## FY 2024 Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024



GASTON COUNTY Local Strengths. Global Success.

Prepared by the Gaston County Finance Department

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**GASTON COUNTY, NC** 

### GASTON COUNTY North Carolina

**ANNUAL COMPREHENSIVE FINANCIAL REPORT** 

FOR THE YEAR ENDED JUNE 30, 2024

**PREPARED BY: FINANCE DEPARTMENT** 



GASTON COUNTY		
	mprehensive Financial Report	For the Fiscal Year Ended June 30, 2024
<u>Exhibit</u>	Introductory Section	Page
	Introductory Section	
	Letter of Transmittal	i-ix
	Organizational Chart	Х
	Board of Commissioners	xi
	List of Principal Officials	xii-xiii
	2023 GFOA Certificate of Achievement	
	for Excellence in Financial Reporting	xiv
	Finance Section:	
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-15
	Basic Financial Statements:	
	Government-Wide Financial Statements:	
A.	Statement of Net Position	16-17
В.	Statement of Activities	18-19
	Fund Financial Statements:	
C.	Balance Sheet – Governmental Funds	20
D.	Reconciliation of the Balance Sheet of Governmenta	al
	Funds to the Statement of Net Position	21
E.	Statement of Revenues, Expenditures, and Changes	in
	Fund Balances – Governmental Funds	22
F.	Personsiliation of the Statement of Personues Expen	ditures and Changes
Г.	Reconciliation of the Statement of Revenues, Expen in Fund Balances Governmental Funds to the Stater	-
	In Fund balances dovernmental Funds to the State	Them of Activities 25
G.	General Fund and Annually Budgeted Major Special	Revenue Fund –
	Statement of Revenues, Expenditures, and Changes	
	Balances – Budget and Actual	24
	Chattermark of Net Do 111 - Do 11 - Do 1	
H.	Statement of Net Position – Proprietary Funds	25-26
I.	Statement of Revenues, Expenses, and Changes in	
	Fund Net Position – Proprietary Funds	27



GASTON COUNTY Annual Co	mprehensive Financial Report	For the Fiscal Year Ended June 30, 2024
<u>Exhibit</u>	Fund Financial Statements (continued):	Page
J.	Statement of Cash Flows – Proprietary Funds	28
К.	Statement of Fiduciary Net Position – Custodial Fur	nds 29
L.	Statement of Changes in Fiduciary Net Position – C	ustodial Funds 30
M.	Notes to the Financial Statements	31-90
<u>Schedule</u>		
	Required Supplementary Information:	
1-A.	Law Enforcement Officers' Special Separation Allow Schedule of Changes in Total Pension Liability Last Eight Fiscal Years	vance 91-92
1-B.	Law Enforcement Officers' Special Separation Allow Schedule of Total Pension Liability as Percentage o Last Eight Fiscal Years	
1-C.	Other Post-Employment Benefits Schedule of Changes in the Total OPEB Liability an Last Seven Fiscal Years	d Related Ratios 95-96
1-D.	County's Proportionate Share of Net Pension Liabili Local Governmental Employees' Retirement Systen Last Ten Fiscal Years	
1-E.	County's Contributions – Local Governmental Empl Last Ten Fiscal Years	oyees' Retirement System 99-100
1-F.	County's Proportionate Share of Net Pension Liabilit Register of Deeds' Supplemental Pension Fund Last Ten Fiscal Years	ty (Asset) - 101-102
1-G.	County's Contributions – Register of Deeds' Supple Last Ten Fiscal Years	mental Pension Fund 103-104
	Supplemental Financial Data:	
2.	General Fund – Schedule of Revenues, Expenditures Changes in Fund Balance – Budget and Actual	s, and 105-115
3.	Major Opioid Settlement Fund - Schedule of Reven and Changes in Fund Balance – Budget and Actual	



GASTON COUNTY Annual Con	nprehensive Financial Report	For the Fiscal Year Ended June 30, 2024
<u>Schedule</u>		Page
	Supplemental Financial Data (continued):	
4.	Major Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	117-118
5.	Major Capital Improvements Fund – Schedule of Rev Expenditures, and Changes in Fund Balance – Budget and Actual	venues, 119-122
6.	Major Community Investment Fund – Schedule of Re Expenditures, and Changes in Fund Balance – Budget and Actual	evenues, 123
	Combining and Individual Fund Statements and S	chedules:
7.	Nonmajor Special Revenue Funds – Combining Balar	nce Sheet 124-125
8.	Nonmajor Special Revenue Funds – Combining State Revenues, Expenditures, and Changes in Fund Balan	
9.	Representative Payee Fund - Schedule of Revenues, and Changes in Fund Balance – Budget and Actual	Expenditures, 128
10.	Travel and Tourism Fund - Schedule of Revenues, Ex and Changes in Fund Balance – Budget and Actual	penditures, 129
11.	Property Revaluation Fund - Schedule of Revenues, E and Changes in Fund Balance – Budget and Actual	xpenditures, 130
12.	Emergency Telephone System Fund - Schedule of Re and Changes in Fund Balance – Budget and Actual	venues, Expenditures, 131
13.	Drug Forfeitures Fund - Schedule of Revenues, Expen and Changes in Fund Balance – Budget and Actual	nditures, 132
14.	Controlled Substance Abuse Tax Fund - Schedule of I and Changes in Fund Balance – Budget and Actual	Revenues, Expenditures, 133
15.	Parking Fee Fund - Schedule of Revenues, Expenditur and Changes in Fund Balance – Budget and Actual	res, 134



Annual Cor	nprehensive Financial Report	For the Fiscal Year Ended June 30, 2024
<u>Schedule</u>	Combining and Individual Fund Statements and S	<u>Page</u> chedules (continued):
16.	Fire Districts Fund - Schedule of Revenues, Expendit and Changes in Fund Balance – Budget and Actual	ures, 135
17.	Deed of Trust Fund – Schedule of Revenues, Expend and Changes in Fund Balance – Budget and Actual	itures, 136
18.	Civil Process Fund - Schedule of Revenues, Expendit and Changes in Fund Balance – Budget and Actual	ures, 137
19.	Fines and Forfeitures Fund - Schedule of Revenues, and Changes in Fund Balance – Budget and Actual	Expenditures, 138
20.	Solid Waste Fund - Schedule of Revenues and Exper Budget and Actual – (Non-GAAP)	nditures – 139-140
21.	Self-Insurance Internal Service Fund - Schedule of Re and Changes in Net Position– Financial Plan and Ac	
22.	Combining Statement of Fiduciary Net Position – Cu	stodial Funds 142
23.	Combining Statement of Changes in Fiduciary Net P	osition – Custodial Funds 143
24.	Schedule of Ad Valorem Taxes Receivable	144
25.	Analysis of Current Property Tax Levy – General Fund	d 145
26.	Analysis of Current Tax Levy – County-Wide Levy – Secondary Market Disclosures	146
27.	Schedule of Ten Largest Taxpayers	147
	Statistical Section:	
1. 2.	Net Position by Component Changes in Net Position	148-149 150-153



Annual Comprehensive Financial Report		For the Fiscal Year Ended June 30, 2024
<u>Schedule</u>		Page
	Statistical Section (continued):	
3.	Fund Balances, Governmental Funds	154-155
4.	Changes in Fund Balances, Governmental Funds	156-157
5.	Ratios of General Bonded Debt Outstanding	158
6.	Legal Debt Margin Information	159-160
7.	Ratios of Outstanding Debt by Type	161-162
8.	Assessed Value and Actual Value of Taxable Property	163-164
9.	Direct and Overlapping Property Tax Rates	165-166
10.	Direct and Overlapping Property Tax Rates	167-168
11.	Principal Property Tax Payers	169
12.	Property Tax Levies and Collections	170
13.	Demographic and Economic Statistics	171
14.	Principal Employers	172
15.	Full-Time Equivalent Budgeted County Government	Employees by Function 173-174
16.	Operating Indicators by Function	175-178
17.	Capital Asset Statistics by Function	179-180
	Compliance Section:	
	Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial St	

Performed in Accordance with <i>Government Auditing Standards</i>	181-182
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act	183-185
Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act	186-188
Schedule of Findings, Responses, and Questioned Costs	189-193
Corrective Action Plan	194-195
Schedule of Prior Year Audit Findings	196
Schedule of Expenditures of Federal and State Awards	197-201

Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Introductory Section



**Gaston County Finance Department** 

P.O. Box 1578 · Gastonia, NC 28053-1578 · Phone (704) 866-3111 · Fax (704) 866-3518

December 4, 2024

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, 2024, with comparative numbers for the fiscal year ended June 30, 2023.

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, 2024, 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, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

The standards governing Single Audit engagement require 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 2024 population was estimated at 243,242.

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 2024 estimated population of 85,080 to the Town of High Shoals with an estimated population of 620.

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 fourlane highway that now connects two major interstate routes, I-85 in the County and Interstate Highway 40 in Catawba County. Two major railroad lines serve the County: Norfolk/Southern Railroad System, and CSX Railroad System. These railroads provide freight and limited passenger transportation to interchange points with other railroads throughout the eastern United States.

Gastonia Municipal Airport is located south of the City of Gastonia and is owned and operated by the

City of Gastonia. The facility has one lighted runway measuring 3,750 feet and one unlighted emergency runway measuring 2,500 feet. Charlotte-Douglas International Airport, west of the City of Charlotte, provides regularly scheduled airline passenger and freight service, on both a national and 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 fund 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. More than half of the County's workforce is employed in manufacturing (20%), health care and social assistance (15%), retail trade (13%), and accommodation and food service (9%). The remaining workforce is employed in a variety of industries including educational services (8%), administrative and support and waste management and remediation services (6%), construction (6%), public administration (6%), and others (17%).

Major business and institutional employers in the County include Caromont Health, Gaston County Schools, Freightliner Corporation, Gaston County government, Wal-Mart Associates Inc., Mann+hummel, and American & Efird 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 and recruit business. 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 businesses 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. The County's annual average unemployment rate as estimated by LAUS was 3.5% in October 2024, compared to 3.4% in October 2023. The economic outlook is cautiously optimistic as consumer/investor confidence consistently improves.

### LONG-TERM FINANCIAL PLANNING

The Local Government Commission (Department of State Treasurer) recommends, at a minimum, fund balance available as a percentage of General Fund expenditures of 8%. It is the County's stated goal to respect the integrity of the fund balance and use it sparingly, by maintaining a minimum unassigned fund balance of at least 15-20% of General Fund revenues at the end of each fiscal year. Where the County falls 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, 2024 is \$115,406,626, 33.44% of total expenditures and transfers-out. With the adoption of the fiscal year 2024/2025 budget, the Board of Commissioners sought to align expenditures with revenues to 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 2024/2025 budget.

### MAJOR INITIATIVES

Gaston County strives to be an organization ready to respond to short- and long-term challenges through data-driven decision-making, keen problem-solving, empathy, integrity, and an inclusive, service-oriented mindset. Below are highlighted accomplishments from across the organization by function:

### **General Government**

- Budget & Strategy developed the FY24 budget with a tax rate below revenue neutral and minimal impact to services.
- The Clerk to the Board of Commissioners collaborated with County contract processing stakeholders to develop a digital component for the centralized County contract process.
- The County Attorney's Office reviewed, negotiated, and approved 556 new contracts and 196 contract amendments.
- Communications (Public Information Office) launched *Gaston Unsolved*, started the monthly *Savvy Sounds* series, published the most *Savvy Citizen* podcasts in a single year

since launching the podcast, passed 10,000 downloads and 150 episodes on *Savvy Citizen*, winning multiple state and national awards.

- Elections successfully administered municipal elections in 13 municipalities in Gaston County with the highest voter history accuracy rate, due to improved accounting procedures for precinct workers.
- Finance led a collaboration with representatives from across the County to overhaul the County's Travel Policy, including training and implementation of the new policy and procedures.
- Human Resources implemented a new applicant tracking system.
- Information Technology implemented the ESRI Portal, which allows GIS data to be shared more freely with internal collaborators.
- Internal Audit investigated over 25 employee hotline tips and complaints since inception (April 1, 2023), collaborating with HR on complaints that were personnel related.
- Public Works is nearing completion of a comprehensive parking lot study, exploring various avenues to enhance and optimize parking facilities.
- The Gaston County MWBE/HUB program won an award for its innovative approach to increasing contract participation among minority- and women-owned businesses. Due to a lack of participation and inclusion of these businesses in Gaston County's construction contracting services, county leadership identified the primary causes and took action to address the issue effectively.
- The Register of Deeds' Real Estate Indexing is routinely completed within 24 hours of recording, far surpassing the state completion requirement of 30 days.
- The Tax Office processed 6,200 informal appeals from February to June while also processing 1,416 formal appeals from April to August. Of those 1,416 formal appeals, only 44 were appealed to the Property Tax Commission. These appeals were completed earlier than anticipated, based on the volume and staffing constraints.
- Matthew Rhoten of the County Manager's Office was recognized by UNC Charlotte as its Alumni of the Year.

### **Public Safety**

- Building and Development Services Planning Division has cleaned up and streamlined workflows for rezonings, variances, and special use permits.
- The Gaston County Housing Rehabilitation Program was awarded by the North Carolina Housing Finance Agency at the organization's NC Affordable Housing Awards in Raleigh. Gaston County's program was the first county or city entity in the 34-year history of the program to win such an award.
- By participating in Danger Assessment for Law Enforcement (DA-LE), Gaston County Police provided training, peer support, and improved coordination with other County

departments, as well as local municipalities, to identify victims at the highest risk of intimate partner homicide.

- Emergency Management & Fire Services expanded the Fire and Life-Safety Education Program to include the new All-Hazards simulator.
- GEMS expanded our Community Paramedicine program to 24/7 coverage, focusing on high-frequency utilizer reduction, opioid overdose follow-up and MAT treatment, and homebound/homeless vaccinations.
- The Sheriff's Office instituted a Jail Investigation Team responsible for reducing the number of drugs and contraband introduced into the jail facility. This team is responsible for seizing drugs with a street value of \$2.6 million.

### **Human Services**

- Community Support Services enhanced community partnerships, such as delivering services to the homeless at Mt. Zion Restoration Church and building a substance use early intervention effort with Gaston County Schools.
- GEMS and Public Health worked together to distribute more than 13,000 opioid overdose reversal kits, thanks to funding from the General Assembly. As part of that work, we are beginning to see a decline in fatal drug overdoses in the county.
- Public Health is responding to new challenges post-COVID-19 by reallocating resources to best serve our needs and patient care. Examples include additional support in business services, realignment of program areas to eliminate work silos, and a renewed focus on health priorities.
- Social Services' Work First program won the Excellence in Innovation award from the NC Association of County Commissioners for creating an all-encompassing location to provide services for the refugee population.

#### Other

- Cooperative Extension Service provided 1,767 Gaston County residents with health, food & nutrition programming and engaged 1,346 youth in school enrichment programs.
- The Economic Development Commission has two sites in the Apple Creek Corporate Center under option, one for a new industrial manufacturer, and another for a local expansion. The EDC recruited Lynddal Telecom America to the former Marlatex facility in Belmont. Lynddahl, based in Denmark, opened its first North American Production facilty in Gaston County with \$5.6 million capital investment and plans to create 54 new jobs. The EDC recruited Heyco Werk USA which announced \$12.75 million capital investment to build a 60,000 SF facility in Apple Creek and 34 new jobs. The Groundbreaking Event for Heyco and office Grand Opening for Premix, both in county-owned Apple Creek Corporate Center, were held in 2024. The EDC also supported multiple new industrial warehouse developments announced throughout the county including Pinnacle Park, Westside Logistics Center, and Kings Mountain Exchange.
- Using additional State Aid, the Gaston County Public Library replaced many nonfunctional items and made enhancements at all locations with new book drops, new shelving units, and new furniture.

- The Gaston County Museum of Art and History acquired a national-scale gift of 250 works of art from Gastonia native John T. Biggers, from the Hazel Biggers Trust, making Gaston County Museum of Art & History one of only three major collections of the artist's work in the country.
- Natural Resources' utilization of drone technology has increased the efficiency and effectiveness of sediment and erosion control site inspections.
- Parks and Recreation is celebrating the acquisition of new park properties, including South Point Access, pending Catawba Cove, and Spencer Mountain Access. These additions provide additional passive and active recreation activities to Gaston County.
- Solid Waste Services was critical in helping Cherryville with clean-up activities within regulatory requirements in the wake of the FEMA-classified disaster in Cherryville, May 2023.
- Tourism Development received multiple awards, including the National Association of Counties 2023 Achievement Award, the Black Folks Camp Too 2023 Destination Marketing Organization of the Year Award, and two North Carolina Travel Industry Association 2023 Tourism Achievement Awards: Gold for Leisure Marketing and Platinum for Convention Marketing.

In addition to these department-level operating initiatives, the County continued its merit-based salary adjustment system and 401(k) plan. These initiatives were included in the fiscal year 2023/2024 budget as well.

### DEBT

As described in the long-term financial planning section, 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. In June 2023, Moody's Investors Service upgraded the County's rating from Aa1 to Aaa. The County maintains its AA+ rating, received in April 2019, with Standard & Poor's.

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 second series of the authorized bonds were issued as Bond Anticipation Notes in July 2023 in the amount of \$80,000,000.

### INTERNAL CONTROLS

Internal controls are designed to ensure 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 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.

### 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, 2024 and the report, along with any areas of concern, are included in and available through the Finance Department.

#### **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 conducted 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, 2023, 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 details 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 financial report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Gaston County has received a Certificate of Achievement for the past 16 consecutive years. The County believes the fiscal year annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and will submit 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 competence and dedicated service, 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 meet 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.

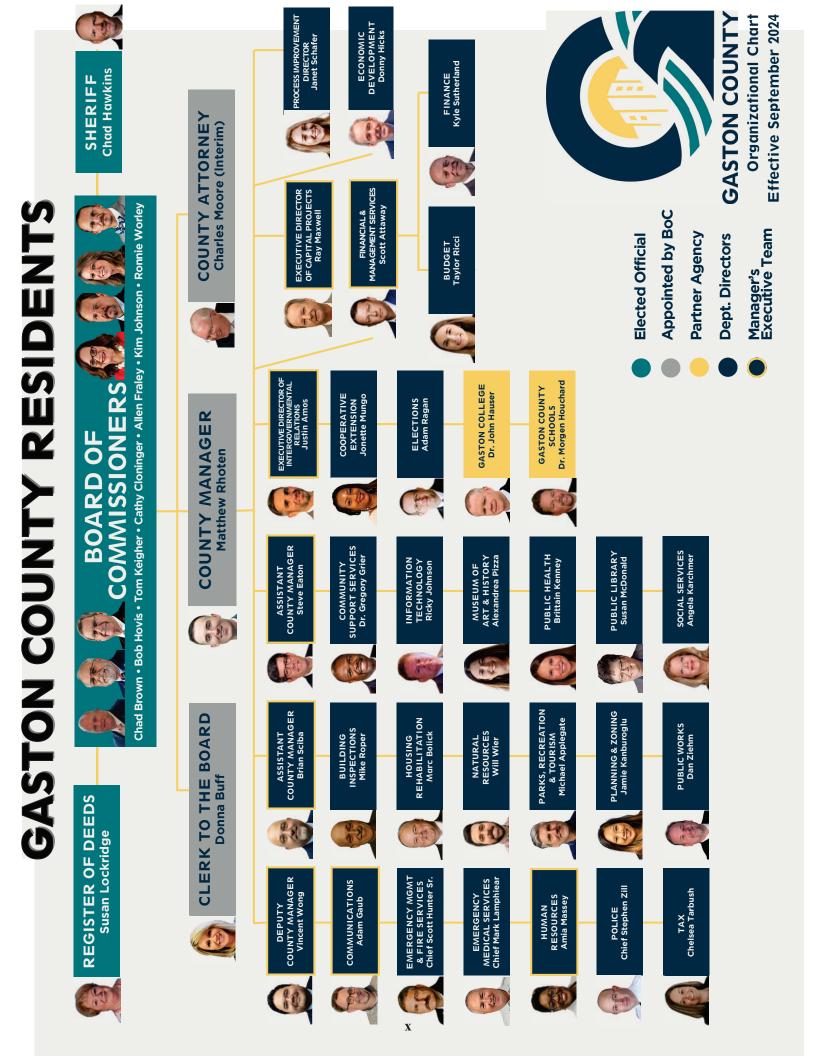
Respectfully submitted,

- K. AL

Matthew Rhoten County Manager

I lele Ju

Kyle Sutherland, CPA, CIA Finance Director



## GASTON COUNTY, NC BOARD OF COMMISSIONERS

### 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 wellbeing of residents, preserving natural resources and providing recreational, cultural, and economic opportunities that lead to global success and set the stage for future generations.



Chairman **CHAD BROWN** Riverbend Township



Vice-Chairman **BOB HOVIS** Crowders Mountain Township



CATHY CLONINGER Dallas Township



ALLEN FRALEY Cherryville Township



**KIM JOHNSON** Gastonia Township



**TOM KEIGHER** Gastonia Township



**RONNIE WORLEY** South Point Township

## Gaston County, NC **PRINCIPAL OFFICIALS**



MATTHEW RHOTEN County Manager

**CHAD HAWKINS** Sheriff

VINCENT WONG **Deputy County** 

Manager

**DONNY HICKS** 

Economic

Development

SUSAN LOCKRIDGE

**Register of Deeds** 

**STEVE EATON** Assistant County Manager

**DONNA BUFF** 

Clerk to the Board

**BRIAN SCIBA** Assistant County Manager

ADAM GAUB

Communications

JUSTIN AMOS **Executive Director** Intergovernmental Relations

### **RAY MAXWELL**

**Executive Director Capital Projects** 

SCOTT ATTAWAY Financial & Management Services

Interim **County Attorney** 

**CHARLES MOORE** 

**KYLE SUTHERLAND** Finance

**TAYLOR RICCI** Budget & Strategy

Tax

**JANET SCHAFER Process Improvement** 

AMIA MASSEY Human Resources DAN ZIEHM **Public Works** 

**RICKY JOHNSON CHELSEA TARBUSH** Information

Technology

**MARK LAMPHIEAR** Gaston Emergency Medical Services

JONETTE MUNGO **Cooperative Extension**  **County Police** 

ADAM RAGAN

Elections

**CHIEF STEPHEN ZILL** 

Emergency Management & Fire Services

**SCOTT HUNTER** 

**BRITTAIN KENNEY Public Health** 

**MICHAEL APPLEGATE** Parks, Recreation & Tourism

**DR. JOHN HAUSER** Gaston College

DR. MORGEN	
HOUCHARD	

Gaston County Schools

Community Affairs/ **Business Inclusion** 

**DAVID WILLIAMS** 

SUSAN MCDONALD Library

**ALEXANDREA PIZZA** Museum

ANGELA KARCHMER Social Services

xii

# Gaston County, NC PRINCIPAL OFFICIALS

MIKE ROPER Building Inspections DR. GREGORY GRIER Community Support Services MARC BOLICK Housing Rehabilitation WILL WIER Natural Resources JAMIE KANBUROGLU Planning & Zoning

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

### **Gaston County North Carolina**

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2023

Christophen P. Morrill

Executive Director/CEO

## Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Financial Section

## Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Independent Auditor's Report



### **Independent Auditor's Report**

To the Board of Commissioners Gaston County Gastonia, North Carolina

### **Report on the Audit of the Financial Statements**

### **Opinions**

We have audited the 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of the Change 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 Governmental 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gaston County's basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and other schedules, as well as 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual 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.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical tables but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report date December 4, 2024 on our consideration of Gaston County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 & associated, CPas, P.a.

Martin Starnes & Associates, CPAs, P.A. Hickory, North Carolina December 4, 2024

Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Management's Discussion and Analysis

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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, 2024. 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 \$182,285,493 (net position).
- The County's net position of governmental activities increased by \$17,559,859, and business-type activities increased by \$3,849,310.
- As of June 30, 2024, Gaston County's governmental funds reported combined ending fund balances of \$316,996,609, after a net increase in fund balance of \$73,493,751. Approximately 42.89% of this total amount, or \$135,944,057, is restricted or non-spendable.
- At the end of the current fiscal year, available fund balance for the General Fund was \$115,406,626, or 33.44%, 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, increased by \$62,195,119 during the current fiscal year.
- The County maintained the following bond ratings:

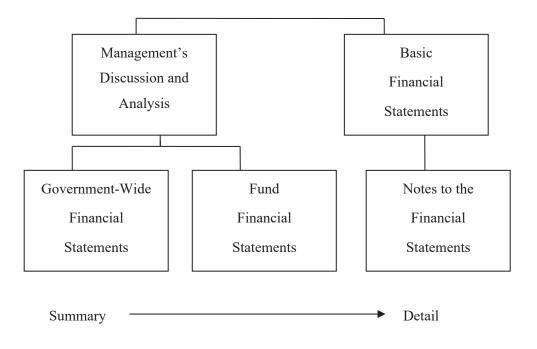
Moody's	Aaa
Standard & Poor's	AA+

#### **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 came 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 budget ary 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 91 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 \$182,285,493 as of June 30, 2024. The County's net position increased by \$21,409,169 for the fiscal year ended June 30, 2024.

