharr Yarns	-	-	-	1000+	8	-
Gaston College	-	-	-	500-999	10	-

Source: Gaston County Economic Development Commission

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

<u>Function / Program</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>	<u>2021</u>
General Government	200	201	202	205	205	205	207	207	207	218
Public Safety	580	585	585	604	606	615	636	636	642	666
Economic and Physical Development	31	32	32	32	29	29	21	21	23	25
Human Services	576	579	579	594	594	594	600	600	604	619
Cultural and Recreational	55	52	52	51	53	53	54	54	54	56
Solid Waste / Landfill	26	26	26	26	25	27	28	28	28	28
Total	1,468	1,475	1,476	1,512	1,512	1,523	1,546	1,546	1,558	1,612

Sources: County budget department and individual county departments.

Gaston County
Operating Indicators by Function,
Last Ten Fiscal Years

<u>Function / Program</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>	<u>2021</u>
General Government										
Access										
Passenger trips	124,560	116,889	138,261	133,970	122,114	116,462	107,393	67,899	44,576	34,691
Service Miles	1,027,741	688,063	629,095	586,000	608,850	494,053	489,725	538,619	467,688	289,819
Commissioners / Clerk to the Board										
Number of Contracts	548	540	488	475	586	552	563	632	593	617
Number of Minutes	280	279	386	334	273	255	301	362	320	354
Human Resources										
Number of applications processed	9,550	7,409	11,039	10,668	10,219	8,362	10,238	7,532	7,221	5,699
Information Technology										
Number of service request / trouble tickets	9,289	8,481	10,978	10,086	10,616	7,217	7,082	6,583	4,055	5,857
Public Works										
Number of vehicle work orders processed / completed	2,955	2,938	2,898	3,107	2,886	3,217	2,974	3,139	2,937	2,916
Number of non-vehicle work orders requested / completed	8,126	8,536	7,182	9,644	8,991	6,768	8,590	9,162	6,902	8,516
Register of Deeds										
Vital records issued (birth, death, marriage)	23,498	22,360	26,121	23,715	23,445	25,516	25,709	27,493	25,613	30,324
Instruments recorded	29,608	24,367	25,797	21,665	22,628	32,745	23,549	23,287	39,253	48,603
(deeds, deeds of trust, corporations, etc.)										
Notary oaths administered	611	619	746	582	704	667	734	741	562	778
Tax										
Business audits	93	107	102	97	140	195	195	131	175	181
Registered vehicles processed	176,315	174,279	258,360	184,200	182,000	193,886	193,974	193,224	192,592	204,569
Public Safety										
Animal Control										
Number of calls	21,345	19,722	18,863	13,327	15,879	16,100	15,864	17,558	15,349	16,565
Adoptions (rescue group placement & owner reclaims)	4,368	3,880	4,112	3,347	2,788	2,783	2,757	2,529	1,797	2,541
Building Inspections										
Inspections conducted	29,057	30,153	31,950	38,228	24,917	27,170	35,217	37,914	36,582	43,211
Residential permits issued	2,969	2,832	3,145	1,959	1,042	1,430	1,551	1,514	1,708	2,457
Commercial and other non-residential permits issued	1,220	1,295	1,172	1,393	281	437	221	240	277	292
Electrical permits issued	1,526	1,562	1,736	1,798	2,686	2,131	2,612	3,086	1,758	1,675
Mechanical permits issued	1,348	1,422	1,655	1,581	2,351	1,557	1,681	1,483	1,079	1,169
Plumbing permits issued	620	665	706	700	1,209	472	848	612	380	379
County Police										
UCR Part I Crimes	1,576	1,582	1,402	1,326	1,423	1,412	1,418	1,182	1,311	1,352
Emergency Management										
Emergency calls	21	18	19	12	14	14	5	15	***	11
(hazardous material spills, missing persons, complaints, etc)										
Presentations / programs conducted	18	10	11	11	7	12	*	4	***	4
Exercises conducted or attended	20	9	12	12	13	5	3	7	***	56
Formal plans developed, reviewed, updated or adopted	23	24	21	18	15	19	*	12	***	25
Emergency Medical Services										
Emergency calls for service	33,986	40,460	42,895	44,429	46,233	46,401	39,812	30,895	37,028	41,438
Non-emergency calls for service	1,915	1,248	1,541	1,879	2,005	2,313	3,253	2,757	3,708	5,667
Number of dispatches	32,068	38,019	38,709	46,308	51,093	51,978	48,128	35,499	51,917	61,006
Number of transports	17,531	19,435	18,749	17,752	16,638	17,544	17,424	12,790	18,513	21,105