The largest portion of net position in the amount of \$161,774,560 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, \$89,290,756 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$68,779,823) 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, 2024 was \$202,345,696.

#### **Gaston County's Net Position**

#### Figure 2

	Government	al Activities	Business-Ty	pe Activities	Totals			
	2024	2023	2024	2023	2024	2023		
Assets:								
Current and other assets	\$ 391,067,959	\$ 330,139,624	\$ 21,019,410	\$ 21,049,991	\$ 412,087,369	\$ 351,189,615		
Capital assets, net	172,119,103	147,923,878	38,564,875	31,704,996	210,683,978	179,628,874		
Non-current assets	19,869,016	24,335,911	181,814	186,029	20,050,830	24,521,940		
Total assets	583,056,078	502,399,413	59,766,099	52,941,016	642,822,177	555,340,429		
Deferred Outflows								
of Resources	68,873,013	57,092,589	1,189,403	965,307	70,062,416	58,057,896		
Liabilities:								
Long-term liabilities								
outstanding	299,505,267	318,472,296	21,156,082	20,571,497	320,661,349	339,043,793		
Other liabilities	198,095,937	97,745,752	5,583,107	2,851,169	203,679,044	100,596,921		
Total liabilities	497,601,204	416,218,048	26,739,189	23,422,666	524,340,393	439,640,714		
Deferred Inflows								
of Resources	6,042,418	12,548,344	216,289	332,943	6,258,707	12,881,287		
Net Position:								
Net investment in								
capital assets	123,399,568	104,066,102	38,374,992	32,309,506	161,774,560	136,375,608		
Restricted	89,290,756	78,381,072	-	-	89,290,756	78,381,072		
Unrestricted	(64,404,855)	(51,721,564)	(4,374,968)	(2,158,792)	(68,779,823)	(53,880,356)		
Total net position	\$ 148,285,469	\$ 130,725,610	\$ 34,000,024	\$ 30,150,714	\$ 182,285,493	\$ 160,876,324		

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 99.00%.
- Sales tax revenue saw only a slight increase of \$340,388 over FY 2023.
- Continued low cost of debt due to the County's capital planning and high bond rating.
- The County continues to invest in staff compensation, by conducting mid-year performance reviews.

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

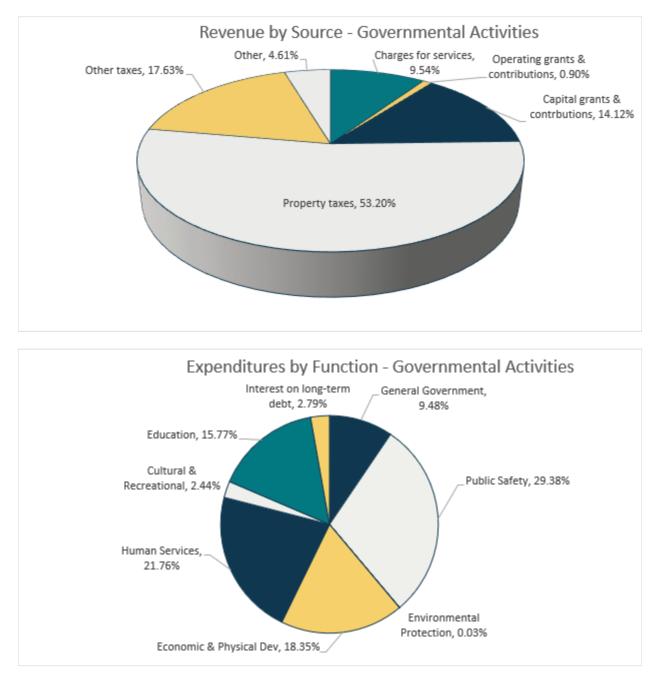
# **Gaston County Changes in Net Position**

# Figure 3

	Governmen	tal Activities	Business-Ty	pe Activities	Totals			
	2024	2023	2024	2023	2024	2023		
Revenues:								
Program revenues:								
Charges for services	\$ 38,549,069	\$ 40,815,894	\$ 14,501,948	\$ 13,752,041	\$ 53,051,017	\$ 54,567,935		
Operating grants and								
contributions	3,649,934	17,140,991	678,048	639,350	4,327,982	17,780,341		
Capital grants and								
contributions	57,041,778	61,297,556	-	-	57,041,778	61,297,556		
General revenues:								
Property taxes	214,970,690	187,211,798	-	-	214,970,690	187,211,798		
Other taxes	71,258,587	70,918,199	-	-	71,258,587	70,918,199		
Other	18,641,667	12,122,819	795,125	508,220	19,436,792	12,631,039		
Total revenues	404,111,725	389,507,257	15,975,121	14,899,611	420,086,846	404,406,868		
Expenses:								
General government	36,638,588	44,596,359	-	-	36,638,588	44,596,359		
Public safety	113,551,928	100,482,129	-	-	113,551,928	100,482,129		
Environmental protection	106,537	64,896	-	-	106,537	64,896		
Economic and physical								
development	70,948,415	38,005,222	-	-	70,948,415	38,005,222		
Human services	84,127,200	76,507,554	-	-	84,127,200	76,507,554		
Cultural and recreational	9,422,983	8,803,571	-	-	9,422,983	8,803,571		
Education	60,978,024	60,182,352	-	-	60,978,024	60,182,352		
Interest on long-term debt	10,778,191	6,123,814	-	-	10,778,191	6,123,814		
Solid waste management			12,125,811	14,221,442	12,125,811	14,221,442		
Total expenses	386,551,866	334,765,897	12,125,811	14,221,442	398,677,677	348,987,339		
Change in net position	17,559,859	54,741,360	3,849,310	678,169	21,409,169	55,419,529		
Net Position:								
Beginning of year - July 1	130,725,610	75,984,250	30,150,714	29,472,545	160,876,324	105,456,795		
End of year - June 30	\$ 148,285,469	\$ 130,725,610	\$ 34,000,024	\$ 30,150,714	\$ 182,285,493	\$ 160,876,324		

**Governmental Activities.** Governmental activities increased the County's net position by \$17,559,859, thereby accounting for 82.02% of the total change in the net position of Gaston County. Key elements in this change are as follows:

- Property tax revenues collections continue to be strong and were consistent with FY 2023. The property tax rate decreased by 20 cents while the County's assessed property values increased 52.62% over the prior year. This increase is a result of the County revaluation that was completed in FY 2023 for the FY 2024 budget year. The County is on a four-year reappraisal cycle, with the next reappraisal planned to be effective as of January 1, 2027.
- Sales tax revenue collections continue to be strong, and the County collections in FY 2024 were higher over FY 2023, with an increase of 0.48% (\$340,388). While sales tax did increase from FY 2023, it appears the post-COVID surge is slowing.



**Business-Type Activities.** Business-type activities increased the County's net position by \$3,849,310 which was 17.98% of the total change of the County's net position. Key elements in this change are as follows:

- Landfill operations revenues continued to increase in FY 2024 by \$602,386 over FY 2023.
- Energy charges increased in FY 2024 from FY 2023 by \$120,665.

#### **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 \$115,406,626, while total fund balance increased to \$136,064,713. The change is primarily due to an increase in Property Tax and Other Tax Revenue in the amount of approximately \$36 million and a decrease in Intergovernmental revenues of approximately \$9 million. Expenditures for FY 2024 increased approximately \$16 million over FY 2023. The governing body of Gaston County has determined that the County should maintain an unassigned fund balance of 15% to 20% of General Fund expenses The County currently has an available fund balance of 33.44% of General Fund expenses and transfers to other funds, while total fund balance represents 39.43% of the same amount. The County's unassigned fund balance is 18.28% of General Fund revenues.

The Capital Improvements Fund, a major fund, had an increase in fund balance during the current year of \$44,381,518 to bring the year-end fund balance to \$121,996,879. The increase in fund balance was mainly due to ongoing funding for capital projects related to schools, and governmental vehicles, equipment, land purchases, and building purchases.

The Debt Service Fund, a major fund, had an increase in fund balance during the current year of \$1,675,216 to bring the year-end fund balance to \$4,487,312. The increase in fund balance was mainly due to debt service payments budgeted for anticipated debt issuance which the County did not issue in the fiscal year, resulting funds reverting to fund balance.

The Community Investment Fund had an increase in fund balance during the current year of \$7,998,484 to bring the year-end fund balance to \$35,363,054. The increase is mainly due to projects planned for, but not yet started, so the funds have not been transferred to the General Government Capital Fund. Funds are set aside in the community investment funds to plan for long term capital planning and to increase the County's debt capacity.

The Opioid Settlement Fund, a major fund, had an increase in fund balance during the current year of \$5,671,355 to bring the year-end fund balance to \$8,564,491. The increase in fund balance was mainly due to the distributions received from the National Opioid Settlement Agreement with pharmaceutical and drug distribution companies due to the opioid epidemic.

At June 30, 2024, the governmental funds of Gaston County reported a combined fund balance of \$316,996,609, a 30.18% increase over last year. The primary reason for the increase is due to property taxes, investment earnings, and capital projects appropriated but not yet fully expended.

**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 \$13,002,084 increase in the revenue estimates for the General Fund, the result of additional federal and state funding. Other amendments appropriated a total of \$33,756,672 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 \$21,668,398 under budgeted expenditures. The Gaston County Human Services expenditures were \$18,141,091 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 (\$4,374,968). The total increase in net position for that fund was \$3,849,310. 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, 2024 totals \$210,683,978 (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 Gas House building, Public Health building, and the Courthouse.
- Ongoing construction for ADA renovations
- Acquisition of new vehicles for the County's departments to replace aging models.
- Purchase of the land for the future site of the Public Safety Campus
- Equipment purchases for public safety, and general government.

# Gaston County's Capital Assets (net of depreciation/amortization)

#### Figure 4

	Governmen	tal Activities	Business-T	ype Activities	Totals			
	2024	2023	2024	2023	2024	2023		
Land	\$ 33,605,972	\$ 22,004,003	\$ 4,554,863	\$ 3,572,672	\$ 38,160,835	\$ 25,576,675		
Buildings and								
improvements	61,840,243	63,728,209	15,941,005	16,765,555	77,781,248	80,493,764		
Equipment	6,583,186	4,662,732	1,574,367	1,326,861	8,157,553	5,989,593		
Right-to-use lease assets	1,850,454	1,209,349	-	-	1,850,454	1,209,349		
Subscription assets	2,975,343	1,155,379	-	-	2,975,343	1,155,379		
Vehicles and motorized								
equipment	8,740,370	6,661,952	2,870,235	2,218,812	11,610,605	8,880,764		
Construction in progress	56,523,535	48,502,254	13,624,405	7,821,096	70,147,940	56,323,350		
Total	\$ 172,119,103	\$ 147,923,878	\$ 38,564,875	\$ 31,704,996	\$ 210,683,978	\$ 179,628,874		

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

**Long-Term Debt.** As of June 30, 2024, Gaston County had total bonded debt outstanding of \$221,730,000, all of which is debt backed by the full faith and credit of the County.

#### **Gaston County's Outstanding Debt**

	Governmental Activities				Business-Type Activities				 Total			
		2024		2023		2024		2023	 2024		2023	
General obligation bonds	\$	202,820,000	\$	139,105,000	\$	-	\$	-	\$ 202,820,000	\$	139,105,000	
Limited obligation bonds		18,910,000		20,505,000		-		-	18,910,000		20,505,000	
Lease liabilities issued		1,846,190		1,238,015		-		-	1,846,190		1,238,015	
Subscription liabilities issued		2,680,518		1,155,396		-		-	2,680,518		1,155,396	
Installment purchases		13,885,129		15,341,446		189,883		791,744	 14,075,012		16,133,190	
Total	\$	240,141,837	\$	177,344,857	\$	189,883	\$	791,744	\$ 240,331,720	\$	178,136,601	

#### Figure 5

Gaston County's total debt increased by \$62,195,119 during the past fiscal year due to the issuance of the County's General Obligation Bond Anticipation Notes.

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, 2024, the County's legal debt limit was approximately \$2,696,700,525. The outstanding debt subject to this limit was \$235,615,129 leaving a net legal debt margin of approximately \$2,461,085,396.

Additional information regarding the County's long-term debt can be found beginning on page 71 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 banking center in the United States.

The County has an estimated population of 243,242, an increase of approximately 2,067 from last fiscal year. The population growth is mainly due to the growth of Charlotte, NC and the economic development projects in Gaston County. The County's unemployment rate was 4.0% in June 2024, compared to 3.4% in June 2023. Comparable rates for the state of North Carolina were 4.1% and 3.6%, respectively.

Construction within the County remained strong, even with a decrease in the number of permits issued in FY 2024 compared to FY 2023. While the cost of building continues to rise and is a factor in the decrease, a more prominent influence is that some of the larger subdivisions are fully built out, while other subdivisions are still in the early stages of build out. Additionally, County permit data shows that more of the new construction has shifted north and west in the County, instead of being concentrated on the eastern side, adjacent to Charlotte, in the Mount Holly and Belmont areas. We expect this trend to continue, as more people are moving into the Charlotte metro and are searching for affordable housing options and undeveloped land which mostly exists on the north and west sides of the County.

# **Budget Highlights for the Fiscal Year Ending June 30, 2025**

General Fund: The Board of County Commissioners adopted the 2024/2025 budget with a decrease of 1.1 cents in the tax rate to 59.9 cents per \$100 from FY 2024. This is the lowest tax rate on record for Gaston County. Ad valorem taxes were budgeted with a conservative increase over FY 2024, with a 7% increase. Sales tax revenue and other tax revenue were budgeted at an increase of 10% over the FY 2024 adopted budget. While this increase still indicates a positive economic outlook in the future, it also is a signal that the surge of sales tax revenue in the aftermath of COVID-19 pandemic is beginning to slow.

Budgeted expenditures and transfers-out in the General Fund are \$339,443,376, a 5.5% increase. The increase was driven by mandated personnel and operating increases, as well as continued inflationary increases. The largest component of those expenditures is the funding of the compensation and benefits of the County's employees, including a compensation study, state-mandated retirement increases, and an increase in healthcare costs. As health insurance premiums, co-pays, and cost of prescriptions continue to rise, these health insurance costs continue to be absorbed by the County with no impact to employees. The 2024/2025 budget includes two additional full-time positions for the following departments: Emergency Management & Fire Services (1) and Tourism Development (1). Both positions are aimed at addressing emerging needs within the County and are fully funded by fee revenue and occupancy tax revenue, respectively.

In the 2024/2025 budget, education funding for Gaston County Schools and Gaston College totaled \$91,890,426. The funding breakdown is as follows: \$62,128,367 for operating, \$24,637,840 for debt service, and \$5,124,219 for capital. This is an increase of 8% over the FY 2024 adopted budget. The increase can be attributed to a \$2,100,000 appropriation to end-of-life technology replacements as well as new debt service and additional allocations for capital projects.

Governmental Activities: The Building & Development Services fee structure increased over 2023/2024. The County saw an increase in zoning permits, flood permits, and code enforcement fees. Animal Care & Enforcement had increases for while also decreasing exotic pet registration fees and other miscellaneous fines. Parks & Recreation introduced new fees for FY 2025 related to the new South Point Access on Lake Wylie for parking and shelter/picnic rentals. The Environmental Health division of Public Health had the most increases in its fee structure. Well/Water Fees, Septic Fees, and Tattoo Fees all saw substantial increases. Public Works Print Shop increased fees incrementally. Fee increases are in response to the continued rising costs necessary to operate and serve the residents of the County, including some adjustments due to the current inflationary period in the United States.

Business-Type Activities: The County's landfill fee structure increased over 2023/2024. For 2024/2025, the County introduced a new fee for out-of-county waste. Additionally, there were incremental increases to municipal and commercial waste, as well as material disposals (shingles, illegal tires, single-wide mobile homes). Hourly rates for landfill equipment and operators also increased on a per hour basis.

#### **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 Finance Director, P.O. Box 1578, Gastonia, North Carolina 28053-1578.

Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Fund Financial Statements

# STATEMENT OF NET POSITION JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total Primary Government
Assets:			
Current assets:			
Cash and cash equivalents	\$ 257,562,685	\$ 19,524,796	\$ 277,087,481
Ad valorem taxes receivable, net	1,139,982	-	1,139,982
Accounts receivable, net	45,167,671	1,414,062	46,581,733
Lease receivable, current	72,178	4,215	76,393
Accrued interest receivable	-	4,653	4,653
Inventories	306,092	71,684	377,776
Prepaid items	94,538	-	94,538
Lease deposits	16,975	-	16,975
Restricted cash and cash equivalents	86,707,838		86,707,838
Total current assets	391,067,959	21,019,410	412,087,369
Non-current assets:			
Net pension asset - ROD	309,855	-	309,855
Lease receivable, non-current	494,991	181,814	676,805
Accounts receivable, non-current	19,064,170		19,064,170
Capital assets:			
Land, improvements, and construction in progress	90,129,507	18,179,268	108,308,775
Other capital assets, net of accumulated	01 000 <b>7</b> 0 (		
depreciation/amortization	81,989,596	20,385,607	102,375,203
Total capital assets	172,119,103	38,564,875	210,683,978
Total non-current assets	191,988,119	38,746,689	230,734,808
Total assets	583,056,078	59,766,099	642,822,177
Deferred Outflows of Resources:			
OPEB deferrals	7,254,511	114,943	7,369,454
Pension deferrals	57,489,766	1,074,460	58,564,226
Deferred charge on refunding	4,128,736		4,128,736
Total deferred outflows of resources	68,873,013	1,189,403	70,062,416
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	29,049,236	3,479,981	32,529,217
Liabilities payable from restricted assets	11,899	-	11,899
Advance from grantor	30,835,485	-	30,835,485
Unearned revenue	2,086,369	-	2,086,369
Current portion of total OPEB liability	16,457,598	260,759	16,718,357
Current portion of total pension liability - LEOSSA	9,934,832	-	9,934,832
Due in less than one year	109,720,518	1,842,367	111,562,885
Total current liabilities	198,095,937	5,583,107	203,679,044

# Exhibit A Page 2 of 2

# GASTON COUNTY, NORTH CAROLINA

# STATEMENT OF NET POSITION JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total Primary Government
Liabilities (continued):			
Long-term liabilities:			
Net pension liability - LGERS	81,802,539	1,683,659	83,486,198
Non-current portion of total pension liability - LEOSSA	9,934,832	-	9,934,832
Non-current portion of OPEB liability	49,372,792	782,278	50,155,070
Due in more than one year	158,395,104	18,690,145	177,085,249
Total long-term liabilities	299,505,267	21,156,082	320,661,349
Total liabilities	497,601,204	26,739,189	524,340,393
Deferred Inflows of Resources:			
OPEB deferrals	1,956,259	30,996	1,987,255
Pension deferrals	2,020,367	5,779	2,026,146
Lease receivables	604,899	179,514	784,413
Prepaid taxes	1,460,893		1,460,893
Total deferred inflows of resources	6,042,418	216,289	6,258,707
Net Position:			
Net investment in capital assets	123,399,568	38,374,992	161,774,560
Restricted for:			
Stabilization by state statute	39,790,613	-	39,790,613
Medicaid maximization	19,953,970	-	19,953,970
Fire protection	2,591,483	-	2,591,483
Public safety protection	1,306,610	-	1,306,610
Emergency telephone	1,632,997	-	1,632,997
General government	8,571,061	-	8,571,061
Travel and tourism	1,925,573	-	1,925,573
Building inspections	11,494,319	-	11,494,319
Register of Deeds	1,714,050	-	1,714,050
Register of Deeds - pension plan	309,855	-	309,855
Unrestricted net position	(64,404,630)	(4,374,968)	(68,779,598)
Total net position	\$ 148,285,469	\$ 34,000,024	\$ 182,285,493

# STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

			Program Revenues							
	Expenses		(	Charges for Services				Capital Grants and ontributions		
Functions/Programs:										
Primary Government:										
<b>Governmental Activities:</b>										
General government	\$	36,638,588	\$	7,492,797	\$	1,465,745	\$	46,655,023		
Public safety		113,551,928		18,161,452		172,596		-		
Environmental protection		106,537		8,332,545		-		-		
Economic and physical development		70,948,415		2,400		-		104,848		
Human services		84,127,200		4,332,643		2,011,593		8,131,618		
Cultural and recreational		9,422,983		227,232		-		-		
Education		60,978,024		-		-		2,150,289		
Interest expense and fees		10,778,191		_		_		_		
Total governmental activities		386,551,866		38,549,069		3,649,934		57,041,778		
Business-Type Activities:										
Solid waste		12,125,811		14,501,948		678,048		-		
Total primary government	\$	398,677,677	\$	53,051,017	\$	4,327,982	\$	57,041,778		

# STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

	Net (Expense) Revenue and Changes in Net Position								
		vernmental Activities		ness-Type ctivities		Total			
Functions/Programs:									
Primary Government:									
Governmental Activities:									
General government	\$	18,974,977	\$	-	\$	18,974,977			
Public safety		(95,217,880)		-		(95,217,880)			
Environmental protection		8,226,008		-		8,226,008			
Economic and physical development		(70,841,167)		-		(70,841,167)			
Human services		(69,651,346)		-		(69,651,346)			
Cultural and recreational		(9,195,751)		-		(9,195,751)			
Education		(58,827,735)		-		(58,827,735)			
Interest expense and fees		(10,778,191)		-		(10,778,191)			
Total governmental activities		(287,311,085)		_		(287,311,085)			
Business-Type Activities:									
Solid waste				3,054,185		3,054,185			
Total primary government		(287,311,085)		3,054,185		(284,256,900)			
General Revenues:									
Taxes:									
Ad valorem taxes		214,970,690		-		214,970,690			
Sales tax		71,258,587		-		71,258,587			
Real estate transfer taxes		4,391,980		-		4,391,980			
Investment earnings		14,249,687		795,125		15,044,812			
Total general revenues		304,870,944		795,125		305,666,069			
Change in net position		17,559,859		3,849,310		21,409,169			
Net Position:									
Beginning of year - July 1		130,725,610		30,150,714		160,876,324			
End of year - June 30	\$	148,285,469	\$	34,000,024	\$	182,285,493			

# BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2024

				Major				Nonmajor				
			Capital	Community Debt			Opioid		Other		Total	
	General Fund	1		nvestments Fund	Service Settlement Fund Fund			G	overnmental Funds	(	Governmental Funds	
Assets:		_										
Cash and cash equivalents	\$ 130,167,949	\$	83,722,018	\$	16,515,748	\$	4,487,312	\$ -	\$	9,944,393	\$	244,837,420
Ad valorem taxes receivable, net	996,525		-		-		-	-		143,457		1,139,982
Accounts receivable	20,283,237		275,841		18,848,321		-	24,405,048		403,969		64,216,416
Lease receivables	567,169		-		-		-	-		-		567,169
Inventories	306,034		-		-		-	-		58		306,092
Prepaid items	89,571		-		-		-	225		4,742		94,538
Lease deposits	16,975		-		-		-	-		-		16,975
Restricted cash and cash equivalents	26,241,215		46,967,484		4,381,237	-		8,489,904		627,998		86,707,838
Total assets	\$ 178,668,675	\$	130,965,343	\$	39,745,306	\$	4,487,312	\$ 32,895,177	\$	11,124,617	\$	397,886,430
Liabilities, Deferred Inflows												
of Resources, and Fund Balances:												
Liabilities:	¢ 11.659.401	¢	9 212 441	¢	1,015	¢		\$ 52,010	¢	447.661	¢	20 471 (19
Accounts payable and accrued liabilities Liabilities payable from restricted assets	\$ 11,658,491	\$	8,312,441	\$	1,015	\$	-	\$ 52,010	\$	447,661 11,899	\$	20,471,618
Advance from grantor	26,048,225		406,023		4,381,237		-	-				11,899 30,835,485
Unearned revenue	1,834,929		250,000		4,381,237		-	-		1,440		2,086,369
Total liabilities	39,541,645		8,968,464		4,382,252	-		52,010		461,000		53,405,371
			0,500,101		1,002,202	_						00,100,071
Deferred Inflows of Resources:	1 460 902											1 460 802
Prepaid taxes Property taxes receivable	1,460,893 996,525		-		-		-	-		- 143,457		1,460,893 1,139,982
Lease receivables			-		-		-	-		145,457		604,899
Unavailable revenue	604,899		-		-		-	24,278,676		-		24,278,676
Total deferred inflows of resources	3,062,317					-		24,278,676		143,457		27,484,450
Fund Balances: Non-Spendable:												
Inventories	306,034		-		-		-	-		58		306,092
Prepaids	89,571		-		-		-	225		4,742		94,538
Restricted:												
Stabilization by state statute	20,262,482		275,841		18,848,321		-	-		403,969		39,790,613
Restricted for Medicaid maximization	19,953,970		-		-		-	-		-		19,953,970
Education	-		39,343,858		-		-	-		-		39,343,858
Building inspections	11,494,319		-		-		-	-		-		11,494,319
Fire protection	-		-		-		-	-		2,591,483		2,591,483
Sheriff protection	-		-		-		-	-		278,488		278,488
Capital projects	-		7,217,603		-		-	-		-		7,217,603
Emergency telephone	-		-		-		-	-		1,632,997		1,632,997
Register of Deeds	1,714,050		-		-		-	-		-		1,714,050
General government	1,290		-		-		-	8,564,266		6,795		8,572,351
Public safety	-		-		-		-	-		1,028,122		1,028,122
Travel and tourism	-		-		-		-	-		1,925,573		1,925,573
Committed:			75 150 577		16 514 722							01 (74 210
Future capital projects	-		75,159,577		16,514,733		-	-		-		91,674,310
Tax revaluation Assigned:	-		-		-		-	-		616,099		616,099
Assigned: Insurance reserves	2,995,099											2,995,099
Subsequent year's expenditures	15,607,001		-		-		-	-		-		15,607,001
Gaston County tap fees	181,777		-		-		-	-		-		13,007,001
Parking			_		_		-	-		1,561,959		1,561,959
Public safety	_		-		-		-	-		585,757		585,757
Debt service	-		-		-		4,487,312	-				4,487,312
Unassigned:	63,459,120		-		-			-		(115,882)		63,343,238
Total fund balances	136,064,713		121,996,879		35,363,054	_	4,487,312	8,564,491		10,520,160		316,996,609
											_	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 178,668,675</u>	\$	130,965,343	\$	39,745,306	\$	4,487,312	\$ 32,895,177	\$	11,124,617	\$	397,886,430

# RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances, per Exhibit C	\$ 316,996,609
Capital assets, net of accumulated depreciation, used in governmental	
activities are not current financial resources and, therefore, are not reported in the funds.	172,119,103
reported in the funds.	172,117,105
Net pension asset - ROD	309,855
Net pension liability - LGERS	(81,802,539)
Total pension liability - LEOSSA	(19,869,664)
Total OPEB liability	(65,830,390)
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.	7,035,527
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	25 419 659
receivables are a component of net position in the Statement of Net Position.	25,418,658
Charges related to refundings issued	4,128,736
Deferred outflows of resources related to pension are not reported in the funds.	57,489,766
Deferred outflows of resources related to OPEB are not reported in the funds.	7,254,511
Deferred inflows of resources related to pension are not reported in the funds.	(2,020,367)
Deferred inflows of resources related to OPEB are not reported in the funds.	(1,956,259)
Long-term liabilities, accrued interest, and compensated absences are not due	
and payable in the current period and, therefore, are not reported in the funds.	(270,988,077)
Net position of governmental activities, per Exhibit A	\$ 148,285,469

#### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2024

			Major		Nonmajor		
		Capital	Community	Debt	Opioid	Other	Total
	General	Improvements	Investments	Service	Settlement	Governmental	Governmental
	Fund	Fund	Fund	Fund	Fund	Funds	Funds
Revenues:							
Ad valorem taxes	\$ 205,493,787	\$ -	\$ -	\$-	\$-	\$ 9,567,833	\$ 215,061,620
Other taxes and licenses	48,585,758	-	25,595,411	-	-	1,469,398	75,650,567
Restricted intergovernmental revenues	47,838,425	104,848	11,928,674	-	6,059,236	2,314,016	68,245,199
Fees, licenses, and permits	12,630,991	-	-	-	-	-	12,630,991
Sales and services	17,371,201	-	-	-	-	47,814	17,419,015
E911 surcharge	-	-	-	-	-	754,786	754,786
Investment earnings	8,677,715	3,289,615	1,125,473	181,001	290,933	454,276	14,019,013
Miscellaneous revenues	6,575,943	2,400	1,108,843			209,053	7,896,239
Total revenues	347,173,820	3,396,863	39,758,401	181,001	6,350,169	14,817,176	411,677,430
Expenditures:							
Current:							
General government	50,206,323	-	-	-	-	582,848	50,789,171
Public safety	99,494,941	-	-	-	496,276	9,396,757	109,387,974
Environmental protection	63,070	-	-	-	-	-	63,070
Economic and physical development	5,566,442	-	-	-	-	1,303,203	6,869,645
Human services	83,569,862	-	-	-	182,538	764,868	84,517,268
Cultural and recreational	8,777,448	-	-	-	-	-	8,777,448
Education	59,665,861	-	-	-	-	1,312,163	60,978,024
Capital outlay	-	72,000,852	-	-	-	-	72,000,852
Debt service:							
Principal retirement	1,947,549	-	-	24,080,715	-	118,428	26,146,692
Interest and fees	37,343			10,097,048		7,616	10,142,007
Total expenditures	309,328,839	72,000,852		34,177,763	678,814	13,485,883	429,672,151
Revenues over (under) expenditures	37,844,981	(68,603,989)	39,758,401	(33,996,762)	5,671,355	1,331,293	(17,994,721)
Other Financing Sources (Uses):							
Installment purchase contracts issued	-	-	4,634,989	-	-	-	4,634,989
Bonds issued	-	-	80,000,000	-	-	-	80,000,000
Lease liabilities issued	1,248,043	-	-	-	-	58,926	1,306,969
Subscription liabilities issued	2,768,308	-	-	-	-	233,406	3,001,714
Premium from issuance of bond	-	-	1,144,800	-	-	-	1,144,800
Transfers in	5,955,836	134,581,030	53,519,138	35,671,978	-	253,584	229,981,566
Transfers out	(35,777,199)	(21,595,523)	(171,058,844)			(150,000)	(228,581,566)
Total other financing sources (uses)	(25,805,012)	112,985,507	(31,759,917)	35,671,978		395,916	91,488,472
Net change in fund balances	12,039,969	44,381,518	7,998,484	1,675,216	5,671,355	1,727,209	73,493,751
Fund Balances:							
Beginning of year - July 1	124,024,744	77,615,361	27,364,570	2,812,096	2,893,136	8,792,951	243,502,858
End of year - June 30	\$ 136,064,713	<u>\$ 121,996,879</u>	\$ 35,363,054	\$ 4,487,312	\$ 8,564,491	\$ 10,520,160	\$ 316,996,609

Exhibit E

#### 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, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds (Exhibit E)	\$ 73,493,751
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.	33,582,667
Depreciation/amortization expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(8,401,132)
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.	(986,310)
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	(90,930)
Unavailable revenues	(4,723,318)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	1,121,082
Pension expense - LEOSSA	(1,586,273)
Pension expense - LGERS	(10,012,410)
Pension expense - ROD	(28,689)
OPEB plan expense	3,920,842
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.	(88,943,672)
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.	26,146,692
Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(2,872,455)
Changes in deferred charge on refunding	(987,954)
Change in premium related to bonds	2,079,425
Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type	 (4,151,457)
Change in net position of governmental activities - Exhibit B	\$ 17,559,859

# GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	General Fund						
		Original Budget		Final Budget	 Actual	(	Variance Dver/Under
Revenues:							
Ad valorem taxes	\$	187,075,714	\$	187,075,714	\$ 205,493,787	\$	18,418,073
Other taxes and licenses		48,684,672		48,684,672	48,585,758		(98,914)
Restricted intergovernmental revenues		39,631,560		51,867,842	47,838,425		(4,029,417)
Permits and fees		10,163,862		10,369,185	12,630,991		2,261,806
Sales and services		19,716,220		19,787,514	17,371,201		(2,416,313)
Investment earnings		448,607		453,683	8,677,715		8,224,032
Miscellaneous		4,297,609		4,781,718	 6,575,943		1,794,225
Total revenues		310,018,244		323,020,328	 347,173,820		24,153,492
Expenditures:							
General government		43,833,595		51,595,230	50,206,323		1,388,907
Public safety		90,798,277		100,059,625	99,494,941		564,684
Environmental protection		110,661		107,571	63,070		44,501
Economic and physical development		6,071,368		6,576,075	5,566,442		1,009,633
Human services		87,885,848		101,710,953	83,569,862		18,141,091
Cultural and recreational		8,942,129		9,282,699	8,777,448		505,251
Education		59,674,766		59,674,766	59,665,861		8,905
Principal retirement		-		1,947,549	1,947,549		-
Interest and fees		-		37,343	 37,343		
Total expenditures		297,316,644		330,991,811	 309,328,839		21,662,972
Revenues over (under) expenditures		12,701,600		(7,971,483)	 37,844,981		45,816,464
Other Financing Sources (Uses):							
Appropriated fund balance		6,600,000		33,756,672	-		(33,756,672)
Lease liabilities issued		-		1,248,043	1,248,043		-
Subscription liabilities issued		-		2,725,401	2,768,308		42,907
Transfers in		5,248,400		6,018,566	5,955,836		(62,730)
Transfers (out)		(24,550,000)		(35,777,199)	 (35,777,199)		-
Total other financing sources (uses)		(12,701,600)		7,971,483	 (25,805,012)		(33,776,495)
Net change in fund balances	\$		\$		12,039,969	\$	12,039,969
Fund Balances:					124 024 744		
Beginning of year - July 1					 124,024,744		
End of year - June 30					\$ 136,064,713		

# STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2024

	Business-Type Activities	Governmental Activities Internal Service Fund	
	Enterprise Solid Waste Fund		
Assets:			
Current assets:			
Cash and cash equivalents	\$ 19,524,796	\$ 12,725,265	
Accounts receivable, net	1,414,062	15,425	
Lease receivable, current	4,215	-	
Accrued interest receivable	4,653	-	
Inventories	71,684		
Total current assets	21,019,410	12,740,690	
Non-current assets:			
Lease receivable, non-current	181,814	-	
Capital assets:			
Land, improvements, and construction in progress	18,179,268	-	
Capital assets	49,044,868	-	
Accumulated depreciation	(28,659,261)		
Total capital assets, net	38,564,875		
Total non-current assets	38,746,689		
Total assets	59,766,099	12,740,690	
Deferred Outflows of Resources:			
OPEB deferrals	114,943	-	
Pension deferrals	1,074,460		
Total deferred outflows of resources	1,189,403		
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	3,479,981	5,705,163	
Compensated absences	36,873	-	
Current portion of notes payable	189,883	-	
Current portion of total OPEB liability	260,759	-	
Current portion of closure and post-closure care	1,615,611		
Total current liabilities	5,583,107	5,705,163	

# Exhibit H Page 2 of 2

# GASTON COUNTY, NORTH CAROLINA

# STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2024

	Business-Type Activities	Governmental Activities	
	Enterprise Solid Waste Fund	Internal Service Fund	
Liabilities (continued):			
Non-current liabilities:			
Net pension liability	1,683,659	-	
Compensated absences	110,620	-	
Total OPEB liability	782,278	-	
Landfill closure and post-closure care	18,579,525		
Total non-current liabilities	21,156,082		
Total liabilities	26,739,189	5,705,163	
Deferred Inflows of Resources:			
Lease receivable	179,514	-	
OPEB deferrals	30,996	-	
Pension deferrals	5,779		
Total deferred inflows of resources	216,289		
Net Position:			
Net investment in capital assets	38,374,992	-	
Unrestricted net position	(4,374,968)	7,035,527	
Total net position	\$ 34,000,024	\$ 7,035,527	

# Exhibit I

# GASTON COUNTY, NORTH CAROLINA

# STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities	Governmental Activities	
	Enterprise Solid Waste Fund	Internal Service Fund	
Operating Revenues:		- 4114	
Charges for services	\$ 12,952,028	\$ 27,344,083	
Energy charges	693,207	-	
Other operating revenues	856,713	-	
Total operating revenues	14,501,948	27,344,083	
<b>Operating Expenses:</b>			
Operating expenses	8,941,655	30,326,214	
Renewable energy department	1,181,193	-	
Depreciation/amortization	1,920,163		
Total operating expenses	12,043,011	30,326,214	
Operating income (loss)	2,458,937	(2,982,131)	
Non-Operating Revenues (Expenses):			
Loss on disposal of asset	(82,800)	) -	
Other grants and revenue	678,048	-	
Investment earnings	795,125	230,674	
Total non-operating revenues (expenses)	1,390,373	230,674	
Income (loss) before transfers	3,849,310	(2,751,457)	
Other Financing Sources (Uses):			
Transfers out	-	(5,000,000)	
Transfers in		3,600,000	
Total other financing sources (uses)		(1,400,000)	
Change in net position	3,849,310	(4,151,457)	
Net Position:			
Beginning of year - July 1	30,150,714	11,186,984	
End of year - June 30	\$ 34,000,024	\$ 7,035,527	

#### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	Busines Activ		Governmental Activities	
	Enter Solid V Fu	prise Waste	Internal Service Fund	
Cash Flows from Operating Activities:				
Cash received from customers	\$ 13	,343,356 \$	27,343,260	
Other operating receipts		856,713	-	
Cash paid to employees for services	(2	,596,229)	-	
Cash paid for goods and services	(3	,930,301)	(29,220,367)	
Net cash provided (used) by operating activities	7	,673,539	(1,877,107)	
Cash Flows From Non-Capital Financing Activities:				
Other non-operating revenues		678,048	-	
Transfer in (out)		-	(1,400,000)	
Net cash (used) provided by non-capital financing activities		678,048	(1,400,000)	
Cash Flows from Capital and Related Financing Activities:				
Principal payments		(601,861)	-	
Acquisition of capital assets	(8	,862,842)	-	
Net cash provided (used) by capital and related financing activities	(9	,464,703)	-	
Cash Flows from Investing Activities:				
Interest income (loss)		795,125	230,674	
Net increase (decrease) in cash and cash equivalents		(317,991)	(3,046,433)	
Cash and Cash Equivalents:	10			
Beginning of year - July 1	19	,842,787	15,771,698	
End of year - June 30	<u>\$ 19</u>	,524,796 \$	12,725,265	
Reconciliation of Operating Income (Loss) to Net				
Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 2	,458,937 \$	(2,982,131)	
Adjustments to Reconcile Operating Income (Loss)				
to Net Cash Provided (Used) by Operating Activities:				
Depreciation/amortization	1	,920,163	-	
Landfill closure and post-closure care cost		669,854	-	
Changes in Assets and Liabilities:		202 202		
Increase (decrease) in net pension liability		392,797	-	
(Increase) decrease in deferred outflows of resources for pensions		(187,909)	-	
(Increase) decrease in deferred outflows of resources for OPEB		(36,187)	-	
Increase (decrease) in deferred inflows of resources for pensions		(751)	-	
Increase (decrease) in deferred inflows of resources for OPEB		(108,067)	-	
Increase (decrease) in deferred inflows of resources - leases		(7,836)	-	
Increase (decrease) in OPEB liability		43,307	(000)	
(Increase) decrease in accounts receivable		(294,043)	(823)	
(Increase) decrease in inventories and prepaid expenses	2	10,848	1 105 947	
Increase (decrease) in accounts payable Increase (decrease) in accrued payroll and other liabilities	2	,834,281 (21,855)	1,105,847	
Net cash provided (used) by operating activities	\$ 7	,673,539 \$	(1,877,107)	
1 () - / - [ 0 1	<u></u>	<u> </u>		

# STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS JUNE 30, 2024

		Custodial Funds
Assets: Cash and cash equivalents	\$	360,295
Interest receivable for other governments	Ŧ	
Receivable for other governments, net		1,269,162
Total assets		1,629,457
Net Position:		
Restricted for:		
Individuals, organizations, and other governments	\$	1,629,457

# STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Funds
Additions:	
Ad valorem taxes collected for other governments	\$ 109,750,333
Collections on behalf of inmates	2,026,205
Total additions	111,776,538
<b>Deductions:</b> Tax distributions to other governments Payments on behalf of inmates Total deductions	109,716,930 <u>1,999,357</u> 111,716,287
Net increase (decrease) in fiduciary net position	60,251
Net position - beginning of year	1,569,206
Net position - end of year	\$ 1,629,457

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### 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.

*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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

**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.

**Opioid Settlement Fund.** The Opioid Settlement Fund is used to account for the distributions from the National Opioid Settlement Agreement with pharmaceutical and drug distribution companies due to the opioid epidemic. These funds are required to be used for opioid remediation activities that benefit the residents of Gaston 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

**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 twelve legally budgeted funds. The Representative Payee Fund, Travel and Tourism Fund, Property Revaluation Fund, Emergency Telephone System Fund, Drug Forfeitures Fund, Controlled Substance Abuse Tax Fund, Parking Fee Fund, Fire Districts 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 governmentwide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the 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.

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/amortization 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,

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 leases and IT subscriptions 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.

#### **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, except the Opioid Settlement Fund. A project ordinance is adopted for the Opioid Settlement Fund. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the function 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 fund. The budget amounts presented in the financial statements are the final amounts budgeted as of June 30, 2024. 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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### 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 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 North Carolina Capital Management Trust (NCCMT) Government Portfolio is as SEC registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a-7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAm by S&P and AAAmf by Moody Investor Services and is reported at fair value.

# 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 considered cash and cash equivalents.

#### **Restricted Assets**

American Rescue Plan Act (ARPA) funds and various other grant funds are classified as restricted cash because they must be expended in accordance with the purpose for which the funds were issued. Unspent bond proceeds and unspent debt proceeds 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. Funds received in advance for the first payment over an eighteen-year period of the State Opioid Settlement Funds are classified as restricted assets because their use is restricted to opioid remediation activities. Worker's Compensation Escrow funds are restricted by the insurance vendor as the minimum balance required for the County to keep on hand. Spencer Mountain – Reserve funds are funds remaining after the dissolution of Spencer Mountain as a municipality and must only be expended for expenditures incurred as a result of the dissolution.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

# **Governmental Activities:**

General Fund - Major:	
Unspent grant proceeds	\$ 26,048,225
Vehicle financing proceeds	1,290
Worker's compensation escrow	186,000
Spencer Mountain reserve	 5,700
Total General Fund - Major	 26,241,215
Opioid Settlement Funds - Major	 8,489,904
Capital Improvements Fund - Major:	
Unspent grant proceeds	406,023
Unspent bond proceeds	39,343,858
Vehicle financing proceeds	 7,217,603
Total Capital Improvements Fund - Major	 46,967,484
Community Investments Fund - Major:	
Unspent grant proceeds	 4,381,237
Nonmajor other governmental funds:	
Tax revaluation	627,998
Total governmental activities	
restricted cash	\$ 86,707,838

# 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, 2023.

#### Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

## **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.

		onmajor Special	
	 General Fund	 evenue Fund	 id Waste Fund
Taxes receivable	\$ 3,862,969	\$ 87,910	\$ -
Emergency Medical Services (GEMS)	5,833,662	-	-
Health department	36,936	-	-
Accounts receivable	 -	 -	 10,500
Total	\$ 9,733,567	\$ 87,910	\$ 10,500

#### **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. Prepaid items for the County's governmental funds are treated using the consumption method.

#### **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:

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

The County's capital assets also include certain right-to-use assets. These right-to-use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease.

The right-to-use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right-to-use subscription assets should be amortized on a straight-line basis over the subscription term.

#### **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 assets that applies to future periods 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 assets that applies to future periods and so will not be recognized as revenue until then. The County has several items that meet the criteria for this category – prepaid taxes, property taxes receivables, lease receivables, unavailable revenues, and pension and OPEB related deferrals.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepared insurance costs are expensed over the life of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

#### **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.

#### **Opioid Settlement Funds**

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$56 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the state ("State Abatement Fund")
- 80% to abatement funds established by local governments ("Local Abatement Funds")
- 5% to a County Incentive Fund

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

As of June 30, 2024, the County has received \$8,734,841 as part of this settlement. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. The MOA offered the County two options for expanding the funds. As of June 30, 2024, the County has approved programs for a total of \$3,858,519.

#### **Reimbursements for Pandemic-related Expenditures**

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$43,612,126 of fiscal recovery funds to be paid in two equal installments. The first installment of \$21,806,063 was received in May 2021, the second received in June 2022. In Fiscal Year 2022, County staff and the Board of Commissioners used \$178,747 of the ARPA funds for grant administration, victim housing, and a park project. In Fiscal Year 2023, the County used ARPA funds for several Board approved projects totaling \$10,561,932 which included funding for standard allowance revenue replacement, grant administration, project management, several waterline projects, a park project. In Fiscal Year 2024 used \$8,772,297 of the ARPA funds for projects that support an HVAC project, broadband service, homelessness, grant administration, project management, courthouse video system, victim housing support, a public safety campus, and several waterline projects. The remaining unobligated funds will be transferred to the appropriate funds once the intended use of the funds is determined.

#### **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.

*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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

*Prepaids* – portion of fund balance that is not an available resource because it represents the yearend 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 \$39,343,858 in unspent bond proceeds at June 30, 2024.

*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 Public Safety* – portion of fund balance available for appropriation but legally segregated for public safety expenditures.

*Restricted for Capital Projects* – portion of fund balance restricted for capital expenditures and projects. The Capital Improvements Fund had \$7,217,603 in unspent debt proceeds at June 30, 2024.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

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

*Restricted for Building Inspections* – portion of fund balance restricted by revenue source for building inspections.

*Restricted for General Government* – portion of fund balance restricted by revenue source for general government expenditures. Additionally, the General Fund had \$1,290 in unspent debt proceeds at June 30, 2024.

*Restricted for Travel and Tourism* – portion of fund balance restricted by revenue source for tourism expenditures.

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent bond and debt proceeds of \$46,562,751 and Register of Deeds pension plan of \$309,855 at June 30, 2024.

#### **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.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

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

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

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

#### **Unassigned Fund Balance**

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

Gaston County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-County funds, and/or County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

Gaston County has also adopted a minimum fund balance policy for the General Fund, which instructs management to conduct the business of the County in such a manner that unassigned fund balance is in the range of 15% to 20% of the prior year's audited revenues.

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	\$ 136,064,713
Less:	
Inventories	306,034
Prepaids	89,571
Stabilization by state statute	 20,262,482
Fund balance available for appropriation	\$ 115,406,626

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### F. Defined Benefit Cost-Sharing Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state: the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined, benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the stateadministered 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. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined, benefit pension plans. Investments for all plans are reported at fair value.

#### **G.** Management Estimates

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

#### H. Other Resources

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

#### 2. Detail Notes On All Funds

#### A. Assets

#### **Deposits**

All of the County's deposits of the County are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits over the federal depository insurance coverage are collateralized with securities held by the County's agent in the County's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity County 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the carrying amount of the County's deposits was \$29,255,990, and the related bank balance was \$30,412,127. Of the bank balance, \$436,000 was covered by federal depository insurance, and \$29,976,127 in deposits were covered by collateral held under the Pooling Method. The County had \$9,165 cash on hand.

#### **B.** Investments

All investments are stated at 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.

	Valuation Measurement		Within	1-3	Over
Investment Type	Method	Fair Value	12 Months	Years	3 Years
US government agencies	Fair Value Level 2	\$ 87,600,167	\$ 47,187,485	\$ 38,392,576	\$ 2,020,108
NC Class	Fair Value Level 1	44,317,887	44,317,887	-	-
NCIP	Fair Value Level 1	35,884,885	35,884,885	-	-
US Treasury Notes	Fair Value Level 1	20,781,768	14,332,803	6,448,965	
Total		188,584,707	141,723,060	44,841,541	2,020,108
NC Capital Management Trust -					
Government Portfolio	Fair Value Level 1	146,305,752	146,305,752	N/A	
Total		\$334,890,459	\$288,028,812	\$ 44,841,541	\$ 2,020,108

At June 30, 2024, the County had the following investments and maturities:

The North Carolina Capital Management Trust (NCCMT), North Carolina Cooperative Liquid Assets Securities System (NC CLASS), and North Carolina Investment Pool (NCIP) all have a weighted average maturity of less than 90 days and are presented as investments with a maturity of less than twelve (12) months.