Gaston County
Operating Indicators by Function,
Last Ten Fiscal Years

<u>Function / Program</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>	<u>2021</u>
Public Safety (continued)										
Fire Marshal										
Inspections	954	1,024	1,196	941	1,164	1,057	1,595	1,771	***	796
Investigations / Incidents	141	194	160	211	166	196	175	161	***	153
Fire investigation K9 Callouts	2	4	0	-	0	0	0	0	***	0
Fire Education Classes Taught	15	11	9	11	784	14	9	13	***	1
Rescue Squads										
Number of dispatches	38,509	39,930	38,709	38,222	40,235	37,463	34,999	27,492	36,845	29,835
Number of transports	11,322	10,400	18,749	11,693	11,985	10,914	10,438	7,719	10,213	7,659
Sheriff										
Average monthly jail population	525	498	509	497	502	574	632	658	587	559
Number of civil papers served	18,991	19,602	23,597	23,554	23,664	16,338	17,930	17,726	30,751	18,520
Number of criminal papers served	5,611	5,550	5,874	4,575	5,236	3,383	4,405	5,059	3,580	1,614
Number of weapon permits issued	5,349	10,854	5,462	6,096	11,424	7,988	8,306	10,727	15,171	21,164
Number of court cases scheduled	156,567	154,487	139,645	130,248	136,580	158,322	144,421	180,762	160,430	110,462
Telecommunications										
Number of 911 calls	138,123	131,937	127,903	137,645	150,571	143,247	123,510	132,864	139,885	148,072
Economic and Physical Development										
Cooperative Extension Service										
Structured teaching activities	441	454	416	445	393	410	422	397	352	315
Volunteer Hours	15,153	14,817	14,858	14,950	14,215	13,875	14,320	14,350	11,887	10,325
Natural Resources										
Number of people served (clients)	14,614	15,403	11,688	15,177	13,378	12,855	12,298	12,835	12,116	9,811
Number of technical services provided	18,326	19,120	13,969	16,875	16,144	21,724	20,534	21,712	18,667	18,560
Number of acres affected	8,199	6,284	4,951	7,936	7,005	8,162	6,751	7,008	8,250	14,885
Planning / Land Use										
Zoning permits issued	436	378	392	410	575	541	525	565	*	542
Site plans for commercial/industrial reviewed	15	8	13	17	20	17	14	11	4	17
Subdivisions submitted	0	1	1	-	1	0	2	4	4	9
Minimum Housing Inspections	28	18	23	21	16	24	49	*		74
Travel and Tourism										
Overnight Stays	332,091	339,040	336,452	357,753	392,766	383,211	*	*	*	*
Visits to Visitors Center	5,996	5,289	4,845	4,486	4,619	4,200	*	*	*	*
Visitor's Guide Printed and Distributed	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	27,906
Total Website Visitation	*	*	*	*	121,458	124,339	191,894	191,894	71,453	74,907
Total Weekend Hotel Demand	*	*	*	*	113,226	111,450	109,703	109,703	103,692	123,063

Gaston County
Operating Indicators by Function,
Last Ten Fiscal Years

<u>Function / Program</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>	<u>2021</u>
Human Services										
Health										
*** Number of patient visits	70,641	82,698	73,331	64,312	76,571	61,544	56,321	50,856	40,167	28,867
Onsite Wastewater Permits issued	713	712	872	872	731	983	1,039	1,358	1,766	1,911
Well permits issued	125	145	103	138	121	167	167	196	205	268
Food and Lodging Inspections performed	2,615	2,601	2,693	2,290	2,140	2,572	2,672	1,884	2,367	2,434
Social Services										
** Medicaid cases	392,696	399,296	384,017	383,628	383,628	40,106	39,481	38,858	37,892	42,683
** Medicaid recipients	518,206	527,741	524,760	524,496	524,496	63,469	65,945	68,156	52,319	62,558
** Food and nutrition services cases	246,287	254,292	254,952	256,868	245,756	16,591	15,487	15,219	15,919	19,370
** Food and nutrition services recipients	504,857	528,780	522,468	520,569	498,432	36,697	34,510	33,933	33,676	39,096
** Children in DSS custody	2,438	2,346	2,532	3,278	3,360	345	346	349	324	365
Cultural and Recreation										
Art and History Museum										
Museum Visits	3,255	4,238	3,930	4,039	4,399	3,620	2,821	2,792	2,134	574
Program Attendance	13,027	15,537	16,143	23,164	19,622	19,105	21,025	19,350	13,817	2,616
Social Media Engagement	*	*	*	*	*	*	*	*	51,285	242,331
Virtual Engagement	*	*	*	*	*	*	*	*	13,305	29,509
Exhibits	14	16	19	18	16	17	15	15	9	9
Cultural and Recreation (continued)										
Library										
Library Visits (Door Count)	535,418	501,992	476,873	486,111	530,498	575,420	567,500	536,541	385,113	139,777
Circulation - Books	699,645	671,221	636,764	666,939	750,487	717,366	679,201	628,314	480,141	306,512
Circulation - Audio/visuals	179,843	168,433	163,775	193,037	237,577	230,605	210,201	200,023	145,591	60,952
Circulation - e-resources	77,777	88,683	108,210	185,833	124,084	202,202	206,631	214,494	198,968	248,002
Library Programs	1,366	1,442	1,783	2,991	6,339	5,683	5,590	6,331	4,296	1,630
Program Attendance	43,042	46,911	53,146	77,031	111,078	131,471	146,040	174,720	128,063	69,546
Public computer users	118,733	125,575	133,651	168,562	206,382	168,552	156,276	142,989	102,208	30,370
Cultural and Recreation (continued)										
Parks and recreation										
Park reservations	4,674	4,733	9,258	9,175	8,908	6,338	3,963	4,290	3,652	4,970
Scheduled park attendance	405,802	395,028	684,067	793,048	885,164	603,206	591,684	422,195	177,031	195,518
Senior Center										
Program Attendance	35,450	36,603	38,010	40,108	41,895	45,383	46,101	44,766	28,537	8,897
Senior Center visits	31,558	33,907	35,987	39,167	42,534	46,408	47,893	47,052	29,691	9,078
Solid Waste / Landfill										
Waste tonnage disposed	227,839	177,742	189,845	222,587	250,065	281,841	260,385	274,770	279,224	286,879
Recycling tonnage	5,861	3,113	2,298	1,688	2,484	2,929	2,467	2,122	1,339	2,300

Sources: Individual County departments.

Note: Indicators are not available for Environmental Protection.

* Information is not available.

** 2017-2019 is reported in monthly averages.

*** Department did not submit indicators.

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

<u>Function / Program</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>	<u>2021</u>
Public Safety										
Sheriff										
Jail capacity *	584	584	584	584	584	584	584	584	584	664
Economic and Physical Development										
Economic Development Commission										
Business park acreage available for purchase:										
Gastonia Technology Park	204.7	199.85	132.82	117.81	117.81	117.81	117.81	117.81	117.81	104.35
Summit Crossing	35	21.08	21.08	16.86	16.86	16.86	16.86	16.86	16.86	16.86
South Ridge Business Park	50	50	50	25.26	25.26	25.26	25.26	11.86	11.86	11.86
Apple Creek Corporate Center**	0	0	0	0	0	0	0	326.58	326.58	269.65
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	562	562
Undeveloped	150	150	150	150	150	150	150	150	100	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 Corporate Center was purchased in 2018.

COMPLIANCE SECTION

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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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 22, 2021.

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
November 22, 2021

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Report on Compliance for Each Major Federal Program; and 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, 2021. 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.

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, 2021.

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.

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 noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

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
November 22, 2021

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Report on Compliance for Each Major State Program; and 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, 2021. 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, 2021.

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.

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, noncompliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. 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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
November 22, 2021

GASTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

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? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X 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)?

_____ Yes X No

Identification of major federal programs:

Program Title

AL#

Medicaid Cluster	93.778
COVID-19 Coronavirus Relief Funding	21.019
SNAP Cluster	10.561
Low-Income Home Energy Assistance	93.568
Workforce Innovation and Opportunity Act Cluster	17.258, 17.259, 17.278
Social Services Block Grant	93.667
Crime Victims Assistance	16.575

GASTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Auditor's Results (continued)

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

\$1,227,059

Auditee qualified as low-risk auditee?

_____ Yes X No

State Awards

Internal control over major state programs:

• Material weakness(es) identified?

_____ Yes X No

• Significant deficiency(ies) identified?

_____ Yes X 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?

_____ Yes X No

Identification of major state programs:

Medicaid Cluster
Public School Building Capital Fund
Juvenile Crime Prevention Programs
Social Services Block Grant

2. Financial Statements Findings

None.

3. Federal Award Findings and Questioned Costs

None in current year.

4. State Award Findings and Questioned Costs

None in current year.

GASTON COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

Finding: **2020-001**

Status: Corrected.

Finding: **2020-002**

Status: Corrected.