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

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 investments to maturities of no more than five years. 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 five 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. As of June 30, 2024, the County had no investments in commercial paper. The County's investments in US Agencies (Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Fannie Mae, and Federal Farm Credit Bank) are rated Aaa by Moody's Investors Services. The following table shows the credit ratings for each authorized investment pool:

<b>Investment Type</b>	Standard & Poor	Moody's	<b>Fitch</b>
NCCMT	AAAm	AAA-mf	-
NC CLASS	AAAm	-	-
NCIP	AAAm	-	AAA-mmf

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's formal policy indicates that the County shall utilize a third-party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Director of Finance.

*Concentration of Credit Risk.* No more than 5% of the County's investment funds may be invested in an issuer's commercial paper (CP) or bankers' acceptance (BA) and no more than 25% of the County's investment portfolio may be invested in CP or BA. The combined total investment in CP and BA shall not exceed 35%. No more than 30% of the County's investments may be invested in any one US Agency's Securities. As of June 30, 2024, 26% of the County's investment agencies, 6% in government treasuries, 44% in North Carolina Management Trust, 13% in NC Class, and 11% in NCIP.

County shall utilize a third-party custodial agent for book-entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Director of Finance.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### 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.

Year Levied	 Tax	]	Interest	 Total
2021	\$ 1,209,131	\$	287,169	\$ 1,496,300
2022	1,190,971		175,668	1,366,639
2023	1,297,038		74,580	1,371,618
2024	 1,279,790		-	 1,279,790
Total	\$ 4,976,930	\$	537,417	\$ 5,514,347

#### **D.** Accounts Receivable

Accounts receivable at the government-wide level at June 30, 2024, were as follows:

			GovernmentalBusinessActivitiesActivities	
Emergency Medical Services (GEMS), net	\$	3,268,146	\$	-
Landfill fees, net		-		1,414,062
Health department fees, net		55,643		-
Due from other governments, General Fund		8,978,326		-
Due from other governments, capital improvement		275,841		-
Due from other governments, Special Revenue Fund		403,969		-
Lease receivables		567,169		186,029
Accrued interest receivables		-		4,653
Internal Service Fund		15,425		-
Sales tax paid		20,960,932		-
Interest income		1,564,612		-
Opioid Settlement Fund		24,405,048		-
Other		4,303,899		
Accounts receivable	\$	64,799,010	\$	1,604,744

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### E. Lease Receivable

On July 1, 2021, the County entered into a 348-month lease as lessor for the use of T-Mobile Tower Space. An initial lease receivable was recorded in the amount of \$305,859. As of June 30, 2024, the value of the lease receivable is \$270,849. The lessee is required to make monthly fixed payments of \$1,571. The lease has an interest rate of 2.5630%. The value of the deferred inflow as of June 30, 2024 is \$274,246 and the County recognized lease revenue of \$10,538 during the fiscal year. The lessee has three extension option(s), each for 60-months.

On July 1, 2021, the County entered into a 126-month lease as lessor for the use of National Renewable Energy Corp. An initial lease receivable was recorded in the amount of \$105,517. As of June 30, 2024, the value of the lease receivable is \$80,000. The lessee is required to make annual fixed payments of \$9,561. The lease has an interest rate of 1.6040%. The value of the deferred inflow as of June 30, 2024 is \$75,370 and the County recognized lease revenue of \$10,049 during the fiscal year. The lessee has the option to purchase the infrastructure for \$93,799. The lessee has one extension option, 120-months.

On March 1, 2024, the County entered into a 60-month lease as lessor for the use of Caromont – 991 W Hudson. An initial lease receivable was recorded in the amount of \$273,520. As of June 30, 2024, the value of the lease receivable is \$216,320. The lessee is required to make annual fixed payments of \$57,200. The lease has an interest rate of 2.2820%. The value of the deferred inflow as of June 30, 2024 is \$255,285 and the County recognized lease revenue of \$18,235 during the fiscal year.

Year Ending June 30	Principal		Ι	nterest
2025	\$	72,178	\$	13,021
2026		75,886		11,380
2027		77,884		9,668
2028		61,509		8,107
2029		4,158		6,824
2030-2034		107		34,175
2035-2039		52,198		33,281
2040-2044		90,291		23,104
2045-2049		108,661		10,404
2050-2054		24,297		347
Total	\$	567,169	\$	150,311

#### **Governmental Activities:**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On July 1, 2021, the County entered into a 310-month lease as lessor for the use of Auten Ground Lease. An initial lease receivable was recorded in the amount of \$203,022. As of June 30, 2024, the value of the lease receivable is \$186,029. The lessee is required to make annual fixed payments of \$8,868. The lease has an interest rate of 2.5010%. The value of the deferred inflow as of June 30, 2024 is \$179,514 and the County recognized lease revenue of \$7,836 during the fiscal year. The lessee has four extension option(s), each for 60-months.

Year Ending June 30	Р	rincipal	Iı	nterest
2025	\$	4,215	\$	4,653
2026		4,321		4,547
2027		4,429		4,439
2028		4,717		4,328
2029		5,016		4,210
2030-2034		29,963		19,011
2035-2039		39,588		14,813
2040-2044		53,505		9,208
2045-2049		40,275		2,052
Total	\$	186,029	\$	67,261

#### **Business-Type Activities:**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

# F. Capital Assets

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

	Balance July 1, 2023	Increases	Decreases	Transfers	Balance June 30, 2024
<b>Governmental Activities:</b>					<u> </u>
Non-Depreciable/Amortizable					
Capital Assets:					
Land	\$ 22,004,003	\$ 12,513,969	\$ (932,000)	\$ 20,000	\$ 33,605,972
Construction in progress	48,502,254	8,144,169	(31,619)	(91,269)	56,523,535
Total non-depreciable/					
amortizable capital assets	70,506,257	20,658,138	(963,619)	(71,269)	90,129,507
Depreciable/Amortizable					
Capital Assets:					
Buildings and improvements	147,104,395	734,046	-	71,269	147,909,710
Equipment	15,323,836	2,984,016	(7,400)	-	18,300,452
Right-to-use lease assets	2,068,102	1,433,788	(470,300)	-	3,031,590
Subscription assets	1,737,261	3,001,714	(389,270)	-	4,349,705
Vehicles and motorized equipment	24,939,046	4,770,965	(547,136)		29,162,875
Total depreciable/amortizable					
capital assets	191,172,640	12,924,529	(1,414,106)	71,269	202,754,332
Less Accumulated Depreciation/					
Amortization:					
Buildings and improvements	83,376,186	2,693,281	-	-	86,069,467
Equipment	10,661,104	1,056,250	(88)	-	11,717,266
Right-to-use lease assets	858,753	792,683	(470,300)	-	1,181,136
Subscription assets	581,882	1,181,750	(389,270)	-	1,374,362
Vehicles and motorized equipment	18,277,094	2,677,168	(531,757)		20,422,505
Total accumulated depreciation/					
amortization	113,755,019	8,401,132	(1,391,415)		120,764,736
Total depreciable/amortizable					
capital assets, net	77,417,621				81,989,596
Governmental activities					
capital assets, net	\$147,923,878				\$ 172,119,103

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

General government	\$ 2,382,569
Public safety	4,107,074
Economic and physical development	3,966
Human services	1,315,777
Cultural and recreational	591,746
Total depreciation/amortization expense	\$ 8,401,132

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Business-Type Activities: Non-Depreciable/Amortizable Capital Assets:				
Land	\$ 3,572,672	\$ 982,191	\$ -	\$ 4,554,863
Construction in progress	7,821,096	5,803,309	Ψ	13,624,405
Total non-depreciable/amortizable	,,021,090			10,021,100
capital assets	11,393,768	6,785,500		18,179,268
Depreciable/Amortizable Capital Assets:				
Buildings and improvements	33,248,151	_	_	33,248,151
Equipment	3,671,410	647,327	(107,860)	4,210,877
Vehicles and motorized equipment	10,181,168	1,430,015	(25,343)	11,585,840
Total depreciable/amortizable		1,100,010	(10,010)	11,000,010
capital assets	47,100,729	2,077,342	(133,203)	49,044,868
Less Accumulated Depreciation/ Amortization:				
Buildings and improvements	16,482,596	824,550	-	17,307,146
Equipment	2,344,549	317,021	(25,060)	2,636,510
Vehicles and motorized equipment	7,962,356	778,592	(25,343)	8,715,605
Total accumulated				
depreciation/amortization	26,789,501	1,920,163	(50,403)	28,659,261
Total depreciable/amortizable capital assets, net	20,311,228			20,385,607
Business-type activities capital assets, net	\$ 31,704,996			\$ 38,564,875

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2024, is composed of the following elements:

		overnmental Activities	Business-Type Activities	
Capital assets, net of depreciation/amortization	\$	172,119,103	\$	38,564,875
Less:				
Long-term debt		(258,284,124)		(189,883)
Add:				
Debt related to assets not owned by the County		202,345,696		-
Unspent debt proceeds related to debt for assets				
owned by the County*		7,218,893		-
Total		(48,719,535)		(189,883)
Net investment in capital assets	\$	123,399,568	\$	38,374,992

\*Unexpended debt proceeds and deferred charges on refunding related to education debt is not included in the calculation of governmental net investment in capital assets.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **Construction Commitments**

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

Project	Remaining Commitment
ADA Compliance Upgrades	\$ 1,514,539
Admin Annex Building	947,199
Apple Creek Project	3,187,360
ARPA Cherryville Park Project	168,381
ARPA Stream Restoration	275,674
ARPA Water Line Projects	14,441,669
Carolina Thread Trail	92,375
Carriage House Ste. 100	22,392
Catawba Cove Park - Property & Development	3,837,333
Cherryville Business Park	28,173
Child Advocacy Ctr Bldg	57,092
CMAQ: Dallas Park Trail	552,692
CMAQ: Neal Hawkins Sidewalk	1,811,124
CMAQ: Rankin Lake to GTP Trail	1,810,177
CMAQ:Lowell-Poston Prk Sidewak	317,731
CMAQ Tryon Courthouse Rd Sidewalks	1,685,773
Courthouse Upgrades	1,004,882
Dallas Park Expansion/Buildout	1,371,649
Emergency Fueling Station	30,235
Gas House Bldg & Renovation	4,823,117
Gaston County Courthouse	4,790,045
Hudson Health Building Renovation	4,535,504
IT Data Center Renovation	313,686
Jail Annex Upgrades	195,500
Other Improv & Cap Outlay	104,212
Parking Lot Improvements	868,445
Public Safety Campus	7,036,075
Receiving Home Removdel	254,424
South Point Landing	31,100
Total	\$ 56,108,558

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### G. Payables

Payables at the government-wide level at June 30, 2024, were as follows:

	Vendors	Total		
<b>Governmental Activities:</b>				
General	\$ -	\$ 14,530,946	\$ 14,530,946	
Capital Improvement	8,312,441	-	8,312,441	
Community Investment	1,015	-	1,015	
Opioid Settlement Fund	52,010	-	52,010	
Nonmajor Special Revenue	11,899	447,661	459,560	
Internal Service Fund	5,705,163		5,705,163	
Total governmental activities	\$ 14,082,528	\$ 14,978,607	\$ 29,061,135	
<b>Business-Type Activities:</b>				
Solid Waste	\$	\$ 3,479,981	\$ 3,479,981	

#### H. 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 leach ate 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

of each balance sheet date. The closure and post-closure care costs accrued at June 30, 2024, amount to \$20,195,136. This estimated amount is based on what it would cost to perform all closure and post-closure care costs in 2024. 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, 2024.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt	\$ 4,128,736	\$ -
Pensions - difference between expected and		
actual experience	11,693,527	223,119
Pensions - net difference between projected and		
actual investment earnings	22,501,951	-
Pensions - change in proportion and difference		
between employer contributions and proportionate		
share of contributions	3,660,545	116,275
Pensions - change of assumptions	5,121,566	1,686,752
Contributions to pension plan	14,977,841	-
Benefit payments and administration costs paid		
subsequent to the measurement date (LEOSSA)	608,796	-
OPEB - difference between expected and		
actual experience	2,651,188	-
OPEB - change of assumptions	-	1,987,255
Benefit payments and plan administrative expense		
made subsequent to the measurement date	4,718,266	-
Prepaid taxes not yet earned (General Fund)	-	1,460,893
Lease receivables	-	784,413
Taxes receivable, net (General Fund)	-	996,525
Taxes receivable, net (Special Revenue Fund)	-	143,457
Opioid Settlement Fund	-	24,278,676
Total	\$ 70,062,416	\$ 31,677,365

#### I. Deferred Inflows of Resources

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### J. Long-Term Obligations

#### **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. 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 or at age 60 with five years of creditable service or at age 60 with five years of creditable service or at age 60 with five years of creditable service or at age 60 with five years of creditable service or at age 60 with five 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 15 years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO and have reached age 55, or have completed 15 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

*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, 2024, was 14.10% of compensation for law enforcement officers and 12.85% 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 \$14,953,661 for the year ended June 30, 2024.

*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, 2024, the County reported a liability of \$83,486,198 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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, 2023 (measurement date), the County's proportion was 1.26053%, which was an increase of 0.12883% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$25,170,209. At June 30, 2024, 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	\$ 9,302,	834	\$	200,273
Changes of assumptions	3,547,	682		-
Net difference between projected and actual earnings				
on pension plan investments	22,344,	561		-
Changes in proportion and differences between County				
contributions and proportionate share of contributions	3,660,	545		89,112
County's contributions subsequent to the measurement date	14,953,	661		
Total	\$ 53,809,2	283	\$	289,385

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$14,953,661 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, 2025. 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
2025	\$ 14,106,986
2026	7,516,445
2027	15,997,960
2028	944,846
2029	-
Thereafter	 -
Total	\$ 38,566,237

*Actuarial Assumptions.* The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation & productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality tables that vary by age, gender, employee group (i.e., general and 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic fixed income	7.0%	5.0%
Inflation sensitive	6.0%	2.7%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. 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 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 benefits 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 6.50%, 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 (5.50%) or one percentage point higher (7.50%) than the current rate:

	1%	Discount	1%
	Decrease (5.50%)	Rate (6.50%)	Increase (7.50%)
County's proportionate share of the			
net pension liability (asset)	\$ 144,636,556	\$ 83,486,198	\$ 33,141,493

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

*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 June 30, 2023, valuation, the Separation Allowance's membership consisted of:

Law Enforcement Officers Special Separation Allowand	
Retirees receiving benefits	52
Active plan members	299
Total	351

#### **Summary of Significant Accounting Policies**

*Basis of Accounting.* The County has chosen to fund the Separation Allowance on a pay-as-yougo 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 June 30, 2023, 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	3.30 to 7.80 percent, including inflation and productivity factor
Discount rate	3.77 percent

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The discount rate used to measure the TPL is the Fidelity GO AA Bond 20-Year Rate Index.

The actuarial assumptions used in the June 30, 2023, 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. Other key assumptions include:

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 Pub-2010 General Disabled Mortality Table. Rates are Set Back 3 years for all ages.

**Deaths Prior to Retirement:** Pub-2010 Safety Employees Male and Female Mortality tables projected generationally with MP-2019.

*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 \$912,992 as benefits came due for the reporting period.

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

At June 30, 2024, the County reported a total pension liability of \$19,869,664. The total pension liability was measured as of December 31, 2023, based on a June 30, 2023 actuarial valuation. The total pension liability was then rolled forward to December 31, 2023, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$2,664,408.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Benefit payments and administrative costs subsequent to measurement date	\$	608,796	\$	-
Difference between expected and actual experience Changes of assumptions and other inputs		2,390,693 1,573,884		9,129 1,686,752
Total	\$	4,573,373	\$	1,695,881

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$608,796 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2025	\$ 1,293,665
2026	793,897
2027	321,083
2028	(139,949)
2029	-
Thereafter	 -
Total	\$ 2,268,696

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of (3.77)%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77 %) or 1-percentage-point higher (4.77%) than the current rate:

	1%	Discount	1%
	Decrease	Rate	Increase
	(2.77%)	(3.77%)	(4.77%)
Total pension liability	\$ 21,319,176	\$ 19,869,664	\$ 18,534,264

ation millionance
\$ 16,621,056
547,271
654,665
2,582,721
376,943
(912,992)
3,248,608
\$ 19,869,664

#### Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

*Changes of Assumptions*. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 4.05% at December 31, 3 (measurement date) to 3.77% at December 31, 2023 (measurement date).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

*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.

#### Supplemental Retirement Income Plan for Law Enforcement Officers

*Plan Description.* The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the 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, 2024 were \$1,887,164, which consisted of \$1,078,011 from the County and \$809,153 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 Governmental 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

*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 \$24,180 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$309,855 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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, 2024, the County's proportion as of June 30, 2023 (measured as of June 30, 2023), which was an increase of 0.13175% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$52,856. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	In	eferred flows of esources
Differences between expected and actual experience	\$ -	\$	13,717
Net difference between projected and actual earnings			
on pension plan investments	157,390		-
Changes in proportion and differences between County			
contributions and proportionate share of contributions	-		27,163
County's contributions subsequent to the measurement date	24,180		-
Total	\$ 181,570	\$	40,880

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$24,180 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, 2025. 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
2025	\$ 17,440
2026	43,451
2027	45,690
2028	9,929
2029	-
Thereafter	 -
Total	\$ 116,510

*Actuarial Assumptions*. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
	productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015, through December 31, 2019.

Future and ad hoc cost of living adjustment 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 returns 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

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 99.9% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2023 is 0.9%.

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. 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 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 3.00%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension asset is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 benefits payments to determine the total pension liability.

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 3.00%, 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 (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1%	D	oiscount	1%
	ecrease 2.00%)	(	Rate 3.00%)	ncrease 4.00%)
County's proportionate share of the				
net pension liability (asset)	\$ 211,512	\$	(309,855)	\$ 392,778

*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, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of June 30, 2023. The total pension liability for LEOSSA was measured as of December 31, 2023, with an actuarial valuation date of June 30, 2023. The County's

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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)	\$ 83,486,198	\$ -	\$ (309,855)	\$ 83,176,343
Proportion of the net pension				
liability (asset)	1.26053%	NA	2.57847%	-
Total pension liability	-	19,869,664	-	19,869,664
Pension expense	25,170,209	2,664,408	52,856	27,887,473

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	_	LGERS	L	EOSSA		ROD		Total
Differences between expected and								
actual experience	\$	9,302,834	\$ 2	2,390,693	\$	-	\$	11,693,527
Changes of assumptions		3,547,682	1	,573,884		-		5,121,566
Net difference between projected								
and actual earnings on pension								
plan investments		22,344,561		-		157,390		22,501,951
Changes in proportion and differences								
between County contributions and								
proportionate share of contributions		3,660,545		-		-		3,660,545
County contributions (LGERS, ROD)								
and benefit payments and								
administration costs (LEOSSA)		14 052 661		600 706		24 190		15 596 627
subsequent to the measurement date	-	14,953,661	<u>_</u>	608,796	<b>•</b>	24,180		15,586,637
Total deferred outflows of resources	\$	53,809,283	\$ 4	1,573,373	\$	181,570	\$ :	58,564,226
Deferred Inflows of Resources	_							
Differences between expected and								
actual experience	\$	200,273	\$	9,129	\$	13,717	\$	223,119
Changes of assumptions		-	1	,686,752		-		1,686,752
Changes in proportion and differences								
between County contributions and								
proportionate share of contributions		89,112	_	-		27,163		116,275
Total deferred inflows of resources	\$	289,385	<b>\$</b> ]	,695,881	\$	40,880	\$	2,026,146

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **Other Post-Employment Benefits**

*Plan Description.* In accordance with a County resolution, the County administers a singleemployer, 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, 197 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2024, the County made payments for post-retirement health benefit premiums of \$3,776,494. 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.

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.
- $\circ$  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.
  - \$150 8 participants

Membership of the post-employment health benefit plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	561
Active members	272
Total	833

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **Total OPEB Liability**

The County's total OPEB liability of \$66,873,427 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2023, 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	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.30%-8.30%
Firefighters	3.30%-8.00%
Law enforcement officers	3.30%-7.80%
Municipal bond index rate	
Prior measurement date	3.69%
Measurement date	3.86%
Healthcare cost trend rates:	
Pre-Medicare medical and prescription drug	7.00% for 2023 decreasing to an ultimate rate of
	4.50% by 2030
Medicare medical and prescription drug	6.50%
HSA contributions	2.50%

#### **Changes in the Total OPEB Liability**

	Total OPEB Liability			
Balance at July 1, 2023	\$ 61,785,932			
Changes for the Year:				
Service cost	1,235,843			
Interest	2,209,940			
Differences between expected and actual experience	7,069,834			
Changes of assumptions or other inputs	(1,121,148)			
Benefit payments	(4,306,974)			
Net changes	5,087,495			
Balance at June 30, 2024	\$ 66,873,427			

The County selected a Municipal Bond Index Rate equal to the Fidelity BA AA 20-year Bond Index and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Mortality rates were based on the Pub-2010 mortality tables and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increase used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, 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, 2023, valuation were based on a review of recent plan experience done concurrently with the June 30, 2023, valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	1%	Discount	1% Increase		
	Decrease	Rate			
	(2.86%)	(3.86%)	(4.86%)		
Total OPEB liability	\$ 73,655,997	\$ 66,873,427	\$ 61,050,557		

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:

	1%			1%		
	]	Decrease		Current	Increase	
Total OPEB liability	\$	64,302,812	\$	66,873,427	\$ 69,711,201	

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$715,244. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	2,651,188	\$	-
Changes of assumptions		-		1,987,255
Benefit payments and plan administrative expense				
made subsequent to the measurement date		4,718,266		-
Total	\$	7,369,454	\$	1,987,255

\$4,718,266 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, 2025. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Total		
\$	663,933	
	-	
	-	
	-	
	-	
	-	
\$	663,933	
	\$	

#### Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On July 1, 2021, the County entered into a 386-month lease as lessee for the use of Southern Benedictine-Tourism. An initial lease liability was recorded in the amount of \$188,303. As of June 30, 2024, the value of the lease liability is \$180,920. The County is required to make monthly fixed payments of \$570. The lease has an interest rate of 2.5830%. The value of the right-to-use asset as of June 30, 2024 is \$188,303 with an accumulated amortization of \$17,545. The County has two extension option(s), each for 120-months.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On July 1, 2021, the County entered into a 39-month lease as lessee for the use of the City of Cherryville-GEMS. An initial lease liability was recorded in the amount of \$38,555. As of June 30, 2024, the value of the lease liability is \$2,996. The County is required to make monthly fixed payments of \$1,000. The lease has an interest rate of 0.7270%. The value of the right-to-use asset as of June 30, 2024 is \$38,555 with an accumulated amortization of \$35,589. The County has one extension option for 12-months.

On July 1, 2021, the County entered into a 40-month lease as lessee for the use of Carolina Recording Systems. An initial lease liability was recorded in the amount of \$323,915. As of June 30, 2024, the value of the lease liability is \$86,968. The County is required to make annual fixed payments of \$67,300. The lease has an interest rate of 1.6810%. The value of the right-to-use asset as of June 30, 2024 is \$323,915 with an accumulated amortization of \$287,924.

On July 1, 2021, the County entered into a 101-month lease as lessee for the use of Penegar Building. An initial lease liability was recorded in the amount of \$192,044. As of June 30, 2024, the value of the lease liability is \$126,797. The County is required to make monthly fixed payments of \$2,000. The lease has an interest rate of 1.4510%. The value of the right-to-use asset as of June 30, 2024 is \$192,044 with an accumulated amortization of \$67,803.

On July 1, 2021, the County entered into a 57-month lease as lessee for the use of Quadient-Public Works. An initial lease liability was recorded in the amount of \$34,833. As of June 30, 2024, the value of the lease liability is \$13,004. The County is required to make quarterly fixed payments of \$1,877. The lease has an interest rate of 1.0590%. The value of the right-to-use asset as of June 30, 2024 is \$34,833 with an accumulated amortization of \$22,000.

On October 1, 2021, the County entered into a 60-month lease as lessee for the use of Pitney Bowes-Social Services. An initial lease liability was recorded in the amount of \$45,753. As of June 30, 2024, the value of the lease liability is \$20,833. The County is required to make quarterly fixed payments of \$2,346. The lease has an interest rate of 1.0590%. The value of the right-to-use asset as of June 30, 2024 is \$45,753 with an accumulated amortization of \$25,165.

On August 2, 2021, the County entered into a 60-month lease as lessee for the use of Pitney Bowes-Health Department. An initial lease liability was recorded in the amount of \$32,955. As of June 30, 2024, the value of the lease liability is \$13,326. The County is required to make quarterly fixed payments of \$1,682. The lease has an interest rate of 0.8770%. The value of the right-to-use asset as of June 30, 2024 is \$32,955 with an accumulated amortization of \$19,206.