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing 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	205NC406S2514 / 215NC406S2514	\$ 2,056,928	\$ -	\$ -	\$ 2,056,928
Total SNAP Cluster			<u>2,056,928</u>	<u>-</u>	<u>-</u>	<u>2,056,928</u>
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	843,099	-	-	-
Total U.S. Department of Agriculture			<u>2,900,027</u>	<u>-</u>	<u>-</u>	<u>2,056,928</u>
<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	28,134	-	28,134	-
Twenty-First Century Community Learning Centers	84.287	S287C180033	245,269	-	245,269	-
Total U.S. Department of Education			<u>273,403</u>	<u>-</u>	<u>273,403</u>	<u>-</u>
<u>U. S. Department of Health and Human Services</u>						
Passed-through Centralina Council of Governments:						
Administration for Community Living:						
<u>Aging Cluster:</u>						
Special Programs for the Aging - TITLE III B Grants for Supportive Services and Senior Centers	93.044	AANCT3SS	287,650	364,036	-	-
Special Programs for the Aging - TITLE III B Grants for Supportive Services and Senior Centers (CARES)	93.044		50,461	-	-	-
Special Programs for the Aging - TITLE III C Nutrition Services	93.045	AANCT3CM/AACT3HD	280,039	169,977	-	-
Special Programs for the Aging - TITLE III C Nutrition Services (CARES)	93.045		169,716	-	-	-
Families First Grant	93.045		152,891	-	-	-
Nutrition Services Incentive Program	93.053	19AANCNSIT	46,964	-	-	-
Total Aging Cluster			<u>987,721</u>	<u>534,013</u>	<u>-</u>	<u>-</u>
Special Programs for the Aging - TITLE III D Disease Prevention and Health Promotion Services	93.043	ANCT3PH	2,741	162	-	-
National Family Caregiver Support - Title III E	93.052	AANCT3FC	60,482	4,032	-	-
National Family Caregiver Support - Title III E (CARES)	93.052		2,345	-	-	-
<u>Administration for Children and Families</u>						
Passed-through the N. C. Department of Health and Human Services:						
<u>Affordable Care Act (ACA) Personal Responsibility Education Program</u>						
Division of Public Health:						
TPPI - PREP for Success	93.092	1901NCPREP	85,622	-	-	-
Total Affordable Care Act (ACA) Personal Responsibility Education Program			<u>85,622</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Temporary Assistance to Needy Families:</u>						
Division of Social Services:						
Temporary Assistance for Needy Families - Work First	93.558	G2001NCTANF / 2101NCTANF	2,314,554	-	-	3,389,295
Division of Public Health:						
Temporary Assistance for Needy Families - Work First	93.558	1901NCTANF/2001 NCTANF	36,449	-	-	-
Total Temporary Assistance to Needy Families			<u>2,351,003</u>	<u>-</u>	<u>-</u>	<u>3,389,295</u>
<u>Special Children Adoption Fund Cluster (Note 4):</u>						
Mary Lee Allen Promoting Safe and Stable Families	93.556	G2001NCFPCV / 2101NCFPCV	20,317	-	-	-
Mary Lee Allen Promoting Safe and Stable Families	93.556	2001NCFPSS / 2101NCFPSS	105,164	-	-	-
Total Special Children Adoption Fund Cluster			<u>125,481</u>	<u>-</u>	<u>-</u>	<u>-</u>
Child Support Enforcement - Administration	93.563	2001NCCES / 2101NCCES	1,925,555	1,574	-	990,379
<u>Refugee and Entrant Assistance Cluster (Note 4):</u>						
Refugee and Entrant Assistance State/Replacement Designee Administered Programs - Administration						
Total Refugee and Entrant Assistance Cluster	93.566	2001NCRDMA / 2101NCRDMA	1,945	-	-	-
			<u>1,945</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Low-Income Home Energy Assistance</u>						
COVID-19 - Low Income Energy Assistance Program / Administration	93.568	2101NCLIEA	58,339	-	-	-
COVID-19 - Low Income Energy Assistance Program	93.568	2101NCLIEA	332,842	-	-	-
Administration	93.568	2101NCLIEA	176,297	-	-	-
Energy Assistance Payments	93.568	2101NCLIEA	799,586	-	-	-
Crisis Intervention Program	93.568	2101NCLIEA	1,092,195	-	-	-
Total Low-Income Home Energy Assistance			<u>2,459,259</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Child Care Development Fund Cluster:</u>						
Child Care Mandatory and Match Funds of the Child Care and Development Fund	93.596	G2001NCCCDF / G2101NCCCDF	313,797	-	-	-
Total Child Care Development Fund Cluster			<u>313,797</u>	<u>-</u>	<u>-</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning	93.645	G2001NCCWSS / 2101NCCWSS	52,273	-	-	17,424
Total Stephanie Tubbs Jones Child Welfare Services Program			<u>52,273</u>	<u>-</u>	<u>-</u>	<u>17,424</u>
<u>Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 4):</u>						
Foster Care Title IV-E - Administration	93.658	2001NCFOST / 2101NCFOST	1,632,004	158,509	-	1,468,695
Foster Care Title IV-E - Direct Benefit Payments	93.658	2001NCFOST / 2101NCFOST	1,802,840	509,901	-	-
Adoption Assistance - Administration	93.659	2001NCFOST / 2101NCFOST	265,776	-	-	265,776
Adoption Assistance - Direct Benefit Payments	93.659	2001NCFOST / 2101NCFOST	2,380	1,190	-	-
Total Foster Care, Adoption, and Guardianship Assistance Program Cluster			<u>3,703,000</u>	<u>669,600</u>	<u>-</u>	<u>1,734,471</u>

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State / Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
U. S. Department of Health and Human Services(Continued)						
Mental Health, Intellectual Developmental Disabilities Development Disabilities Services Cluster (Note 4)						
Social Services Block Grant (SSBG) - Other Service and Training	93.667	G2001NCSOSR / 2101NCSOSR	833,146	-	-	255,381
Division of Aging and Adult Services:						
Social Services Block Grant (SSBG) - State In Home Service Fund	93.667	G2001NCSOSR / 2101NCSOSR	108,588	-	-	15,512
Social Services Block Grant (SSBG) - State Adult Day Care	93.667	G2001NCSOSR / 2101NCSOSR	65,291	-	-	15,077
Passed-through Centralina Council of Government:						
Social Services Block Grant (SSBG) - In Home Services	93.667	G1901NCSOSR / G2001NCSOSR	49,360	1,410	-	-
Total Mental Health, Intellectual Developmental Disabilities - Development Disabilities Services Cluster			1,056,385	1,410	-	285,970
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2001NCC1LP / 2101NC1LP	57,199	14,300	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2001NCC1LP / 2101NC1LP	22,707	-	-	-
			79,906	14,300	-	-
Passed-through the N. C. Department of Administration:						
Division of NC Council for Women:						
Family Violence Prevention and Services / Domestic Violence Shelter and Supportive Services	93.671	FVPSA	24,720	-	-	-
Division of NC Council for Women:						
Family Violence Prevention and Services / Domestic Violence Shelter and Supportive Services (CARES)	93.671	FVPSA CARES	9,947	-	-	-
Centers for Disease Control and Prevention						
Direct Program:						
Environmental Public Health & Emergency Response	93.070	1UE2EH001343-01	52,963	-	-	-
Passed-through the N. C. Department of Health and Human Services:						
<u>Division of Public Health:</u>						
COVID-19 - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.354	NU90TP922104 / 6NU90TP922104-01-01	132,228	-	-	-
Public Health Emergency Preparedness:						
Cities Readiness Initiative	93.069	NU90TP922002	54,827	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:						
Tuberculosis Control	93.116	6NU52PS910218-02-01	21	-	-	-
Tuberculosis Control	93.116	U52PS004698	29	-	-	-
Tuberculosis Control	93.116	6NU52PS910218-01-01	29	-	-	-
Total Project Grants and Cooperative Agreements for Tuberculosis Control Program			79	-	-	-
Immunization Cooperative Agreements:						
Immunization Action Plan	93.268	NH23IP922624	55,912	-	-	-
COVID 19 Vaccination	93.268	6NH23IP922624-02-02	76,784	-	-	-
COVID 19 Vaccination	93.268	6NH23IP922624-02-05	41,056	-	-	-
Flu Vaccine Expansion	93.268	6NH23IP922624-01-01	622	-	-	-
Total Immunization Cooperative Agreements			174,374	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6NU50CK000530-01-04	191,167	-	-	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response						
Health Crisis Response:						
COVID 19 Crisis Response	93.354	NU90TP922104	121,161	-	-	-
COVID 19 Crisis Response	93.354	6NU9TP922104-01-01	11,067	-	-	-
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response			132,228	-	-	-
Preventive Health and Health Services Block Grant	93.991	1NB01OT009251-01-00	26,958	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5NU58DP006281-04	27,000	-	-	-
<u>HIV Cluster:</u>						
HIV Prevention Activities - Health Department Based	93.940	NU62PS924527	28,000	-	-	-
Total HIV Cluster			28,000	-	-	-
Centers for Medicare and Medicaid Services						
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-MAP20 / XIX-MAP21	4,947,147	13,324	-	1,811,502
Total Medicaid Cluster			4,947,147	13,324	-	1,811,502
<u>Division of Social Services:</u>						
Children's Health Insurance Program - Administration	93.767	CHIP20 / CHIP21	121,364	2,479	-	20,914
Health Resources and Service Administration						
Passed-through the N. C. Department of Health and Human Services:						
<u>Division of Public Health:</u>						
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X01M26336	429,496	-	-	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC32561	23,225	17,421	-	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC40152	1,960	1,470	-	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC28117	63,762	-	-	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC29320	8,215	-	-	-
Total Maternal and Child Health Services Block Grant			97,162	18,891	-	-
<u>Office of Assistant Secretary for Health</u>						
Passed-through the N. C. Department of Health and Human Services:						
Family Planning Services	93.217	FPHPA006400	122,639	-	-	-
Family Planning Services	93.217	5FPHPA006400-02-00	36,967	-	-	-
Total Family Planning Services			159,606	-	-	-
<u>Office of the Secretary of Health and Human Services:</u>						
Passed-through the N. C. Department of Health and Human Services:						
Passed-through the Charlotte-Mecklenburg Hospital Authority ASPR Science Preparedness and Response Grants	93.081		3,500	-	-	-
Health Resources and Services Administration						
Direct Program						
Provider Relief Fund - General and Targeted Distribution	93.498		238,127	-	-	-
Total U. S. Department of Health and Human Services			20,058,408	1,259,785	-	8,249,955