On November 1, 2021, the County entered into a 59-month lease as lessee for the use of Public Safety SAN Lease – CCA Financial. An initial lease liability was recorded in the amount of \$554,271. As of June 30, 2024, the value of the lease liability is \$223,116. The County is required to make annual fixed payments of \$113,745. The lease has an interest rate of 1.3040%. The value of the right-to-use asset as of June 30, 2024 is \$554,271 with an accumulated amortization of \$300,621.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On September 1, 2022, the County entered into a 60-month lease as lessee for the use of Canon Copier Lease. An initial lease liability was recorded in the amount of \$187,173. As of June 30, 2024, the value of the lease liability is \$130,102. The County is required to make monthly fixed payments of \$3,557. The lease has an interest rate of 2.3660%. The value of the right-to-use asset as of June 30, 2024 is \$187,173 with an accumulated amortization of \$68,631.

On July 1, 2023, the County entered into a 36-month lease as lessee for the use of Cott Systems-Register of Deeds. An initial lease liability was recorded in the amount of \$180,698. As of June 30, 2024, the value of the lease liability is \$123,528. The County is required to make monthly fixed payments of \$5,095. The lease has an interest rate of 2.8480%. The value of the right-to-use asset as of June 30, 2024 is \$304,018 with an accumulated amortization of \$101,246.

On July 1, 2023, the County entered into a 59-month lease as lessee for the use of Ricoh Copier. An initial lease liability was recorded in the amount of \$833,712. As of June 30, 2024, the value of the lease liability is \$667,644. The County is required to make monthly fixed payments of \$13,728. The lease has an interest rate of 0.0259%. The value of the right-to-use asset as of June 30, 2024 is \$833,712 with an accumulated amortization of \$169,473.

On September 1, 2023, the County entered into a 60-month lease as lessee for the use of 420 E. Long Ave. An initial lease liability was recorded in the amount of \$158,941. As of June 30, 2024, the value of the lease liability is \$155,441. The County is required to make monthly fixed payments of \$3,500. The lease has an interest rate of 2.6560%. The value of the right-to-use asset as of June 30, 2024 is \$158,941 with an accumulated amortization of \$26,490.

On December 30, 2023, the County entered into a 60-month lease as lessee for the use of Pitney Bowes-GEMS. An initial lease liability was recorded in the amount of \$20,996. As of June 30, 2024, the value of the lease liability is \$18,894. The County is required to make quarterly fixed payments of \$1,138. The lease has an interest rate of 3.4510%. The value of the right-to-use asset as of June 30, 2024 is \$20,996 with an accumulated amortization of \$2,111.

On October 9, 2023, the County entered into a 24-month lease as lessee for the use of Flock Camera System. An initial lease liability was recorded in the amount of \$58,926. As of June 30, 2024, the value of the lease liability is \$28,926. The County is required to make annual fixed payments of \$30,000. The lease has an interest rate of 3.7120%. The value of the right-to-use asset as of June 30, 2024 is \$62,426 with an accumulated amortization of \$22,716.

On September 7, 2023, the County entered into a 36-month lease as lessee for the use of Jail Round Electronic System. An initial lease liability was recorded in the amount of \$53,695. As of June 30, 2024, the value of the lease liability is \$53,695. The County is required to make annual fixed payments of \$28,000. The lease has an interest rate of 2.8480%. The value of the right-to-use asset as of June 30, 2024 is \$53,695 with an accumulated amortization of \$14,616.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

#### **Governmental Activities:**

Year Ending June 30	P	Principal	]	Interest
2025	\$	602,203	\$	26,838
2026		498,177		14,556
2027		287,073		8,472
2028		246,463		6,072
2029		37,344		4,687
2030 - 2034		37,759		19,497
2035-2039		29,364		15,892
2040-2044		33,407		11,849
2045-2049		38,007		7,248
2050-2054		36,393		2,073
Total	\$	1,846,190	\$	117,184

## **Subscriptions**

The County has entered into subscription-based information technology arrangements (SBITAs). The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

On July 1, 2022, the County entered into a 26-month subscription for the use of Citrix License. An initial subscription liability was recorded in the amount of \$236,298. As of June 30, 2024, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$119,735. The subscription has an interest rate of 2.0240%. The value of the right-to-use asset as of June 30, 2024 is \$236,297 with an accumulated amortization of \$218,120.

On July 1, 2022, the County entered into a 24-month subscription for the use of Debtbook. An initial subscription liability was recorded in the amount of \$37,073. As of June 30, 2024, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$17,500. The subscription has an interest rate of 2.1840%. The value of the right-to-use asset as of June 30, 2024 is \$37,072 with an accumulated amortization of \$22,586.

On August 1, 2022, the County entered into a 48-month subscription for the use of Learning Management System (NeoGov). An initial subscription liability was recorded in the amount of \$590,546. As of June 30, 2024, the value of the subscription liability is \$424,394. The County is required to make annual fixed payments of \$88,785. The subscription has an interest rate of 2.2750%. The value of the right-to-use asset as of June 30, 2024 is \$590,546 with an accumulated amortization of \$277,195.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On July 1, 2022, the County entered into a 29-month subscription for the use of TeamMate+ Audit Software. An initial subscription liability was recorded in the amount of \$10,065. As of June 30, 2024, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$5,130. The subscription has an interest rate of 2.0240%. The value of the right-to-use asset as of June 30, 2024 is \$10,065 with an accumulated amortization of \$8,188.

On July 1, 2022, the County entered into a 46-month subscription for the use of CAMA Tax Assessment Software (DevNet). An initial subscription liability was recorded in the amount of \$474,011. As of June 30, 2024, the value of the subscription liability is \$160,972. The County is required to make annual fixed payments of \$164,634. The subscription has an interest rate of 2.2750%. The value of the right-to-use asset is of June 30, 2024 is \$474,011 with an accumulated amortization of \$247,310.

On October 1, 2023, the County entered into a 36-month subscription for the use of CLEAR Proflex. An initial subscription liability was recorded in the amount of \$12,629. As of June 30, 2024, the value of the subscription liability is \$9,736. The County is required to make monthly fixed payments of \$351. The subscription has an interest rate of 3.5910%. The value of the right-to-use asset is of June 30, 2024 is \$12,629 with an accumulated amortization of \$3,157.

On November 15, 2023, the County entered into a 45-month subscription for the use of Axon Enterprise. An initial subscription liability was recorded in the amount of \$61,239. As of June 30, 2024, the value of the subscription liability is \$46,294. The County is required to make annual fixed payments of \$2,261. The subscription has an interest rate of 3.4790%. The value of the right-to-use asset is of June 30, 2024 is \$61,239 with an accumulated amortization of \$10,252.

On December 1, 2023, the County entered into a 36-month subscription for the use of Northwoods Consulting Partners. An initial subscription liability was recorded in the amount of \$159,346. As of June 30, 2024, the value of the subscription liability is \$104,346. The County is required to make annual fixed payments of \$55,000. The subscription has an interest rate of 3.5910%. The value of the right-to-use asset is of June 30, 2024 is \$159,346 with an accumulated amortization of \$30,984.

On November 1, 2023, the County entered into a 36-month subscription for the use of SHI International. An initial subscription liability was recorded in the amount of \$1,617,518. As of June 30, 2024, the value of the subscription liability is \$1,059,216. The County is required to make annual fixed payments of \$558,303. The subscription has an interest rate of 3.5910%. The value of the right-to-use asset is of June 30, 2024 is \$1,617,518 with an accumulated amortization of \$359,449.

On November 22, 2023, the County entered into a 36-month subscription for the use of Eagleview. An initial subscription liability was recorded in the amount of \$233,406. As of June 30, 2024, the value of the subscription liability is \$233,406. The County is required to make annual fixed payments of \$81,387. The subscription has an interest rate of 3.8510%. The value of the right-to-use asset is of June 30, 2024 is \$233,406 with an accumulated amortization of \$47,330.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On September 7, 2023, the County entered into a 36-month subscription for the use of Jail Electronic Round System. An initial subscription liability was recorded in the amount of \$91,366. As of June 30, 2024, the value of the subscription liability is \$61,366. The County is required to make annual fixed payments of \$30,000. The subscription has an interest rate of 2.8480%. The value of the right-to-use asset is of June 30, 2024 is \$91,366 with an accumulated amortization of \$24,872.

On April 30, 2024, the County entered into a 36-month subscription for the use of Everbridge. An initial subscription liability was recorded in the amount of \$36,690. As of June 30, 2024, the value of the subscription liability is \$24,114. The County is required to make annual fixed payments of \$12,575. The subscription has an interest rate of 2.8510%. The value of the right-to-use asset is of June 30, 2024 is \$36,690 with an accumulated amortization of \$2,129.

On January 1, 2023, the County entered into a 31-month subscription for the use of Policy Management Software. An initial subscription liability was recorded in the amount of \$42,907. As of June 30, 2024, the value of the subscription liability is \$20,089. The County is required to make annual fixed payments of \$7,557. The subscription has an interest rate of 2.5830%. The value of the right-to-use asset is of June 30, 2024 is \$42,907 with an accumulated amortization of \$24,914.

On August 1, 2023, the County entered into a 36-month subscription for the use of Policy Management Software. An initial subscription liability was recorded in the amount of \$37,740. As of June 30, 2024, the value of the subscription liability is \$25,300. The County is required to make annual fixed payments of \$12,440. The subscription has an interest rate of 2.8480%. The value of the right-to-use asset is of June 30, 2024 is \$37,740 with an accumulated amortization of \$11,532.

On January 1, 2024, the County entered into a 59-month subscription for the use of SOCH Integra. An initial subscription liability was recorded in the amount of \$56,483. As of June 30, 2024, the value of the subscription liability is \$43,311. The County is required to make monthly fixed payments of \$8,322. The subscription has an interest rate of 2.5700%. The value of the right-to-use asset is of June 30, 2024 is \$56,483 with an accumulated amortization of \$11,197.

On July 1, 2023, the County entered into a 59-month subscription for the use of Ricoh. An initial subscription liability was recorded in the amount of \$260,693. As of June 30, 2024, the value of the subscription liability is \$207,693. The County is required to make monthly fixed payments of \$4,421. The subscription has an interest rate of 0.0259%. The value of the right-to-use asset is of June 30, 2024 is \$260,693 with an accumulated amortization of \$53,022.

On May 1, 2024, the County entered into a 36-month subscription for the use of SHI International Public Safety. An initial subscription liability was recorded in the amount of \$374,620. As of June 30, 2024, the value of the subscription liability is \$246,221. The County is required to make annual fixed payments of \$128,400. The subscription has an interest rate of 2.8510%. The value of the right-to-use asset is of June 30, 2024 is \$374,620 with an accumulated amortization of \$20,812.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On June 1, 2024, the County entered into a 13-month subscription for the use of PowerDMS. An initial subscription liability was recorded in the amount of \$17,077. As of June 30, 2024, the value of the subscription liability is \$14,060. The County is required to make annual fixed payments of \$1,116. The subscription has an interest rate of 3.2950%. The value of the right-to-use asset is of June 30, 2024 is \$17,077 with an accumulated amortization of \$1,313.

## **Governmental Activities:**

Year Ending June 30	Principal	Interest
2025	\$ 1,238,050	\$ 72,360
2026	1,080,539	39,516
2027	310,384	6,607
2028	51,545	74
Total	\$ 2,680,518	\$ 118,557

#### **Installment Purchases**

As authorized by state law (G.S. 160A-20 and 153A-158.1), the County financed various property and equipment acquisitions by installment purchase.

Installment purchase contracts at June 30, 2024, are comprised of the following:

#### **Governmental Activities:**

.6939% note, payable in annual installments of \$660,439, including interest; final payment due in 2024; secured by equipment issued November 2021	\$ 1,127,566
3.85% note, payable in annual installments of \$725,135, including interest; final payment due in 2026; secured by equipment issued June 2023	5,557,673
4.2946% note, payable in semi-annual installments of \$413,732, including interest; final payment due in 2027; secured by equipment issued January 2024	4,271,020
Total	\$ 10,956,259
Business-Type Activities:	
.6939% note, payable in annual installments of \$660,439, including interest; final payment due in 2024; secured by equipment issued November 2021	<u>\$ 189,883</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The County's outstanding note from direct placements related to governmental activities of \$1,127,566 is secured by equipment and contain provisions that an event of default would result in (a) declare all installment payments payable by purchases pursuant to such purchase agreement and other amounts payable by purchaser under such purchase agreement to the end of the then term to be due; (b) lender may enter the premises where the equipment is listed in such purchase agreement is located and take possession of such equipment and sell or lease such equipment for the account of purchaser continuing to hold purchaser liable, but solely from funds previously appropriated, for the difference between (i) the installment payments payable by purchaser pursuant to such purchase agreement and other amounts related to such purchase agreement or the equipment listed therein that are payable by purchaser, and (ii) the net proceeds of any such sale or leasing (after deducting all expenses of lender in exercising its remedies under such purchase agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of the purchase agreement; (c) proceed by appropriate court action to enforce performance by purchaser of the applicable covenants of the purchase agreement or to recover for the breach thereof, including enforcement of the requirement that the purchaser return all amounts held in the project fund to the lender; provided, however, that nothing in the purchase agreement shall be deemed to allow any judgment for a deficiency or waive any provision of N.C.G.S. 160A-20 or any defense the purchaser otherwise have; (d) exercise all the rights and remedies of a secured party or creditor under the UCC of the state of North Carolina and the general laws of the state of North Carolina with respect to the enforcement of the security interest granted or reserved; (e) require purchaser to deliver the equipment, at the purchaser's sole expense, to any location within the state of North Carolina designated by lender, and take possession of any proceeds of the equipment, including net proceeds; (f) require purchaser to deliver all amounts remaining in the project fund to the lender; or (g) take whatever action at law or in equity may appear necessary or desirable to enforce its rights under such purchase agreement or as a secured party in any or all of the equipment subject to such purchase agreement.

The County's outstanding note from direct placements related to governmental activities of \$5,557,673 is secured by equipment and contain provisions that an event of default would result in (a) declare all installment payments payable by purchases pursuant to such purchase agreement and other amounts payable by purchaser under such purchase agreement to the end of the then term to be due; (b) lender may enter the premises where the equipment is listed in such purchase agreement is located and take possession of such equipment and sell or lease such equipment for the account of purchaser continuing to hold purchaser liable, but solely from funds previously appropriated, for the difference between (i) the installment payments payable by purchaser pursuant to such purchase agreement and other amounts related to such purchase agreement or the equipment listed therein that are payable by purchaser, and (ii) the net proceeds of any such sale or leasing (after deducting all expenses of lender in exercising its remedies under such purchase agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of the purchase agreement; (c) proceed by appropriate court action to enforce performance by purchaser of the applicable covenants of the purchase agreement or to recover for the breach thereof, including enforcement of the requirement that the purchaser return all amounts held in the project fund to the lender; provided, however, that nothing in the purchase agreement shall be deemed to allow any judgment for a deficiency or waive any provision of N.C.G.S. 160A-20 or any defense the purchaser otherwise have; (d)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

exercise all the rights and remedies of a secured party or creditor under the UCC of the state of North Carolina and the general laws of the state of North Carolina with respect to the enforcement of the security interest granted or reserved; (e) require purchaser to deliver the equipment, at the purchaser's sole expense, to any location within the state of North Carolina designated by lender, and take possession of any proceeds of the equipment, including net proceeds; (f) require purchaser to deliver all amounts remaining in the project fund to the lender; or (g) take whatever action at law or in equity may appear necessary or desirable to enforce its rights under such purchase agreement or as a secured party in any or all of the equipment subject to such purchase agreement.

The County's outstanding note from direct placements related to governmental activities of \$4,271,020 is secured by equipment and contain provisions that an event of default would result in (a) declare all installment payments payable by purchases pursuant to such purchase agreement and other amounts payable by purchaser under such purchase agreement to the end of the then term to be due; (b) lender may enter the premises where the equipment is listed in such purchase agreement is located and take possession of such equipment and sell or lease such equipment for the account of purchaser continuing to hold purchaser liable, but solely from funds previously appropriated, for the difference between (i) the installment payments payable by purchaser pursuant to such purchase agreement and other amounts related to such purchase agreement or the equipment listed therein that are payable by purchaser, and (ii) the net proceeds of any such sale or leasing (after deducting all expenses of lender in exercising its remedies under such purchase agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of the purchase agreement; (c) proceed by appropriate court action to enforce performance by purchaser of the applicable covenants of the purchase agreement or to recover for the breach thereof, including enforcement of the requirement that the purchaser return all amounts held in the project fund to the lender; provided, however, that nothing in the purchase agreement shall be deemed to allow any judgment for a deficiency or waive any provision of N.C.G.S. 160A-20 or any defense the purchaser otherwise have; (d) exercise all the rights and remedies of a secured party or creditor under the UCC of the state of North Carolina and the general laws of the state of North Carolina with respect to the enforcement of the security interest granted or reserved; (e) require purchaser to deliver the equipment, at the purchaser's sole expense, to any location within the state of North Carolina designated by lender, and take possession of any proceeds of the equipment, including net proceeds; (f) require purchaser to deliver all amounts remaining in the project fund to the lender; or (g) take whatever action at law or in equity may appear necessary or desirable to enforce its rights under such purchase agreement or as a secured party in any or all of the equipment subject to such purchase agreement.

The County's outstanding note from direct placements related to business-type activities of \$189,883 is secured by equipment and contain provisions that an event of default would result in (a) declare all installment payments payable by purchases pursuant to such purchase agreement and other amounts payable by purchaser under such purchase agreement to the end of the then term to be due; (b) lender may enter the premises where the equipment is listed in such purchase agreement is located and take possession of such equipment and sell or lease such equipment for the account of purchaser continuing to hold purchaser liable, but solely from funds previously appropriated, for the difference between (i) the installment payments payable by purchaser pursuant to such purchase agreement or the

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

equipment listed therein that are payable by purchaser, and (ii) the net proceeds of any such sale or leasing (after deducting all expenses of lender in exercising its remedies under such purchase agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of the purchase agreement; (c) proceed by appropriate court action to enforce performance by purchaser of the applicable covenants of the purchase agreement or to recover for the breach thereof, including enforcement of the requirement that the purchaser return all amounts held in the project fund to the lender; provided, however, that nothing in the purchase agreement shall be deemed to allow any judgment for a deficiency or waive any provision of N.C.G.S. 160A-20 or any defense the purchaser otherwise have; (d) exercise all the rights and remedies of a secured party or creditor under the UCC of the state of North Carolina and the general laws of the state of North Carolina with respect to the enforcement of the security interest granted or reserved; (e) require purchaser to deliver the equipment, at the purchaser's sole expense, to any location within the state of North Carolina designated by lender, and take possession of any proceeds of the equipment, including net proceeds; (f) require purchaser to deliver all amounts remaining in the project fund to the lender; or (g) take whatever action at law or in equity may appear necessary or desirable to enforce its rights under such purchase agreement or as a secured party in any or all of the equipment subject to such purchase agreement.

Annual debt service payments of the installment purchase as of June 30, 2024 are as follows:

Ye	ar Ending					
	June 30	]	Principal	Ι	nterest	 Total
	2025	\$	5,348,545	\$	337,424	\$ 5,685,969
	2026		4,392,702		162,766	4,555,468
	2027		1,215,012		26,183	 1,241,195
	Total	\$	10,956,259	\$	526,373	\$ 11,482,632

#### **Governmental Activities:**

#### **Business-Type Activities:**

Vear Ending

June 30	Principal		Int	erest	Total	
2025	\$	189,883	\$	494	\$	190,377

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **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.

<b>\$50,025,000 General Obligation School Bonds, Series 2016:</b> 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.	\$ 30,000,000
<b>\$58,855,000 2013 Refunding Bonds:</b> 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.	16,205,000
<b>\$50,145,000 General Obligation Refunding Bonds, Series 2020:</b> 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.	31,615,000
<b>\$60,000,000 General Obligation School Bonds, Series 2018:</b> 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.	45,000,000
<b>\$80,000,000 General Obligation School Bond Anticipation Notes, Series 2023:</b> \$80,000,000 School Bond Anticipation Notes issued on July 11, 2023; interest at 4.00%. The notes will be repaid from a \$250,000,000 General Obligation	
Bond issue expected to be sold in the next fiscal year.	 80,000,000
Total	\$ 202,820,000

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

Year Ending			
June 30	 Principal	 Interest	 Total
2025	\$ 96,285,000	\$ 8,389,350	\$ 104,674,350
2026	16,195,000	4,461,900	20,656,900
2027	15,695,000	3,706,700	19,401,700
2028	13,980,000	2,946,750	16,926,750
2029	13,165,000	2,304,500	15,469,500
2030-2034	27,500,000	6,491,250	33,991,250
2035-2039	 20,000,000	 1,725,000	 21,725,000
Total	\$ 202,820,000	\$ 30,025,450	\$ 232,845,450

## **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, 2024, are comprised of the following individual issues:

- Series 2019A Limited Obligation Bonds, \$16,330,000
- Series 2019B Limited Obligation Bonds, \$2,580,000

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **Governmental Activities – Limited Obligation Bonds:**

<b>\$18,230,000 Limited Obligation Bond, Series 2019A:</b> 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.	\$ 16,330,000
<b>\$8,555,000 Limited Obligation Bond, Series 2019B:</b> 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.	2,580,000
Total	\$ 18,910,000

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

Year Ending				
June 30	 Principal	 Interest		Total
2025	\$ 1,595,000	\$ 814,728	\$	2,409,728
2026	1,595,000	759,783		2,354,783
2027	1,210,000	703,749		1,913,749
2028	1,210,000	646,225		1,856,225
2029	1,210,000	585,725		1,795,725
2030-2034	6,050,000	2,055,500		8,105,500
2035-2039	 6,040,000	 615,750		6,655,750
Total	\$ 18,910,000	\$ 6,181,460	\$	25,091,460

#### **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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 was \$2,928,870. 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 \$3,294,978 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	Governmental Activities					
June 30	]	Principal	Ι	nterest		Total
2025	\$	366,108	\$	71,904	\$	438,012
2026		366,108		62,916		429,024
2027		366,108		53,928		420,036
2028		366,108		44,940		411,048
2029		366,108		35,952		402,060
2030-2034		1,098,330		53,928		1,152,258
Total	\$	2,928,870	\$	323,568	\$	3,252,438

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **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, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion
<b>Governmental Activities:</b>					
General obligation bonds	\$ 139,105,000	\$ -	\$ (16,285,000)	\$ 122,820,000	\$ 16,285,000
GOBANS	-	80,000,000	-	80,000,000	80,000,000
Premium	20,221,712	1,144,800	(3,224,225)	18,142,287	1,827,737
Limited obligation bonds	20,505,000	-	(1,595,000)	18,910,000	1,595,000
Lease liabilities issued	1,238,015	1,306,969	(698,794)	1,846,190	602,203
Subscription liabilities issued	1,155,396	3,001,714	(1,476,592)	2,680,518	1,238,050
State revolving loan - direct borrowing	3,294,978	-	(366,108)	2,928,870	366,108
Installment purchases payable -					
direct placement	12,046,468	4,634,989	(5,725,198)		5,348,545
Compensated absences	10,952,580	2,496,253	(3,617,335)		2,457,875
Total OPEB liability	60,786,202	5,044,188	-	65,830,390	16,457,598
Net pension liability (LGERS)	62,553,179	19,249,360	-	81,802,539	-
Total pension liability (LEOSSA)	16,621,056	3,248,608		19,869,664	9,934,832
Total governmental activities	\$ 348,479,586	\$ 120,126,881	\$ (32,988,252)	\$ 435,618,215	\$ 136,112,948
Business-Type Activities:					
Installment purchases - direct placement	\$ 791,744	\$ -	\$ (601,861)	\$ 189,883	\$ 189,883
Compensated absences	169,348	39,978	(61,833)	147,493	36,873
Net pension liability (LGERS)	1,290,862	392,797	-	1,683,659	-
Total OPEB liability	999,730	43,307	-	1,043,037	260,759
Landfill closure and					
post-closure costs	19,525,282	669,854		20,195,136	1,615,611
Total business-type activities	\$ 22,776,966	\$ 1,145,936	\$ (663,694)	\$ 23,259,208	\$ 2,103,126

Compensated absences, OPEB liability, and pension liabilities of the governmental activities are generally liquidated by the General Fund. At June 30, 2024, Gaston County had a legal debt margin of approximately \$2,461,085,396.