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State / Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
U. S. Department of Homeland Security						
Passed-through the N. C. Department of Public Safety: Emergency Management Performance Grants: Emergency Management Performance Grant	97.042	EMPG-2020-00009-2020035	81,253	-	-	559,367
Passed-through the N. C. Department of Public Safety: Homeland Security Grant Program	97.067	EMW-2020-SS-00023	25,000	-	-	-
Total U. S. Department of Homeland Security			106,253	-	-	559,367
U. S. Department of Housing and Urban Development						
Assistant Secretary for Community Planning and Development Passed through N. C. Department of Commerce Community Development Block Grant - State's Program	14.228	18-C-3073	19,500	-	-	-
Passed-through the N. C. Housing Finance Agency: Home Investment Partnerships Program	14.239	M15-SG370100	30,375	-	-	-
Total U. S. Department of Housing and Urban Development			49,875	-	-	-
U. S. Department of the Interior						
National Park Service						
Passed-through NC Department of Natural and Cultural Resources: Historic Preservation Fund Grants-In-Aid	15.904		9,500	-	-	-
Total U. S. Department of the Interior			9,500	-	-	-
U. S. Department of Justice						
Office of Community Oriented Policing Services						
Direct Program: Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0123	147,472	-	-	49,137
Passed-through the N.C. Department of Public Safety Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0669	20,102	-	-	-
Passed thru the Office of Juvenile Justice and Delinquency Prevention National Children's Alliance, and the Chapter Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Cente	16.758	GAST-NC-SA20-Reflections	7,000	-	-	-
Office of Justice Programs						
Direct Program: Crime Victim Assistance - Discretionary Grant	16.582	2018-V3-GX-0043	247,542	-	-	-
Crime Victim Assistance - Discretionary Grant	16.582	2019-V3-GX-0062	96,570	-	-	-
Total Crime Victim Assistance - Discretionary Grants			344,112	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0252	7,988	-	7,988	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0544	17,091	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0849	1,185	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0041	34,920	-	-	-
Total Edward Byrne Memorial Justice Assistance Grant Program			61,184	-	7,988	-
Passed-through the N. C. Department of Public Safety: Division of Governor's Crime Commission:						
Crime Victim Assistance	16.575	2018-V2-GX-0061	67,672	-	-	-
Crime Victim Assistance	16.575	2020-V2-GX-0057	84,217	-	-	-
Crime Victim Assistance	16.575	2018-V2-GX-0061	58,800	-	58,800	-
Crime Victim Assistance	16.575	2020-V2-GX-0057	104,962	-	104,962	-
Crime Victim Assistance	16.575	2018-V2-GX-0061	88,702	-	-	-
Crime Victim Assistance	16.575	2019-V2-GX-0067	114,828	-	-	-
Crime Victim Assistance	16.575	2018-V2-GX-0061	544,385	-	-	-
Crime Victim Assistance	16.575	2019-V2-GX-0067	92,769	-	-	-
Crime Victim Assistance	16.575	2019-V2-GX-0067	161,188	-	161,188	-
Crime Victim Assistance	16.575	2020-V2-GX-0057	19,500	-	-	-
Crime Victim Assistance	16.575	2019-V2-GX-0067	26,678	-	26,678	-
Crime Victim Assistance	16.575	2019-V2-GX-0067	58,380	-	-	-
Crime Victim Assistance	16.575	2020-V2-GX-0062	7,361	-	-	-
Total Crime Victim Assistance			1,429,442	-	351,628	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0041	2,000	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0052	23,524	-	-	-
Total Edward Byrne Memorial Justice Assistance Grant Program			25,524	-	-	-
Office on Violence Against Women						
Direct Program: Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2017-WH-AX-0057	108,813	-	-	-
Passed-through the N. C. Department of Public Safety: Division of Governor's Crime Commission:						
Violence Against Women Formula Grants	16.588	2020-WF-AX-0013	124,492	-	-	43,828
Violence Against Women Formula Grants	16.588	2019-WF-AX-0021	33,332	-	-	9,634
Violence Against Women Formula Grants	16.588	2020-WF-AX-0013	32,805	-	-	9,368
Violence Against Women Formula Grants	16.588	2017-WF-AX-0040	11,488	-	-	14,831
Violence Against Women Formula Grants	16.588	2019-WF-AX-0021	33,138	-	-	20,805
Total Violence Against Women Formula Grants			235,255	-	-	98,466
Total U. S. Department of Justice			2,378,904	-	359,616	147,603
U. S. Department of Labor						
Employment and Training Administration						
Passed-through the N. C. Department of Commerce: Division of Workforce Solutions: Workforce Innovation and Opportunity Act Cluster: WIOA Adult Program:	17.258					
Administration		AA-33241-19-55-A-37	2,861	-	-	-
Program Costs		AA-33241-19-55-A-37	56,920	-	-	-
Administration		AA-34786-20-55-A-37	31,735	-	-	-
Program Costs		AA-34786-20-55-A-37	406,132	-	-	-