## **Debt Related to Capital Activities**

Of the total governmental activities' debt listed, only \$55,938,428 relates to assets the County holds title. There is \$7,218,893 in unspent restricted cash related to this debt.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### K. Interfund Balances and Activity

The composition of interfund transfers during the year ended June 30, 2024, is as follows:

	Transfers Out							
	Major General Fund	eral Improvements Investments Governmental		Internal Service Funds	Total			
Transfers In:								
Major General Fund	\$ -	\$ -	\$ 805,836	\$ 150,000	\$ 5,000,000	\$ 5,955,836		
Capital Improvements Fund	-	-	134,581,030	-	-	134,581,030		
Community Investments Fund	31,923,615	21,595,523	-	-	-	53,519,138		
Debt Service Fund	-	-	35,671,978	-	-	35,671,978		
Nonmajor governmental funds	253,584	-	-	-	-	253,584		
Internal service funds	3,600,000	-	-	-	-	3,600,000		
Total	\$ 35,777,199	\$ 21,595,523	\$ 171,058,844	\$ 150,000	\$ 5,000,000	\$ 233,581,566		

From the Major General Fund to:

- The Community Investments Fund for capital expenditures.
- Nonmajor governmental funds for building signage needed by Travel & Tourism and to the Revaluation Fund for various expenditures.
- The Internal Service Fund to cover increased insurance expenditures for active and retired employees

From the Capital Improvements Fund to the Community Investments Fund for expenditures that did not meet the capital threshold, and for funds advanced while waiting on the issuance of the 2023 GO BANs.

From the Community Investments Fund to:

- The Major General Fund that are operating and not capital in nature
- The Capital Improvements Fund for general government capital expenditures, Gaston County Schools capital expenditures, and Gaston College capital expenditures.
- The Debt Service Fund to fund the County's general government and school debt service payments for FY24

From Nonmajor Governmental Funds to the Major General Fund for allowance on administrative costs on collection of Real Estate Conveyance Taxes.

From Internal Service Funds to the Major General Fund to cover a portion of estimated group health insurance expenses for FY24.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **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 \$1,000,000 and the Tax Collector is individually bonded for \$1,000,000. 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. Estimated recoveries, for example from salvage or subrogation, are another component of the claim's liability estimate.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended June 30							
		2024		2023				
Unpaid claims, beginning of fiscal year	\$	3,961,296	\$	3,668,372				
Incurred claims (including IBNRs)		(24,149,451)		(19,974,036)				
Claim payments		25,092,663		20,266,960				
Unpaid claims, end of fiscal year	\$	4,904,508	\$	3,961,296				

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **B.** Joint Ventures

The County, in conjunction with Lincoln County, Cleveland County, Burke County, Catawba County, Iredell County, Surry County, Rutherford County, Yadkin County, Forsyth County, Davie County, Cabarrus County, Union County, Davidson County, and Stanly 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 fourteen 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, 2024, 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 901 S. New Hope Road, 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, 2024, and June 30, 2023 were \$6,613,723 and \$11,837,358 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, 2024. Complete financial statements for the College may be obtained at its administrative offices at 201 Highway 321 South, Dallas, North Carolina 28034.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The County, in conjunction with Mecklenburg County, North Carolina, and York County, South Carolina, participates in the Lake Wylie Marine Commission (the "LWMC"). The LWMC was established by the 1987 session of the North Carolina General Assembly, Chapter 683 as amended by Chapter 897, and the 1987 session of the South Carolina General Assembly, Act 176 as amended by Act 769, for the purpose of preserving and protecting property and wildlife and promoting public safety in, on, and around Lake Wylie. The counties that fall within the jurisdiction of the LWMC appoint its Board members. Gaston County appoints three members, Mecklenburg County appoints three members, and York County appoints three 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, 2024. The County has no equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2024. Complete financial statements for the Lake Wylie Marine Commission are available from the Centralina Council of Governments, 10735 David Taylor Dr #250, Charlotte, North Carolina 28262, 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), and 5 At Large members and 1 Chief of Staff of CaroMont Regional Medical Center are appointed by the CaroMont Health Inc. (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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

#### E. Claims and Judgments

At June 30, 2024, 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.

Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Required Supplementary Information This page left blank intentionally.

Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

# SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE LAST EIGHT FISCAL YEARS

Law Enforcement Officers' Special Separation Allowance											
	2024 2023		2022	2021							
Beginning balance	\$ 16,621,056	\$ 18,733,761	\$ 18,012,303	\$ 13,289,055							
Service cost	547,271	749,667	738,852	463,489							
Interest on the total pension liability	654,665	411,645	338,810	418,403							
Difference between expected and											
actual experience	2,582,721	-	1,001,025	(34,133)							
Changes in assumptions or other inputs	376,943	(2,397,149)	(442,458)	4,784,687							
Benefit payments	(912,992)	(876,868)	(914,771)	(909,198)							
Ending balance of the total pension liability	\$ 19,869,664	\$ 16,621,056	\$ 18,733,761	\$ 18,012,303							

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.

# SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE LAST EIGHT FISCAL YEARS

Law Enforcement Officers' Special Separation Allowance											
	2020	2020 2019 202		2017							
Beginning balance	\$ 12,312,206	\$ 11,847,267	\$ 10,886,409	\$ 10,936,528							
Service cost	411,848	421,381	341,920	387,553							
Interest on the total pension liability	433,980	361,747	407,079	380,199							
Difference between expected and											
actual experience	552,843	919,101	253,678	-							
Changes in assumptions or other inputs	357,514	(438,152)	638,815	(244,487)							
Benefit payments	(779,336)	(799,138)	(680,634)	(573,384)							
Ending balance of the total pension liability	\$ 13,289,055	\$ 12,312,206	\$ 11,847,267	\$ 10,886,409							

# SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE LAST EIGHT FISCAL YEARS

Law Enforcement Officers' Special Separation Allowance											
	2024	2023	2022	2021							
Total pension liability	\$ 19,869,664	\$ 16,621,056	\$ 18,733,761	\$ 18,012,303							
Covered-employee payroll	20,804,277	16,087,860	16,087,860	16,006,541							
Total pension liability as a percentage											
of covered-employee payroll	95.51%	103.31%	116.45%	112.53%							

#### 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

# SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE LAST EIGHT FISCAL YEARS

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

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

Other Post-Employment Benefits											
		2024		2023	2022			2021			
Service cost	\$	1,235,843	\$	1,722,405	\$	1,685,988	\$	1,198,671			
Interest		2,209,940		1,542,223		1,878,568		2,579,049			
Differences between expected											
and actual experience		7,069,834		-		(16,095,711)		211,525			
Changes of assumptions or other inputs		(1,121,148)		(11,062,737)		4,046,714		10,360,051			
Benefit payments		(4,306,974)		(3,630,362)		(3,218,907)		(3,807,231)			
Net change in total OPEB liability		5,087,495		(11,428,471)		(11,703,348)		10,542,065			
Total OPEB liability - beginning		61,785,932		73,214,403		84,917,751		74,375,686			
Total OPEB liability - ending	\$	66,873,427	\$	61,785,932	\$	73,214,403	\$	84,917,751			
Covered-employee payroll	\$	21,461,786	\$	20,252,275	\$	20,252,275	\$	26,197,912			
Total OPEB liability as a percentage of covered-employee payroll		311.59%		305.08%		361.51%		324.14%			

## 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:

<b>Fiscal Year</b>	Rate
2024	3.86%
2023	3.69%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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

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

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

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

Local Governmental Employees' Retirement System									
	2024		2023	_	2022		2021	_	2020
County's proportion of the net pension liability (asset) (%)	1.260539	6	1.13170%		1.13954%		1.09636%		1.12203%
County's proportion of the net pension liability (asset) (\$)	\$ 83,486,198	8 \$	63,844,041	\$	17,475,940	\$	39,177,613	\$	30,641,764
County's covered payroll*	\$ 110,601,995	5 \$	91,346,420	\$	82,522,928	\$	78,976,783	\$	76,866,665
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.489	⁄0	69.89%		21.18%		49.61%		39.86%
Plan fiduciary net position as a percentage of the total pension liability**	82.499	0	84.14%		95.51%		88.61%		90.86%

\* 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.

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

Local Governmental Employees' Retirement System										
	_	2019	_	2018	_	2017	_	2016		2015
County's proportion of the net pension liability (asset) (%)		1.11494%		1.07214%		1.11399%		1.09906%		1.14287%
County's proportion of the net pension liability (asset) (\$)	\$	26,450,190	\$	16,379,329	\$	23,642,600	\$	4,932,515	\$	(6,740,036)
pension nuonity (usset) (\$)	ψ	20,130,190	Ψ	10,579,529	Ψ	25,012,000	Ψ	1,952,515	Ψ	(0,740,050)
County's covered payroll*	\$	73,803,006	\$	69,171,453	\$	67,510,404	\$	66,133,607	\$	65,995,520
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		35.84%		23.68%		35.02%		7.46%		-10.21%
Plan fiduciary net position as a percentage of the total pension liability**		91.63%		94.18%		91.47%		98.09%		102.64%

# GASTON COUNTY'S CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION LAST TEN FISCAL YEARS

Local Governmental Employees' Retirement System									
	2024	2023	2022	2021	2020				
Contractually required contribution	\$ 14,953,661	\$ 13,486,640	\$ 10,422,263	\$ 8,425,503	\$ 7,144,846				
Contributions in relation to the contractually required contribution	14,953,661	13,486,640	10,422,263	8,425,503	7,144,846				
Contribution deficiency (excess)	<u>\$                                    </u>	<u>\$</u> -	<u>\$</u>	<u>\$</u>	<u>\$</u> -				
County's covered payroll	\$ 115,479,243	\$ 110,601,995	\$ 91,346,420	\$ 82,522,928	\$ 78,976,783				
Contributions as a percentage of covered payroll	12.95%	12.19%	11.41%	10.21%	9.05%				

# GASTON COUNTY'S CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION LAST TEN FISCAL YEARS

Local Governmental Employees' Retirement System										
	_	2019	_	2018	18 2017		2016			2015
Contractually required contribution	\$	6,049,796	\$	5,637,293	\$	5,126,405	\$	4,687,940	\$	4,693,058
Contributions in relation to the contractually required contribution		6,049,796		5,637,293		5,126,405		4,687,940		4,693,058
Contribution deficiency (excess)	\$	_	\$	_	\$	_	\$	_	\$	-
County's covered payroll	\$	76,866,665	\$	73,803,006	\$	69,171,453	\$	67,510,404	\$	66,133,607
Contributions as a percentage of covered payroll		7.87%		7.64%		7.41%		6.94%		7.10%

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

Register of Deeds' Supplemental Pension Fund								
		2024	2023	2022	2021	2020		
County's proportion of the net pension liability (asset) (%)		2.57847%	2.44672%	2.29758%	2.36007%	11.81697%		
County's proportion of the net pension liability (asset) (\$)	\$	(309,855) \$	(323,946) \$	(441,434) \$	(540,881)	\$ (2,332,906)		
Plan fiduciary net position as a percentage of the total pension liability **		135.74%	139.04%	156.53%	173.61%	164.11%		

\* 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.

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

Register of Deeds' Supplemental Pension Fund									
	2019	2018	2017	2016	2015				
County's proportion of the net pension liability (asset) (%)	78.51700%	0.85230%	1.13299%	1.34155%	1.42133%				
County's proportion of the net pension liability (asset) (\$)	\$ (130,048) \$	(145,479) \$	(211,824) \$	(310,898) \$	(322,166)				
Plan fiduciary net position as a percentage of the total pension liability **	153.31%	153.77%	160.17%	197.29%	193.88%				

## Schedule 1-G Page 1 of 2

# GASTON COUNTY, NORTH CAROLINA

# GASTON COUNTY'S CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION LAST TEN FISCAL YEARS

Register of Deeds' Supplemental Pension Fund											
		2024		2023		2022		2021		2020	
Contractually required contribution	\$	24,180	\$	23,011	\$	114,674	\$	114,199	\$	108,791	
Contributions in relation to the contractually required contribution		24,180		23,011		114,674		114,199		108,791	
Contribution deficiency (excess)	\$		\$		\$		\$		\$	_	

## Schedule 1-G Page 2 of 2

# GASTON COUNTY, NORTH CAROLINA

# GASTON COUNTY'S CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION LAST TEN FISCAL YEARS

Register of Deeds' Supplemental Pension Fund										
	2019		2018		2017		2016		2015	
Contractually required contribution	\$	112,317	\$	6,719	\$	7,405	\$	10,735	\$	10,765
Contributions in relation to the contractually required contribution		112,317		6,719		7,405		10,735		10,765
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	_

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## Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Supplementary Information

**Combining and Individual Fund Financial Statements and Schedules** 

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Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Combining and Individual Fund Statements and Schedules

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## Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

## **General Fund**

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

## **Opioid Settlement Fund**

Accounts for the distributions from the National Opioid Settlement Agreement with pharmaceutical and drug distribution companies due to the opioid epidemic. These funds are required to be used for opioid remediation activities that benefits the residents of Gaston County.

## **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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		2024		2023
	Final		Variance	
	Budget	Actual	Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 186,200,714	\$ 204,675,703	\$ 18,474,989	\$ 178,482,367
Penalties and interest	875,000	818,084	(56,916)	800,836
Total	187,075,714	205,493,787	18,418,073	179,283,203
Other Taxes and Licenses:				
One-cent tax	18,691,266	18,691,266	-	14,776,300
Half-cent sales tax	26,490,906	26,597,170	106,264	19,977,533
Real estate transfer taxes	2,527,000	2,233,862	(293,138)	2,064,881
Alcoholic beverage excise tax	300,000	387,888	87,888	357,125
Utility tax	350,500	300,832	(49,668)	329,372
Gross receipts tax	325,000	374,740	49,740	340,601
Total	48,684,672	48,585,758	(98,914)	37,845,812
Restricted Intergovernmental Revenues:				
Federal grants	37,949,251	35,767,795	(2,181,456)	44,058,345
State grants	9,158,500	8,131,618	(1,026,882)	9,633,729
Federal prisoner detention reimbursements	1,445,000	1,047,743	(397,257)	1,001,409
Other	3,315,091	2,891,269	(423,822)	2,294,080
Total	51,867,842	47,838,425	(4,029,417)	56,987,563
Fees, Licenses, and Permits:				
Inspection fees	5,200,000	8,007,426	2,807,426	6,271,174
Register of Deeds' fees	1,599,952	1,320,045	(279,907)	1,338,291
Sheriff's department fees	607,000	504,797	(102,203)	541,046
Animal shelter fees	365,600	325,119	(40,481)	343,879
Environmental health fees	300,000	304,497	4,497	328,092
Other	2,296,633	2,169,107	(127,526)	1,911,014
Total	10,369,185	12,630,991	2,261,806	10,733,496
Sales and Services:				
Medical transport fees	11,002,960	12,950,765	1,947,805	11,850,687
Library fees	40,000	43,709	3,709	39,805
Jail fees	10,000	12,092	2,092	15,239
Municipal election fees	125,000	152,966	27,966	-
Central transportation fees	275,000	233,618	(41,382)	209,911
Recreation fees	128,815	183,523	54,708	159,926
Personal health fees	1,952,600	1,230,781	(721,819)	2,207,132
Highland Medical Center	2,600	679	(1,921)	2,139
Family planning fees	1,127,000	355,715	(771,285)	370,571
Maternal and child health fees	2,886,400	419,272	(2,467,128)	501,830
Primary care fees	60,000	72,766	12,766	80,851
Gynecological clinic fees	15,800	5,202	(10,598)	4,948
Miscellaneous	2,161,339	1,710,113	(451,226)	1,305,941
Total	19,787,514	17,371,201	(2,416,313)	16,748,980

	2024			2023	
	Final Budget	Actual	Variance Over/Under	Actual	
Investment Earnings	453,683	8,677,715	8,224,032	4,738,723	
Miscellaneous Revenue:					
Sales of surplus property	318,774	3,637	(315,137)	38,177	
Insurance settlements	100,000	1,055,274	955,274	200,939	
Other	4,362,944	5,517,032	1,154,088	7,686,897	
Total	4,781,718	6,575,943	1,794,225	7,926,013	
Total revenues	323,020,328	347,173,820	24,153,492	314,263,790	
Expenditures:					
General Government:					
County Commissioners:					
Salaries and employee benefits	755,063	673,453	81,610	644,901	
Operating expenditures	1,049,334	463,590	585,744	557,222	
Total	1,804,397	1,137,043	667,354	1,202,123	
County Manager					
Salaries and employee benefits	2,260,881	1,981,956	278,925	2,184,981	
Operating expenditures	241,498	224,287	17,211	262,632	
Total	2,502,379	2,206,243	296,136	2,447,613	
Public Information:					
Salaries and employee benefits	700,399	716,502	(16,103)	694,323	
Operating expenditures	85,820	66,885	18,935	116,139	
Total	786,219	783,387	2,832	810,462	
County Attorney:					
Salaries and employee benefits	1,081,000	829,096	251,904	622,154	
Operating expenditures	68,222	39,118	29,104	35,072	
Total	1,149,222	868,214	281,008	657,226	
Elections:					
Salaries and employee benefits	729,469	623,447	106,022	532,189	
Operating expenditures	973,522	907,320	66,202	534,056	
Capital outlay	56,483	61,333	(4,850)	-	
Total	1,759,474	1,592,100	167,374	1,066,245	
Register of Deeds:					
Salaries and employee benefits	1,532,620	1,514,278	18,342	1,369,727	
Operating expenditures	148,606	105,720	42,886	115,353	
Capital outlay	304,018	304,018		-	
Total	1,985,244	1,924,016	61,228	1,485,080	

	2024			2023
	Final Budget	Actual	Variance Over/Under	Actual
Finance:	2 241 011		075 100	0 100 176
Salaries and employee benefits Operating expenditures	3,241,811 1,432,964	2,266,682 1,067,747	975,129 365,217	2,130,176 765,526
Capital outlay	1,452,904	1,007,747	505,217	37,073
Total	4,674,775	3,334,429	1,340,346	2,932,775
Budget:				
Salaries and employee benefits	998,365	819,278	179,087	890,353
Operating expenditures	864,416	719,696	144,720	231,240
Total	1,862,781	1,538,974	323,807	1,121,593
Internal Audit:				
Salaries and employee benefits	342,720	374,527	(31,807)	325,203
Operating expenditures	44,703	16,852	27,851	27,352
Capital outlay	<u> </u>	-		10,065
Total	387,423	391,379	(3,956)	362,620
Information Technology:				
Salaries and employee benefits	4,518,648	4,493,569	25,079	4,262,016
Operating expenditures	2,521,334	2,140,998	380,336	2,546,375
Capital outlay	1,518,306	1,518,306		255,212
Total	8,558,288	8,152,873	405,415	7,063,603
ACCESS/Central Transportation:				
Salaries and employee benefits	1,222,665	1,358,413	(135,748)	1,062,934
Operating expenditures	726,183	468,171	258,012	471,498
Total	1,948,848	1,826,584	122,264	1,534,432
Tax:				
Salaries and employee benefits	5,308,198	5,038,898	269,300	4,663,292
Operating expenditures	1,447,039	1,327,608	119,431	1,271,322
Capital outlay		-		474,011
Total	6,755,237	6,366,506	388,731	6,408,625
Human Resources:				
Salaries and employee benefits	2,550,625	2,158,742	391,883	2,150,665
Operating expenditures	1,680,054	1,314,287	365,767	1,027,616
Capital outlay		-		590,546
Total	4,230,679	3,473,029	757,650	3,768,827
Public Works Administration:				
Salaries and employee benefits	1,036,914	1,080,791	(43,877)	842,796
Operating expenditures	147,617	132,805	14,812	132,388
Total	1,184,531	1,213,596	(29,065)	975,184

	2024			2023
	Final		Variance	
	Budget	Actual	Over/Under	Actual
Public Works - Fleet Maintenance:				
Salaries and employee benefits	717,404	821,257	(103,853)	721,466
Operating expenditures	392,194	245,526	146,668	161,896
Service fees to other departments	(425,000)	(201,714)	(223,286)	(255,916)
Total	684,598	865,069	(180,471)	627,446
Public Works - Facilities Management:				
Salaries and employee benefits	2,546,209	1,527,874	1,018,335	1,279,565
Operating expenditures	4,685,018	3,731,074	953,944	3,298,101
Total	7,231,227	5,258,948	1,972,279	4,577,666
Public Works Facilities - Courts:				
Salaries and employee benefits	57,219	56,613	606	52,447
Operating expenditures	1,086,674	860,645	226,029	1,096,828
Reimbursements from other funds	(8,395)	(8,395)	-	-
Total	1,135,498	908,863	226,635	1,149,275
Public Works - Print Shop:				
Salaries and employee benefits	247,651	243,728	3,923	226,659
Operating expenditures	39,257	14,055	25,202	19,524
Capital outlay	-	-		187,173
Service fees to other departments	(125,000)	-	(125,000)	-
Total	161,908	257,783	(95,875)	433,356
Parks and Recreation - Grounds Maintenance:				
Salaries and employee benefits	747,266	709,189	38,077	680,169
Operating expenditures	469,029	324,098	144,931	244,244
Service fees to other departments	(102,642)	(110,211)	7,569	(81,033)
Total	1,113,653	923,076	190,577	843,380
Non-Departmental Expenditures:				
Medicare supplement	1,200,000	1,138,322	61,678	1,053,098
Retirees	3,500,000	3,500,000	-	3,500,000
Human relations	39,650	39,627	23	39,629
Lake Wylie Marine Commission	25,000	25,000	-	25,000
Insurance reserves	945,032	865,355	79,677	769,557
Special programs	140,483	140,478	5	91,651
Investment grant program	1,323,743	1,323,743	-	1,274,712
Stormwater fees	52,900	49,645	3,255	46,519
Employee wellness	-	-	-	15,687
Gaston Community Foundation	102,041	102,041	-	102,000
Miscellaneous expenditures	(3,000,000)	-	(3,000,000)	-
Indirect cost reimbursement from DSS	(2,650,000)	-	(2,650,000)	
Total	1,678,849	7,184,211	(5,505,362)	6,917,853
Total general government	51,595,230	50,206,323	1,388,907	46,385,384

	2024			2023	
	Final Budget	Actual	Variance Over/Under	Actual	
Public Safety:					
County Police:					
Salaries and employee benefits	16,857,802	17,006,144	(148,342)	16,578,655	
Operating expenditures	3,903,639	3,277,077	626,562	3,151,733	
Capital outlay	265,300	263,534	1,766	238,500	
Total	21,026,741	20,546,755	479,986	19,968,888	
County Police Animal Control:					
Salaries and employee benefits	2,663,803	2,526,219	137,584	2,339,120	
Operating expenditures	796,182	691,243	104,939	682,660	
Total	3,459,985	3,217,462	242,523	3,021,780	
County Police Telecommunications:					
Salaries and employee benefits	5,125,612	5,210,062	(84,450)	4,865,529	
Operating expenditures	1,002,865	985,797	17,068	591,313	
Capital outlay		-		24,382	
Total	6,128,477	6,195,859	(67,382)	5,481,224	
County Police School Resource Officer:					
Salaries and employee benefits	1,963,500	1,932,667	30,833	1,638,226	
Sheriff:					
Salaries and employee benefits	10,216,663	12,250,517	(2,033,854)	14,346,261	
Operating expenditures	2,996,220	2,846,974	149,246	4,753,393	
Capital outlay	138,949	181,856	(42,907)	219,299	
Services to other departments	(569,881)	(503,205)	(66,676)	(458,845)	
Reimbursements from other funds	(177,275)	(177,275)			
Total	12,604,676	14,598,867	(1,994,191)	18,860,108	
Sheriff Jail:					
Salaries and employee benefits	12,473,306	14,693,580	(2,220,274)	10,607,884	
Operating expenditures	6,458,736	6,210,281	248,455	6,029,206	
Capital outlay	145,061	145,061		-	
Total	19,077,103	21,048,922	(1,971,819)	16,637,090	
Law Enforcement Special Allowance:					
Salaries and employee benefits	1,107,532	1,146,593	(39,061)	916,800	
Juvenile Detention Home:					
Operating expenditures	425,000	337,950	87,050	415,530	
Emorgonov Monogomont & Eine Sourison					
Emergency Management & Fire Services: Salaries and employee benefits	1,415,345	1,200,235	215,110	1,277,710	
Operating expenditures	1,155,172	862,937	292,235	906,832	
Capital outlay	1,155,172	16,034		38,761	
	2,586,551	2,079,206	507,345	2,223,303	
Total	2,300,331	2,079,200	507,545	2,223,303	