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State / Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
WIOA Youth Activities:	17.259					
Administration		AA-33241-19-55-A-37	3,253	-	-	-
Program Costs		AA-33241-19-55-A-37	290,094	-	-	-
Administration		AA-34786-20-55-A-37	36,082	-	-	-
Program Costs		AA-34786-20-55-A-37	236,398	-	-	-
WIOA Dislocated Worker Formula Grants:	17.278					
Administration		AA-33241-19-55-A-37	2,190	-	-	-
Program Costs		AA-33241-19-55-A-37	15,589	-	-	-
Administration		AA-34786-20-55-A-37	24,297	-	-	-
Program Costs		AA-34786-20-55-A-37	338,933	-	-	-
WIOA Adult Business Services:	17.258					
Administration		AA-32191-18-55-A-37	-	-	-	-
Program Costs		AA-32191-18-55-A-37	27,143	-	-	-
WIOA Finish Line Grant:	17.258					
Program Costs		AA-33241-19-55-A-37	456	-	-	-
WIOA Infrastructure Grant	17.259					
Program Costs		AA-33241-19-55-A-37	1,349	-	-	-
Total Workforce Innovation and Opportunity Act Cluster			1,473,432	-	-	-
WIOA National Dislocated Worker Grants / WIA National Emergency Grants:	17.277					
Program Costs		DW-34695-20-60-A-37	6,109	-	-	-
Administrative Costs		DW-34695-20-60-A-37	82,180	-	-	-
Total WIOA National Dislocated Worker Grants / WIA National Emergency Grants			88,289	-	-	-
Employment Service/Wagner-Peyser Funded Activities:						
Program Costs	17.207	AA-34786-20-55-A-37	7,119	-	-	-
Total U. S. Department of Labor			1,568,840	-	-	-
U. S. Department of Transportation						
Federal Transit Administration						
Passed-through the N. C. Department of Transportation						
Public Transportation Division:						
Formula Grants for Rural Areas and Tribal Transit Program:						
5311 Coronavirus Aid, Relief and Economic Security (CARES)	20.509	NC-220-011-00 / 21-CT-008	154,289	9,641	-	-
5311 Coronavirus Aid, Relief and Economic Security (CARES)	20.509	NC-220-011-00 / 20-CA-008	473,140	-	-	-
Coronavirus Relief Vaccine Transportation	20.509	21-DH-029	562	-	-	-
Total U. S. Department of Transportation			627,991	9,641	-	-
U. S. Department of the Treasury						
Department of the Treasury						
Direct Program:						
Equitable Sharing Program	21.016		70,850	-	-	-
Direct Program						
Emergency Rental Assistance Program	21.023		567,157	-	-	-
Pass-through North Carolina Pandemic Recovery Office						
COVID-19 Coronavirus Relief Fund	21.019	HR748-116th Congress	261,184	-	-	-
COVID-19 Coronavirus Relief Fund	21.019	HR748-116th Congress	11,332,023	-	1,588,431	-
COVID-19 Coronavirus Relief Fund	21.019	HR748-116th Congress	98,916	-	-	-
COVID-19 Coronavirus Relief Fund	21.019	HR748-116th Congress	21,236	-	-	-
COVID-19 Recycling Relief Grant for Local Governments	21.019	HR748-116th Congress	20,000	-	-	4,000
Pass-through North Carolina Board of Elections						
COVID-19 Coronavirus Relief Fund	21.019	HR748-116th Congress	224,745	-	-	-
COVID-19 Coronavirus Relief Fund	21.019	HR748-116th Congress	70,000	-	-	-
Pass-through North Carolina Department of Commerce						
Pass-through Economic Development Partnership of NC						
COVID-19 Coronavirus Relief Fund - North Carolina Tourism Promotion Grant	21.019	60-00-01-01/60-00-01-02	20,750	-	-	-
Pass-through North Carolina Council for Women and Youth Involvement						
COVID-19 Coronavirus Relief Fund - COVID Relief Assistance Grant	21.019	HR748-116th Congress	56,601	-	-	-
Total COVID-19 Coronavirus Relief Fund - COVID Relief Assistance Grant			12,105,455	-	1,588,431	4,000
Total U. S. Department of the Treasury			12,743,462	-	1,588,431	4,000
Election Assistance Commission						
Passed through NC State Board of Elections:						
2018 HAVA Election Security Grants	90.404	NC20101001-036	185,294	-	-	-
Total Election Assistance Commission			185,294	-	-	-
Total Federal Awards			40,901,957	1,269,426	2,221,450	11,017,853
STATE AWARDS:						
N. C. Department of Administration						
NC Council for Women and Domestic Violence Commission:						
Displaced Homemaker Grant		56-600300		23,125	-	-
Domestic Violence Program		56-600300		46,292	-	-
Marriage License Grant		56-600300		19,819	-	-
Office of Fiscal Management:						
Veterans Services State Matching Funds		XXXX		2,084	-	340,168
Total N. C. Department of Administration				91,320	-	340,168
N. C. Department of Agriculture and Consumer Services						
Division of Soil and Water Conservation:						
N. C. Agriculture Cost Share - Technical Assistance		21-035-4010		26,880	-	26,880
Gaston County Natural Resources Conservation District -				-	-	-
Matching Funds		21-035-4010		3,600	-	108,503
Total N. C. Department of Agriculture and Consumer Services				30,480	-	135,383

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing 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		228,054	-	-
Total N. C. Department of Cultural Resources				229,004	-	-
<u>N. C. Department of Environmental Quality</u>						
Division of Waste Management:						
Electronics Management Program		XXXX		563	-	-
Total N. C. Department of Environment and Natural Resources				563	-	-
<u>N. C. Department of Health and Human Services</u>						
Children's Advocacy Centers of North Carolina:						
Children's Advocacy Centers Grant		XXXX		42,930	-	-
Total Children's Advocacy Centers of North Carolina				42,930	-	-
Division of Aging and Adult Services:						
Senior Center General Purpose		XXXX		10,465	-	2,143
Total Division of Aging and Adult Services				10,465	-	2,143
<u>N. C. Department of Health and Human Services (Continued)</u>						
Division of Public Health:						
Other Receipts / State Supported Expenditures:						
Breast and Cervical Cancer Control	1320-5599-00 / 1320-3355-04			26,325	-	-
Child Health	1271-5745-00			10,230	-	-
Evidence-Based Intervention Services	1311-4541-RR / 1311-4541-BN			68,757	-	-
Family Planning	13A1-5735-00			13,521	-	-
Food and Lodging Fees	1153-4752-SZ			33,314	-	-
General Aid to Counties	1161-4110-00			169,621	-	-
General Communicable Disease Control	1175-4510-00			56,304	-	-
Healthy Beginnings	13A1-5116-00			79,214	-	-
Healthy Community Activities	1261-5503-00			3,747	-	-
High Risk Maternity Clinics	13A1-5746-00			75,591	-	-
Maternal Health	13A1-5740-00			56,681	-	-
Mosquito & Tick Suppression	1153-4801-00			4,000	-	-
School Nurse Funding Initiative	1332-5358-00			100,000	-	-
STD Drugs	1311-4601-BN / 1311-4601-RR			1,695	-	-
TPPI - Adolescent Parenting Program	1332-5150-KZ			74,900	-	-
TPPI - Adolescent Pregnancy Prevention	1332-5166-KZ			75,197	-	-
Tuberculosis Control	1460-4551-00			37,121	-	-
Women's Health Service Fund	13A1-6020-FR			22,511	-	-
Total Division of Public Health				908,729	-	-
Division of Social Services:						
Adoption / Foster Care	WC 302			34,892	-	-
Child Protective Services - State	WC 302			107,813	-	-
Child Welfare In-Home Expansion	WC 302			111,535	-	-
Non IV-E Foster Care Extended	WC 302			93,174	-	-
Smart Start - Administration	WC 302			132,439	-	-
Special Adult Day Care	WC 302			40,246	-	5,749
APS/CPS CARE COVID 19	WC 302			276,304	-	-
State Foster Care - Direct Benefits Program:						
State Foster Care	WC 302			285,883	-	285,881
State Foster Care Maximization	WC 302			298,667	-	298,666
Foster Care At Risk	WC 302			4,209	-	641
Foster Care At Risk Maximization	WC 302			12,481	-	4,490
Foster Care Stipend	WC 302			163,400	-	-
Total Division of Social Services				1,561,043	-	595,427
Total N. C. Department of Health and Human Services				2,523,167	-	597,570
<u>N. C. Department of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds		XXXX		2,934,859	-	-
Total N. C. Department of Public Instruction				2,934,859	-	-
<u>N. C. Department of Public Safety</u>						
Division of Adult Correction and Juvenile Justice:						
Juvenile Crime Prevention Programs		XXXX		666,963	651,463	130,292
Total N. C. Department of Public Safety				666,963	651,463	130,292
<u>N. C. Housing Trust Fund</u>						
NC Housing Finance Agency						
Urgent Repair Program	URP2009			1,722	-	-
Urgent Repair Program	URP1908			81,257	-	-
Total N. C. Housing Trust Fund				82,979	-	-
<u>N. C. Judicial System</u>						
NC Human Trafficking Program		XXXX		7,646	-	-
Total N. C. Judicial System				7,646	-	-
<u>N. C. Partnership for Children</u>						
Smart Start:						
Child Care Health Consultant	3-90-5-16-001			106,195	-	-
Triple P Parenting Program	3-90-5-16-003			65,136	-	-
Total N. C. Partnership for Children				171,331	-	-
Total State Awards				-	6,738,312	651,463
Total Federal and State Awards				\$ 40,901,957	\$ 8,007,738	\$ 2,872,913
						\$ 12,221,266

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State / Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
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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, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 42S, 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 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, Adoption and Guardianship Assistance Program, Special Children Adoption Fund, Mental Health, Intellectual Developmental Disabilities - Development Disabilities Services, HIV, and the Refugee and Entrant Assistance Cluster.