	2024			2023
	Final		Variance	
	Budget	Actual	Over/Under	Actual
Building Inspections:				
Salaries and employee benefits	3,245,412	3,120,508	124,904	3,005,441
Operating expenditures	575,489	550,648	24,841	404,758
Total	3,820,901	3,671,156	149,745	3,410,199
Emergency Medical Services:				
Salaries and employee benefits	13,707,059	15,894,932	(2,187,873)	14,297,939
Operating expenditures	5,889,079	5,580,645	308,434	4,775,333
Capital outlay	315,763	288,287	27,476	302,644
Rescue squad supplements	1,319,115	1,180,484	138,631	1,321,737
Total	21,231,016	22,944,348	(1,713,332)	20,697,653
Non-Departmental Expenditures:				
Medical examiner	247,300	239,650	7,650	237,050
Pretrial services	1,495,355	1,495,355	-	1,349,355
Innovative court programs - veterans	148,030	21,878	126,152	-
Miscellaneous expenditures	4,500,000	-	4,500,000	-
Veterans treatment court	237,458	18,273	219,185	-
Total	6,628,143	1,775,156	4,852,987	1,586,405
Total public safety	100,059,625	99,494,941	564,684	94,857,206
Environmental Protection:				
Forestry Control Services:				
Operating expenditures	107,571	63,070	44,501	79,386
Economic and Physical Development:				
Building Services:	1 (74 000	1 2 4 2 5 1 0	222 400	1 202 070
Salaries and employee benefits	1,674,998	1,342,510	332,488	1,203,979
Operating expenditures	<u>687,137</u> 2,362,135	325,090	<u>362,047</u> 694,535	<u>390,775</u> 1,594,754
Total	2,302,133	1,007,000	094,555	1,394,734
Economic Development Commission:				
Salaries and employee benefits	1,209,967	1,108,688	101,279	1,064,547
Operating expenditures	775,838	628,480	147,358	545,863
Total	1,985,805	1,737,168	248,637	1,610,410
Cooperative Extension Service:				
Salaries and employee benefits	233,458	173,640	59,818	168,779
Operating expenditures	614,937	524,129	90,808	526,265
Total	848,395	697,769	150,626	695,044

	2024			2023
	Final Budget	Actual	Variance Over/Under	Actual
Gaston County Soil and Water Conservation:				
Salaries and employee benefits	1,260,569	1,345,969	(85,400)	1,201,394
Operating expenditures	119,171	117,936	1,235	95,488
Total	1,379,740	1,463,905	(84,165)	1,296,882
Total economic and physical development	6,576,075	5,566,442	1,009,633	5,197,090
Human Services:				
Health Department:				
Administration:				
Salaries and employee benefits	2,049,943	1,733,825	316,118	2,338,316
Operating expenditures	7,196,962	2,708,182	4,488,780	2,853,028
Capital outlay	367,704	367,704		-
Total	9,614,609	4,809,711	4,804,898	5,191,344
Allied Health:				
Salaries and employee benefits	2,538,060	2,253,365	284,695	2,112,299
Operating expenditures	466,165	299,091	167,074	383,975
Capital outlay	36,690	36,690		
Total	3,040,915	2,589,146	451,769	2,496,274
Environmental Health:				
Salaries and employee benefits	2,276,145	2,247,038	29,107	1,975,841
Operating expenditures	637,958	161,142	476,816	226,937
Total	2,914,103	2,408,180	505,923	2,202,778
Gynecological Health:				
Salaries and employee benefits	10,015,287	7,555,414	2,459,873	6,816,194
Operating expenditures	4,283,886	1,823,346	2,460,540	2,148,409
Total	14,299,173	9,378,760	4,920,413	8,964,603
Women, Infants, and Children:				
Salaries and employee benefits	1,142,116	1,194,580	(52,464)	1,104,492
Operating expenditures	73,682	67,579	6,103	75,889
Total	1,215,798	1,262,159	(46,361)	1,180,381
Maternal and Child Health:				
Salaries and employee benefits	183,150	-	183,150	-
Operating expenditures	76,850	8,995	67,855	-
Total	260,000	8,995	251,005	-
Quality and Innovation:				
Operating expenditures	595,762	14,429	581,333	-
Total health department	31,940,360	20,471,380	11,468,980	20,035,380

	2024			2023	
	Final Budget	Actual	Variance Over/Under	Actual	
Social Services - Administration:					
Salaries and employee benefits	2,907,024	2,679,719	227,305	2,673,059	
Operating expenditures	2,344,639	2,303,597	41,042	2,069,896	
Capital outlay	985,773	985,261	512	23,411	
Total	6,237,436	5,968,577	268,859	4,766,366	
Social Services - Economic Services:					
Salaries and employee benefits	16,555,235	15,348,492	1,206,743	13,818,085	
Operating expenditures	4,925,322	2,743,651	2,181,671	3,328,693	
Total	21,480,557	18,092,143	3,388,414	17,146,778	
Social Services - Family and Children Services:					
Salaries and employee benefits	12,665,861	11,885,790	780,071	10,716,920	
Operating expenditures	8,866,631	6,769,860	2,096,771	6,564,120	
Total	21,532,492	18,655,650	2,876,842	17,281,040	
Social Services - Adult and Aging Services:					
Salaries and employee benefits	3,382,030	3,157,532	224,498	3,012,620	
Operating expenditures	569,013	443,559	125,454	366,885	
Total	3,951,043	3,601,091	349,952	3,379,505	
Community Support Services - Administration:					
Salaries and employee benefits	912,343	912,342	1	208,216	
Operating expenditures	492,098	95,490	396,608	91,511	
Capital outlay	158,941	158,941			
Total	1,563,382	1,166,773	396,609	299,727	
Community Support Services -					
Family and Children Services:					
Salaries and employee benefits	337,398	318,619	18,779	339,927	
Operating expenditures	92,492	36,314	56,178	27,720	
Total	429,890	354,933	74,957	367,647	
Community Support Services - Economic Services:					
Salaries and employee benefits	512,540	376,846	135,694	380,701	
Operating expenditures	9,106,713	6,191,444	2,915,269	5,230,687	
Total	9,619,253	6,568,290	3,050,963	5,611,388	
Community Support Services -					
Adult and Aging Services:					
Salaries and employee benefits	1,177,609	1,015,580	162,029	936,152	
Operating expenditures	1,429,134	909,785	519,349	735,452	
Total	2,606,743	1,925,365	681,378	1,671,604	

	2024			2023	
	Final		Variance		
	Budget	Actual	Over/Under	Actual	
In Home Aide Services:					
Salaries and employee benefits	291,450	290,555	895	276,121	
Operating expenditures	800,019	800,019		806,287	
Total	1,091,469	1,090,574	895	1,082,408	
Hope United - Administration:					
Salaries and employee benefits	361,435	351,252	10,183	416,445	
Operating expenditures	563,684	382,364	181,320	296,770	
Total	925,119	733,616	191,503	713,215	
Hope United - Battered Spouse:					
Salaries and employee benefits	688,654	499,951	188,703	536,903	
Operating expenditures	729,250	433,460	295,790	257,301	
Total	1,417,904	933,411	484,493	794,204	
Hope United - Child Advocacy Ctr.:					
Salaries and employee benefits	619,628	684,910	(65,282)	619,997	
Operating expenditures	282,323	156,237	126,086	218,842	
Total	901,951	841,147	60,804	838,839	
Hope United - Family Justice Center:					
Salaries and employee benefits	646,403	522,179	124,224	477,793	
Operating expenditures	390,205	299,880	90,325	428,647	
Total	1,036,608	822,059	214,549	906,440	
Veterans Services:					
Salaries and employee benefits	491,361	415,162	76,199	358,952	
Operating expenditures	162,454	106,954	55,500	78,781	
Total	653,815	522,116	131,699	437,733	
Youth Services	770,631	770,437	194	824,435	
Non-Departmental Expenditures:					
Gaston family health services	-	-	-	344,872	
Contribution to Pathways	884,300	884,300	-	884,300	
Gaston skills	168,000	168,000	-	168,000	
County-wide salary study	(4,500,000)	-	(4,500,000)	-	
Miscellaneous expenditures	(1,000,000)	-	(1,000,000)	-	
Total	(4,447,700)	1,052,300	(5,500,000)	1,397,172	
Total human services	101,710,953	83,569,862	18,141,091	77,553,881	

	2024			2023
	Final Budget	Actual	Variance Over/Under	Actual
Cultural and Recreational:				
Recreation:				
Salaries and employee benefits	702,724	724,986	(22,262)	635,669
Operating expenditures	1,442,277	1,076,949	365,328	794,687
Capital outlay		-		76,846
Total	2,145,001	1,801,935	343,066	1,507,202
Museum:				
Salaries and employee benefits	718,992	632,924	86,068	626,491
Operating expenditures	206,441	189,406	17,035	152,118
Total	925,433	822,330	103,103	778,609
Library:				
Salaries and employee benefits	4,567,124	4,520,891	46,233	4,318,722
Operating expenditures	1,785,727	1,421,493	364,234	1,348,098
Capital outlay		-		106,523
Total	6,352,851	5,942,384	410,467	5,773,343
Senior Center:				
Salaries and employee benefits	148,364	110,560	37,804	137,086
Operating expenditures	211,050	100,239	110,811	59,663
Total	359,414	210,799	148,615	196,749
Non-Departmental Expenditures:				
Miscellaneous expenditures	(500,000)	-	(500,000)	-
Total cultural and recreational	9,282,699	8,777,448	505,251	8,255,903
Education:				
Gaston College:				
Operating expenditures	5,968,062	5,968,062		5,868,062
County Schools:				
Resource officers	640,000	640,000	-	728,019
School of excellence	65,000	56,095	8,905	56,550
Operating expenditures	53,001,704	53,001,704		52,501,704
Total	53,706,704	53,697,799	8,905	53,286,273
Total education	59,674,766	59,665,861	8,905	59,154,335
Debt Service:				
Principal retirement	1,947,549	1,947,549	-	1,020,913
Interest and fees	37,343	37,343		21,960
Total debt service	1,984,892	1,984,892		1,042,873
Total expenditures	330,991,811	309,328,839	21,662,972	292,526,058

	2024			2023	
	Final Budget	Actual	Variance Over/Under	Actual	
Revenues over (under) expenditures	(7,971,483)	37,844,981	45,816,464	21,737,732	
Other Financing Sources (Uses):					
Installment purchase contracts issued	-	-	-	3,134,771	
Lease liabilities issued	1,248,043	1,248,043	-	187,173	
Subscription liabilities issued	2,725,401	2,768,308	42,907	1,737,261	
Fund balance appropriated	33,756,672	-	(33,756,672)	-	
Transfers From (to) Other Funds:					
From Self-Insurance Internal Service Fund	5,000,000	5,000,000	-	5,000,000	
From Capital Improvements Fund	-	-	-	19,240	
From Community Investment Fund	805,836	805,836	-	34,804	
From Civil Process Fund	32,725	-	(32,725)	259,639	
From Parking Fund	30,005	-	(30,005)	3,230	
From Emergency Telephone System Fund	-	-	-	60,018	
From Deed of Trust Fund	150,000	150,000	-	-	
To Tourism	(3,584)	(3,584)	-	-	
To Self-Insurance Internal Service Fund	(3,600,000)	(3,600,000)	-	-	
To Property Revaluation Fund	(250,000)	(250,000)	-	(694,566)	
To Community Investment Fund	(31,923,615)	(31,923,615)	-	(18,517,677)	
To Emergency Telephone System Fund				(4,350)	
Total other financing sources (uses)	7,971,483	(25,805,012)	(33,776,495)	(8,780,457)	
Net change in fund balance	\$	12,039,969	\$ 12,039,969	12,957,275	
Fund Balance:					
Beginning of year - July 1		124,024,744		111,067,469	
End of year - June 30		\$ 136,064,713		\$ 124,024,744	

		2024		2023
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$	\$ 181,001	\$ 181,001	\$ 71,195
Expenditures:				
Principal Retirement:				
Vehicles	5,720,025	5,725,198	(5,173)	3,059,037
School bonds	14,788,876	14,788,876	-	14,774,713
College bonds	1,328,852	1,328,852	-	1,336,990
Courthouse bonds	167,272	167,272	-	168,297
Jail infill	167,391	167,391	-	167,391
Apple Creek	1,210,000	1,210,000	-	1,210,000
Radio equipment and infrastructure	217,609	217,609	-	217,609
Public Safety lease	264,490	109,409	155,081	108,001
Other buildings	366,109	366,108	1 40 000	366,108
Total principal retirement	24,230,624	24,080,715	149,909	21,408,146
Interest and Fees:				
School bonds	5,675,356	5,675,356	-	5,963,666
College bonds	214,140	214,139	1	267,619
Vehicles	353,264	346,364	6,900	44,258
Courthouse bonds	26,955	26,955	-	441,666
Professional fees	422,222	302,766	119,456	22,500
Jail infill	328,903	328,902	1	337,272
Apple Creek	111,988	111,988	-	145,142
Radio equipment and infrastructure	427,574	427,572	2	438,453
Public Safety lease	4,336	4,336	-	5,744
Other buildings	80,892	80,892	-	89,880
GO BANS	2,577,778	2,577,778	-	-
Payment to escrow agents	1,217,946	-	1,217,946	-
Total interest and fees	11,441,354	10,097,048	1,344,306	7,756,200
Total expenditures	35,671,978	34,177,763	1,494,215	29,164,346
Revenues over (under) expenditures	(35,671,978)	(33,996,762)	1,675,216	(29,093,151)
Other Financing Sources (Uses):				
Transfers from Community Investment Fund	35,671,978	35,671,978		30,802,362
Net change in fund balance	<u>\$</u>	1,675,216	<u>\$ 1,675,216</u>	1,709,211
Fund Balance:				
Beginning of year - July 1		2,812,096		1,102,885
End of year - June 30		\$ 4,487,312		\$ 2,812,096

#### MAJOR OPIOID SETTLEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Prior Year	Current Year	Actual	Variance Over/Under
Revenues: Restricted intergovernmental Other beneficiary revenues	\$ 2,826,416	\$ 2,801,978	\$ 5,932,863 126,373	\$ 8,734,841 126,373	\$ 5,908,425 126,373
Investment earnings		91,158	290,933	382,091	382,091
Total revenues	2,826,416	2,893,136	6,350,169	9,243,305	6,416,889
<b>Expenditures:</b> <b>Health services:</b> Collaborative Strategic Planning:					
Salaries and employee benefits	225,388	-	51,558	51,558	173,830
Operating expenditures	41,976		14,890	14,890	27,086
Total expenditures	267,364		66,448	66,448	200,916
Expanded Medication Assisted Treatment:					
Operating expenditures	376,600		66,664	66,664	309,936
Olive Branch Parent Partner's Positive Change: Operating expenditures	234,773		35,857	35,857	198,916
Medication Assisted Treatment Scholarship: Operating expenditures	368,400		13,569	13,569	354,831
Total human services expenditures	1,247,137		182,538	182,538	1,064,599
<b>Public Safety:</b> Community Paramedics: Salaries and employee benefits	637,428 7,500	-	268,518 5,586	268,518 5,586	368,910 1,914
Operating expenditures Total expenditures	644,928		274,104	274,104	370,824
Peer Support Specialist Services: Operating expenditures	52,329				52,329
Recovery Transportation Program:					
Salaries and employee benefits	665,352	-	95,693	95,693	569,659
Operating expenditures	91,828	-	14,736	14,736	77,092
Capital outlay	<u>108,960</u> 866,140		<u>111,743</u> 222,172	<u>111,743</u> 222,172	(2,783) 643,968
Total expenditures	800,140		222,172	222,172	043,908

#### MAJOR OPIOID SETTLEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Prior Year	Current Year	Actual	Variance Over/Under
Medication Assisted Addiction Treatment for Incarcerated Individuals:					
Salaries and employee benefits	738,483	-	-	-	738,483
Operating expenditures	309,502				309,502
Total expenditures	1,047,985				1,047,985
Total public safety expenditures	2,611,382		496,276	496,276	2,115,106
Total expenditures	3,858,519		678,814	678,814	3,179,705
Revenues over (under) expenditures	(1,032,103)	2,893,136	5,671,355	8,564,491	9,596,594
<b>Other Financing Sources (Uses):</b> Fund balance appropriated	1,032,103				(1,032,103)
Net change in fund balance	\$ -	\$ 2,893,136	5,671,355	\$ 8,564,491	\$ 8,564,491
<b>Fund Balance:</b> Beginning of year - July 1			2,893,136		
End of year - June 30			\$ 8,564,491		

	Budget	Actual	Variance Over/Under		
Revenues:					
<b>Restricted Intergovernmental Revenues:</b>					
Federal grant revenues	\$ 730,690	\$ 104,848	\$ (625,842)		
Investment Earnings:					
School Bond Proceeds - General Obligation	13,905	14,495	590		
Other	256,003	3,275,120	3,019,117		
Miscellaneous Revenues:					
Rent:York Chester Square		2,400	2,400		
Total revenues	1,000,598	3,396,863	2,396,265		
Capital Expenditures by Department:					
<b>Building &amp; Development Services:</b>					
Vehicles	62,573	-	62,573		
Land	(12,515)	152,022	(164,537)		
<b>Community Support Services:</b>					
ARPA: Mobile Shower Trailer	900	223,000	(222,100)		
Child Advocacy Center Bldg	191,795	134,703	57,092		
Vehicles	64,553	41,803	22,750		
Other - Furniture & Equipment	36,584	14,190	22,394		
<b>Department of Social Services:</b>					
Receiving Home Remodel	884,530	895,256	(10,726)		
Vehicles	(1,368)	51,800	(53,168)		
<b>Economic Development Commission:</b>					
Land Purchase and Development					
Apple Creek	3,726,980	539,619	3,187,361		
Cherryville Business Park	28,173	-	28,173		
One NC Grant: Project Ceign	112,500	-	112,500		
One NC Grant: Project Server	150,000	-	150,000		
One NC Grant: Polykemi	25,000	75,000	(50,000)		
One NC Grant: Tosaf	168,750	-	168,750		
Other	133,413	-	133,413		
Other - Furniture & Equipment	8,500	7,250	1,250		
Emergency Management:					
Vehicles	34,342	151,156	(116,814)		
Other - Furnitture & Equipment	92,158	232,051	(139,893)		
Emergency Medical Serives:					
Vehicles	918,479	2,064,642	(1,146,163)		
Ventilators	59,620	59,620	-		
Other - Furniture & Equipment	129,335	32,454	96,881		

			Variance
	Budget	Actual	Over/Under
Gaston Police Department:			
Animal Control Facility	96,769	-	96,769
Portable Radio PSAP Grant	87,692	6,090	81,602
Radios for School Resource Offiers	-	22,416	(22,416)
Vehicles: Police Department	504,784	1,000,099	(495,315)
Vehicles: Animal Enforcement	71,933	57,820	14,113
Other - Furniture & Equipment	247,927	95,076	152,851
Information Technology			
Courthouse Fiber Upgrade	161,542	50,366	111,176
Servers & Network Switches	1,140,878	1,020,694	120,184
Musemus:			
Land: Historic Preservation	(62,573)	-	(62,573)
HVAC	18,200	-	18,200
Natural Resources:			
Vehicles	90,406	45,203	45,203
Park & Recreation:			
Catawba Cove	1,937,333	-	1,937,333
Dallas Park Expansion	1,409,989	368,051	1,041,938
Park Playground	450,000	49,250	400,750
Poston Park Improvements	33,456	-	33,456
Other Capital Improvements & Equipment	-	7,000	(7,000)
South Point Landing	82,000	50,900	31,100
Vehicles	170,553	167,229	3,324
Public Information:			
Video System	75,000	43,969	31,031
Public Health:			
Vehicles	202,894	553,486	(350,592)
Hudson Health Buildging Renovation	6,600,000	1,839,646	4,760,354
Respirator Fit Tester	16,335	16,335	-
Public Works:			
ADA Compliance Renovations	1,850,312	335,773	1,514,539
Annex Building	-	46,696	(46,696)
ARPA:			
Chapel Grove Water Line	136,500	98,830	37,670
Lowell Elem Water Line	-	600	(600)
N. Belmont Pk Water Line	-	58,315	(58,315)
Tryon Elem Water Line	703,000	282,032	420,968
Courthouse Arraignment	-	90,878	(90,878)
Public Safety Campus	7,550,000	7,526,132	23,868

			Variance
	Budget	Actual	Over/Under
Gaston College	3,200,000	89,000	3,111,000
Courthouse 5th Floor	893,706	-	893,706
DEQ: ARPA Grants:			
Dallas High Shoals Water Line	-	734,150	(734,150)
Emergency Fuel Station	69,500	39,265	30,235
GasHouse Bld	7,521,055	2,877,036	4,644,019
Highway Planning and Construction Grants:			
Congestion Mitigation and Air Quality /			
CMAQ Dallas Park CMAQ Trail	554,792	2,100	552,692
Congestion Mitigation and Air Quality /			
CMAQ-000S(899) Lowell-Poston Park Sidewalk	348,304	30,573	317,731
Congestion Mitigation and Air Quality /			
CMAQ (C-5606M) Neal Hawkins Sidewalk	1,860,578	49,454	1,811,124
Congestion Mitigation and Air Quality /			
CMAQ Parking Lot Improvements	(1,100,000)	310,887	(1,410,887)
Congestion Mitigation and Air Quality /			
CMAQ-000S(900) Rankin Lake to GTP Trail	1,861,209	51,032	1,810,177
IT Data Center Renovation	424,864	111,178	313,686
Jail Security Camera Upgrades	146,295	-	146,295
NC OSBM - GC County Courthouse	592,309	651,725	(59,416)
Public Safety Campus	7,000,000	1,237,794	5,762,206
Renovations and Improvements	6,555,713	1,193,432	5,362,281
Vehicles	183,652	227,179	(43,527)
York Chester Roof Replacement	-	(14,846)	14,846
Sheriff:			
Jail Annex	195,500	-	195,500
Jail Infill/Expansion	273,344	-	273,344
NCDPS SWAT Equipment	-	(7,400)	7,400
Radios	18,137	18,137	-
Sheriffs State Directed Grant	171,771	-	171,771
Vehicles	(69,268)	547,616	(616,884)
Other - Furniture & Equipment	30,000	-	30,000
Tax:			
Other - Furniture & Equipment	7,500	-	7,500
Special Grants and Programs:			
Township	182,157	31,000	151,157

			Variance
	Budget	Actual	Over/Under
Nondepartmental Expenditures:			
ERP System	79,889	-	79,889
Gaston College	797,219	645,661	151,558
Gaston County Schools	62,894,472	44,668,427	18,226,045
Vehicles	197,678	-	197,678
Total expenditures	125,279,608	72,000,852	53,278,756
Revenues over (under) expenditures	(124,279,010)	(68,603,989)	55,675,021
Other Financing Sources (Uses):			
Fund balance appropriated	11,293,503	-	(11,293,503)
Transfers in (out):			
Transfers from the Community Investment Fund	134,581,030	134,581,030	-
Transfers to the Community Investment Fund	(21,595,523)	(21,595,523)	
Total other financing sources (uses)	124,279,010	112,985,507	(11,293,503)
Net change in fund balance	<u>\$                                    </u>	44,381,518	\$ 44,381,518
Fund Balance:			
Beginning of year - July 1	-	77,615,361	
End of year - June 30	<u>9</u>	5 121,996,879	

	 Budget	 Actual	Variance )ver/Under
Revenues:			
Sales tax	\$ 27,023,111	\$ 25,595,411	\$ (1,427,700)
Sale of property	-	1,108,843	1,108,843
Interest on investments	4,682	1,125,473	1,120,791
<b>Restricted Intergovernmental Revenues:</b>			
Lottery proceeds	2,000,000	2,150,289	150,289
American Rescue Plan Act grant	11,590,400	8,401,798	(3,188,602)
Other grant revenue	 504,293	 1,376,587	 872,294
Total revenues	 41,122,486	 39,758,401	 (1,364,085)
Capital Expenditures by Department:			
Future capital expenditures	 9,362,570	 -	 9,362,570
Revenues over (under) expenditures	 31,759,916	 39,758,401	 7,998,485
Other Financing Sources (Uses):			
Installment purchase contracts issued	4,634,990	4,634,989	(1)
Bonds issued	80,000,000	80,000,000	-
BAN premium	1,144,800	1,144,800	-
Transfers in (out):			
Transfers from the General Fund	31,923,615	31,923,615	-
Transfers from Education Capital Fund	20,789,687	20,789,687	-
Transfers from Gen Govt Capital	805,836	805,836	-
Transfers to the General Fund	(805,836)	(805,836)	-
Transfers to the Gen Gov Debt Service Fund	(12,207,746)	(12,207,746)	-
Transfers to the Education Debt Service	(23,464,232)	(23,464,232)	-
Transfers to Gen Govt Capital	(47,557,329)	(47,557,329)	-
Transfers to Education Capital Fund	 (87,023,701)	 (87,023,701)	 -
Total other financing sources (uses)	 (31,759,916)	 (31,759,917)	 (1)
Net change in fund balance	\$ 	7,998,484	\$ 7,998,484
Fund Balance:			
Beginning of year - July 1		 27,364,570	
End of year - June 30		\$ 35,363,054	

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## Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Non-major 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**

- <u>Representative Payee Fund</u> accounts for the monies of indigents for which the county Department of Social Services acts as an agent.
- <u>Travel and Tourism Fund</u> accounts for the revenue receipts from occupancy tax and the related expenditures.
- <u>Property Revaluation Fund</u> accounts for the accumulation of funds necessary to cover the cost of real property revaluation.
- <u>Emergency Telephone System Fund</u> 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.
- <u>Controlled Substance Abuse Tax Fund</u> 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.
- **<u>Parking Fee Fund</u>** 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.
- <u>Deed of Trust Fund</u> accounts for the revenues of the Deed of Trust within the County which is remitted to the State of North Carolina.
- <u>Civil Process Fund</u> accounts for the revenues remitted to the County for fees and commissions assessed and collected in civil actions and special proceedings, except for actions brought under Chapter 50B of the North Carolina General Statutes.
- Fines and Forfeitures Fund accounts for various legal fines and forfeitures that the County collects.

#### NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2024

	Rep	resentative Payee Fund	ravel and Tourism Fund	Property Revaluation Fund	Emergency Telephone System Fund		Drug Forfeitures Fund		S	Controlled Substance Sbuse Tax Fund
Assets:										
Cash and cash equivalents	\$	278,488	\$ 2,049,811	\$ -	\$	1,633,603	\$	642,478	\$	385,644
Ad valorem taxes receivable, net		-	-	-		-		-		-
Accounts receivable		-	141,091	-		62,899		-		-
Inventory		-	58	-		-		-		-
Prepaid expenses		-	4,742	-		-		-		-
Restricted cash		-	 -	 627,998		-		-		-
Total assets	\$	278,488	\$ 2,195,702	\$ 627,998	\$	1,696,502	\$	642,478	\$	385,644
Liabilities, Deferred Inflows of Resources, and Fund Balances: Liabilities:										
Accounts payable and accrued liabilities	\$	-	\$ 124,238	\$ -	\$	606	\$	-	\$	-
Liabilities payable from restricted assets		-	-	11,899		-		-		-
Unearned revenue		-	 -	 -		-		-		-
Total liabilities		-	 124,238	 11,899		606		-		-
Deferred Inflows of Resources:										
Property taxes receivable		-	 -	 -		-		-		-
Fund Balances:										
Non-Spendable:										
Inventory		-	58	-		-		-		-
Prepaid expenses		-	4,742	-		-		-		-
Restricted:										
Stabilization by state statute		-	141,091	-		62,899		-		-
Human services		278,488	-	-		-		-		-
Fire protection		-	-	-		-		-		-
Emergency telephone		-	-	-		1,632,997		-		-
General government		-	-	-		-		-		-
Public safety		-	-	-		-		642,478		385,644
Travel and tourism		-	1,925,573	-		-		-		-
Committed:										
Tax revaluation		-	-	616,099		-		-		-
Assigned:										
Parking		-	-	-		-		-		-
Public safety		-	-	-		-		-		-
Unassigned		-	 	 -		-		-		
Total fund balances		278,488	 2,071,464	 616,099	_	1,695,896		642,478	_	385,644
Total liabilities, deferred inflows of										
resources, and fund balances	\$	278,488	\$ 2,195,702	\$ 627,998	\$	1,696,502	\$	642,478	\$	385,644

#### NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2024

	_	Parking Fee Fund	 Fire Districts Fund		Deed of Trust Fund	Civil Process Fund	Fines and orfeitures Fund	 Total
Assets:								
Cash and cash equivalents	\$	1,563,399	\$ 2,591,656	\$	210,204	\$ 585,757	\$ 3,353	\$ 9,944,393
Ad valorem taxes receivable, net		-	143,457		-	-	-	143,457
Accounts receivable		1,440	73,382		769	8,506	115,882	403,969
Inventory		-	-		-	-	-	58
Prepaid expenses		-	-		-	-	-	4,742
Restricted cash		-	 	_		 -	 -	 627,998
Total assets	\$	1,564,839	\$ 2,808,495	\$	210,973	\$ 594,263	\$ 119,235	\$ 11,124,617
Liabilities, Deferred Inflows of								
<b>Resources, and Fund Balances:</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$	-	\$ 173	\$	203,409	\$ -	\$ 119,235	\$ 447,661
Liabilities payable from restricted assets		-	-		-	-	-	11,899
Unearned revenue		1,440	 		-	 -	 -	 1,440
Total liabilities		1,440	 173		203,409	 	 119,235	 461,000
Deferred Inflows of Resources:								
Property taxes receivable			 143,457			 	 	 143,457
Fund Balances:								
Non-Spendable:								
Inventory		-	-		-	-	-	58
Prepaid expenses		-	-		-	-	-	4,742
Restricted:								
Stabilization by state statute		1,440	73,382		769	8,506	115,882	403,969
Human services		-	-		-	-	-	278,488
Fire protection		-	2,591,483		-	-	-	2,591,483
Emergency telephone		-	-		-	-	-	1,632,997
General government		-	-		6,795	-	-	6,795
Public safety		-	-		-	-	-	1,028,122
Travel and tourism		-	-		-	-	-	1,925,573
Committed:								
Tax revaluation		-	-		-	-	-	616,099
Assigned:								
Parking		1,561,959	-		-	-	-	1,561,959
Public safety		-	-		-	585,757	-	585,757
Unassigned		-	 -	_	-	 -	 (115,882)	 (115,882)
Total fund balances		1,563,399	 2,664,865	_	7,564	 594,263	 -	 10,520,160
Total liabilities, deferred inflows of								
resources, and fund balances	\$	1,564,839	\$ 2,808,495	\$	210,973	\$ 594,263	\$ 119,235	\$ 11,124,617

#### NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2024

	Representative Payee Fund	Travel and Tourism Fund	Property Revaluation Fund	Emergency Telephone System Fund	Drug Forfeitures Fund	Controlled Substance Abuse Tax Fund
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Occupancy taxes	-	1,469,398	-	-	-	-
Sales and services	-	-	-	-	-	-
Restricted intergovernmental revenues	675,675	-	-	-	160,192	12,404
E911 surcharge	-	-	-	754,786	-	-
Investment earnings	-	140,102	25,331	65,894	36,735	19,680
Miscellaneous revenues						
Total revenues	675,675	1,609,500	25,331	820,680	196,927	32,084
Expenditures:						
Current:						
General government	-	-	488,190	-	-	-
Public safety	-	-	-	493,738	345,099	21,875
Economic and physical development	-	1,303,203	-	-	-	-
Education	-	-	-	-	-	-
Human services	764,868	-	-	-	-	-
Principal retirement	-	2,898	-	85,530	30,000	-
Interest and fees	-	4,716		2,900		
Total expenditures	764,868	1,310,817	488,190	582,168	375,099	21,875
Revenues over (under) expenditures	(89,193)	298,683	(462,859)	238,512	(178,172)	10,209
Other Financing Sources (Uses):						
Lease liabilities issued	-	-	-	-	58,926	-
Subscription liabilities issued	-	-	233,406	-	-	-
Transfers to other funds	-	-	-	-	-	-
Transfers from other funds		3,584	250,000			
Total other financing sources (uses)		3,584	483,406		58,926	
Net change in fund balances	(89,193)	302,267	20,547	238,512	(119,246)	10,209
Fund Balances:						
Beginning of year - July 1	367,681	1,769,197	595,552	1,457,384	761,724	375,435
End of year - June 30	\$ 278,488	\$ 2,071,464	\$ 616,099	\$ 1,695,896	\$ 642,478	\$ 385,644

#### NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2024

	Parking Fee Fund	 Fire Districts Fund		Deed of Trust Fund	Civil Process Fund		rocess Forfeitures		Total
Revenues:									
Ad valorem taxes	\$ -	\$ 9,567,833	\$	-	\$	-	\$ -	\$	9,567,833
Occupancy taxes	-	-		-		-			1,469,398
Sales and services	-	-		47,814		-	-		47,814
Restricted intergovernmental revenues	-	-		153,582		-	1,312,163		2,314,016
E911 surcharge	-	-		-		-	-		754,786
Investment earnings	59,624	106,910		-		-	-		454,276
Miscellaneous revenues	10,160	 -		-		198,893	-		209,053
Total revenues	69,784	 9,674,743		201,396		198,893	1,312,163		14,817,176
Expenditures: Current:									
General government	46,658	-		48,000		-	-		582,848
Public safety	-	8,358,770		-		177,275	-		9,396,757
Economic and physical development	-	-		-		-			1,303,203
Education	-	-		-		-	1,312,163		1,312,163
Human services	-	-		-		-	-		764,868
Principal retirement	-	-		-		-	-		118,428
Interest and fees		 -		-		-			7,616
Total expenditures	46,658	 8,358,770	_	48,000		177,275	1,312,163		13,485,883
Revenues over (under) expenditures	23,126	 1,315,973		153,396		21,618			1,331,293
Other Financing Sources (Uses):									
Lease liabilities issued	-	-		-		-			58,926
Subscription liabilities issued	-	-		-		-	-		233,406
Transfers to other funds	-	-		(150,000)		-	-		(150,000)
Transfers from other funds		 -		-		-			253,584
Total other financing sources (uses)		 -	_	(150,000)		-	··		395,916
Net change in fund balances	23,126	1,315,973		3,396		21,618	-		1,727,209
Fund Balances:									
Beginning of year - July 1	1,540,273	 1,348,892	_	4,168		572,645			8,792,951
End of year - June 30	\$ 1,563,399	\$ 2,664,865	\$	7,564	\$	594,263	\$ .	\$	10,520,160

	2024							2023
	Final Budget			Actual		ariance er/Under		Actual
Revenues:								
Restricted intergovernmental revenues	\$	675,000	\$	675,675	\$	675	\$	743,643
Expenditures:								
Human services:								
Payee operating		850,000		764,868		85,132		751,553
Revenues over (under) expenditures		(175,000)		(89,193)		85,807		(7,910)
<b>Other Financing Sources (Uses):</b> Fund balance appropriated		175,000				(175,000)		
Net change in fund balance	\$			(89,193)	\$	(89,193)		(7,910)
<b>Fund Balance:</b> Beginning of year - July 1				367,681				375,591
End of year - June 30			\$	278,488			\$	367,681

			2024			2023
	Final				ariance	
	 Budget		Actual	Ov	er/Under	Actual
Revenues:						
Occupancy tax	\$ 1,222,760	\$	1,469,398	\$	246,638	\$ 1,417,681
Investment earnings	 -		140,102		140,102	 82,247
Total revenues	 1,222,760	. <u> </u>	1,609,500		386,740	 1,499,928
Expenditures:						
Economic and physical development:						
Salaries and employee benefits	579,821		607,407		(27,586)	570,581
Operating expenditures	782,472		695,796		86,676	654,854
Capital outlay	 876		-		876	 -
Total	 1,363,169		1,303,203		59,966	 1,225,435
Debt Service:						
Principal retirement	2,898		2,898		-	2,067
Interest and fees	 4,716		4,716		_	 4,777
Total	 7,614		7,614			 6,844
Total expenditures	 1,370,783		1,310,817		59,966	 1,232,279
Revenues over (under) expenditures	 (148,023)		298,683		446,706	 267,649
<b>Other Financing Sources (Uses):</b>						
Transfer from General Fund	3,583		3,584		1	(47,428)
Fund balance appropriated	 144,440		-		(144,440)	 
Total other financing sources (uses)	 148,023		3,584		(144,439)	 (47,428)
Net change in fund balance	\$ 		302,267	\$	302,267	220,221
Fund Balance:						
Beginning of year - July 1			1,769,197			 1,548,976
End of year - June 30		\$	2,071,464			\$ 1,769,197

	2024						2023	
	Final Budget		Actual		Variance Over/Under		Actual	
Revenues:								
Investment earnings	\$	- \$	25,331	\$	25,331	\$	17,281	
Expenditures:								
General government:								
Operating expenditures	754,16	7	254,784		499,383		541,392	
Capital outlay	233,400	<u> </u>	233,406		-		_	
Total expenditures	987,573	3	488,190		499,383		541,392	
Revenues over (under) expenditures	(987,573	<u>3)</u>	(462,859)		524,714		(524,111)	
Other Financing Sources (Uses):								
Fund balance appropriated	504,16	7	-		(504,167)		-	
Lease liabilities issued	233,400	6	233,406		-		-	
Transfers from General Fund	250,000	0	250,000		-		694,566	
Total other financing sources (uses)	987,57	3	483,406		(504,167)		694,566	
Net change in fund balance	\$	-	20,547	\$	20,547		170,455	
Fund Balance:								
Beginning of year - July 1			595,552				425,097	
End of year - June 30		\$	616,099			\$	595,552	

	2024					 2023	
		Final Budget		Actual		Variance ver/Under	 Actual
Revenues:							
E911 surcharge	\$	754,786	\$	754,786	\$	-	\$ 761,179
Investment earnings		-		65,894		65,894	 35,264
Total revenues		754,786		820,680		65,894	 796,443
<b>Expenditures:</b> Public safety:							
Operating expenditures		1,013,664		493,738		519,926	425,290
Principal retirement		85,530		85,530		-	197,448
Interest and fees		2,900		2,900		-	 4,753
Total expenditures		1,102,094		582,168		519,926	 627,491
Revenues over (under) expenditures		(347,308)		238,512		585,820	 168,952
<b>Other Financing Sources (Uses):</b>							
Transfers from General Fund		-		-		-	4,350
Transfers to General Fund		-		-		-	(60,018)
Appropriated fund balance		347,308		-		(347,308)	 -
Total other financing sources (uses)		347,308		-		(347,308)	 (55,668)
Net change in fund balance	\$			238,512	\$	238,512	113,284
Fund Balance:							
Beginning of year - July 1				1,457,384			 1,344,100
End of year - June 30			\$	1,695,896			\$ 1,457,384

		2024		2023
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenue - police	\$ -	\$ 160,192	\$ 160,192	\$ 176,774
Investment earnings	34,055	36,735	2,680	25,993
Total revenues	34,055	196,927	162,872	202,767
Expenditures:				
Public safety:				
Operating expenditures - police	690,234	282,673	407,561	60,000
Operating expenditures - sheriff	3,363	-	3,363	-
Capital outlay - police	62,426	62,426	-	-
Principal retirement	30,000	30,000		
Total expenditures	786,023	375,099	410,924	60,000
Revenues over (under) expenditures	(751,968)	) (178,172)	573,796	142,767
Other Financing Sources (Uses):				
Fund balance appropriated	693,042	-	(693,042)	-
Lease liabilities issued	58,926	58,926		
Total other financing sources (uses)	751,968	58,926	(693,042)	
Net change in fund balance	<u>\$</u> -	(119,246)	<u>\$ (119,246)</u>	142,767
Fund Balance:				
Beginning of year - July 1		761,724		618,957
End of year - June 30		\$ 642,478		\$ 761,724

# CONTROLLED SUBSTANCE ABUSE TAX FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2023

			2023	
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Controlled substance tax - police	\$ -	\$ 5,572	\$ 5,572	\$ 13,597
Controlled substance tax - sheriff	-	6,832	6,832	937
Investment earnings	18,027	19,680	1,653	13,544
Total revenues	18,027	32,084	14,057	28,078
Expenditures:				
Public safety:				
Operating expenditures - police	66,839	21,875	44,964	4,006
Operating expenditures - sheriff	2,749		2,749	
Total expenditures	69,588	21,875	47,713	4,006
Revenues over (under) expenditures	(51,561)	10,209	61,770	24,072
<b>Other Financing Sources (Uses):</b>				
Fund balance appropriated	51,561		(51,561)	
Net change in fund balance	<u>\$                                    </u>	10,209	\$ 10,209	24,072
Fund Balance:				
Beginning of year - July 1		375,435		351,363
End of year - June 30		\$ 385,644		\$ 375,435

## PARKING FEE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2023

	2024							2023	
	Final Budget			Actual		Variance Over/Under		Actual	
Revenues:									
Parking fees collected	\$	38,400	\$	10,160	\$	(28,240)	\$	4,700	
Investment earnings		-		59,624		59,624		39,096	
Total revenues		38,400		69,784		31,384		43,796	
Expenditures:									
General government:									
Operating expenditures		38,263		38,263		-		9,308	
Reimbursements to other funds		8,395		8,395		-		-	
Total expenditures		46,658		46,658		-		9,308	
Revenues over (under) expenditures		(8,258)		23,126		31,384		34,488	
Other Financing Sources (Uses):									
Fund balance appropriated		38,263		-		(38,263)		-	
Transfers to General Fund		(30,005)		-		30,005		(3,230)	
Total other financing sources (uses)		8,258		-		(8,258)		(3,230)	
Net change in fund balance	\$			23,126	\$	23,126		31,258	
Fund Balance:									
Beginning of year - July 1				1,540,273				1,509,015	
End of year - June 30			\$	1,563,399			\$	1,540,273	

# FIRE DISTRICTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2023

	2024							2023
	Final Budget		Actual		Variance Over/Under			Actual
<b>Revenues:</b> Ad valorem taxes:								
Taxes	\$	8,358,352	\$	9,525,791	\$	1,167,439	\$	8,049,425
Penalties and interest		-		42,042		42,042		38,883
Investment earnings		-		106,910		106,910		164,286
Total revenues		8,358,352		9,674,743		1,316,391		8,252,594
Expenditures: Public safety:		0.000		0.250.550		27.020		7 401 007
Operating expenditures		8,396,002		8,358,770		37,232		7,401,087
Revenues over (under) expenditures		(37,650)		1,315,973		1,353,623		851,507
<b>Other Financing Sources (Uses):</b> Fund balance appropriated		37,650				(37,650)		
Net change in fund balance	\$			1,315,973	\$	1,315,973		851,507
Fund Balance:								
Beginning of year - July 1				1,348,892				497,385
End of year - June 30			\$	2,664,865			\$	1,348,892

## DEED OF TRUST FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2023

			2023	
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Conveyance tax - administration	\$ 150,000	\$ 153,582	\$ 3,582	\$ -
Deed of trust fees	196,953	47,814	(149,139)	51,038
Total revenues	346,953	201,396	(145,557)	51,038
Expenditures:				
General government:				
Fines and penalties	196,953	48,000	148,953	51,032
Revenues over (under) expenditures	150,000	153,396	3,396	6
<b>Other Financing Sources (Uses):</b>				
Transfer to General Fund	(150,000)	(150,000)		
Net change in fund balance	\$	3,396	\$ 3,396	6
Fund Balance:				
Beginning of year - July 1		4,168		4,162
End of year - June 30		\$ 7,564		\$ 4,168

## CIVIL PROCESS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2023

	2024						 2023
	Final Budget		Actual		Variance Over/Under		Actual
Revenues:							
Miscellaneous revenues	\$	210,000	\$	198,893	\$	(11,107)	\$ 191,598
Expenditures:							
Reimbursements to other funds		177,275		177,275		-	 -
Revenues over (under) expenditures		32,725		21,618		(11,107)	191,598
<b>Other Financing Sources (Uses):</b> Transfers to General Fund		(32,725)				32,725	 (259,639)
Net change in fund balance	\$			21,618	\$	21,618	(68,041)
<b>Fund Balance:</b> Beginning of year - July 1				572,645			 640,686
End of year - June 30			\$	594,263			\$ 572,645

# FINES AND FORFEITURES FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2023

	 2024						
	 Final Budget		Actual	Variance Over/Under			Actual
Revenues:							
Restricted intergovernmental	\$ 1,312,190	\$	1,312,163	\$	(27)	\$	1,028,017
<b>Expenditures:</b> Education:							
Fees and penalties	 1,312,190		1,312,163		27		1,028,017
Net change in fund balance	\$ 		-	\$	<u>-</u>		-
<b>Fund Balance:</b> Beginning of year - July 1							
End of year - June 30		\$			-	\$	

# Gaston County, NC FY 2024 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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### SOLID WASTE FUND SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL - (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2023

		2024					
	Final Budget	Actual	Variance Over/Under	Actual			
Revenues:							
Operating revenues:							
Landfill charges	\$ 11,025,660	\$ 12,952,028	\$ 1,926,368	\$ 12,349,642			
Other operating revenues	412,750	760,732	347,982	612,021			
Restricted intergovernmental	350,000	678,048	328,048	639,350			
Energy charges	1,453,266	693,207	(760,059)	572,542			
Miscellaneous revenues	11,250	95,981	84,731	217,836			
Total operating revenues	13,252,926	15,179,996	1,927,070	14,391,391			
Investment Earnings		795,125	795,125	508,220			
Total revenues	13,252,926	15,975,121	2,722,195	14,899,611			
Expenditures:							
Landfill Department:							
Salaries and employee benefits	2,562,560	2,396,114	166,446	2,312,140			
Professional services	635,000	502,400	132,600	501,976			
Operating expenditures	6,388,334	5,176,880	1,211,454	5,138,270			
Capital outlay	22,216,073	8,977,914	13,238,159	2,271,145			
<b>Renewable Energy Department:</b>							
Salaries and employee benefits	263,697	281,450	(17,753)	271,853			
Professional services	20,000	15,900	4,100	16,433			
Operating expenditures	1,300,510	883,843	416,667	847,221			
Capital outlay	885,544		885,544				
Total operating expenditures	34,271,718	18,234,501	16,037,217	11,359,038			
Debt Service:							
Principal retirement	601,109	601,861	(752)	669,734			
Interest and fees	3,978		3,978	10,129			
Total debt service	605,087	601,861	3,226	679,863			
Total expenditures	34,876,805	18,836,362	16,040,443	12,038,901			

### SOLID WASTE FUND SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL - (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2023

			2023		
	Final Budget	Actual	Variance Over/Under	Actual	
Revenues over (under) expenditures	(21,623,879)	(2,861,241)	18,762,638	2,860,710	
Other Financing Sources (Uses):					
Fund balance appropriated	21,623,879		(21,623,879)		
Revenues and other financing sources over					
(under) expenditures and other financing uses	\$	\$ (2,861,241)	<u>\$ (2,861,241)</u> <u>\$</u>	2,860,710	
Reconciliation of Modified Accrual Basis to Full Accrual Basis: Revenues and other financing sources over					
(under) expenditures and other financing uses		\$ (2,861,241)			
Reconciling Items:					
Loss on disposal of asset		(82,800)			
(Increase) decrease in accrued vacation payable (Increase) decrease in accrual landfill closure		21,855			
and post-closure care		(669,854)			
(Increase) decrease in net pension liability		(392,797)			
Change in deferred outflows - pension		187,909			
Change in deferred inflows - pension		751			
Change in deferred outflows - OPEB		36,187			
Change in deferred inflows - OPEB		108,067			
Principal payments		601,861			
(Increase) decrease in OPEB liability		(43,307)			
Capital outlay capitalized		8,862,842			
Depreciation/amortization		(1,920,163)			
Change in net position		\$ 3,849,310			

# Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# 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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### SELF-INSURANCE INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSTION - FINANCIAL PLAN AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2024

	2024					
	Financial Plan	Actual	Variance Over/Under			
Revenues:						
Charges for services:						
Health insurance	\$ 25,455,850 \$	\$ 25,802,127	\$ 346,277			
Dental insurance	758,743	866,520	107,777			
Life insurance	544,176	675,436	131,260			
Total charges for services	26,758,769	27,344,083	585,314			
Investment earnings	<u> </u>	230,674	230,674			
Total revenues	26,758,769	27,574,757	815,988			
Expenditures:						
Other operating expenditures:						
Benefits paid:						
Health insurance	26,223,069	25,935,572	287,497			
Dental insurance	701,500	691,174	10,326			
Life insurance	525,000	524,617	383			
Administrative costs:						
Health insurance	2,807,850	3,092,089	(284,239)			
Dental insurance	66,350	50,528	15,822			
Professional services	35,000	32,234	2,766			
Total other operating expenditures	30,358,769	30,326,214	32,555			
Revenues over (under) expenditures	(3,600,000)	(2,751,457)	848,543			
Other Financing Sources (Uses):						
Fund balance appropriated	5,000,000	-	(5,000,000)			
Transfers out - General Fund	(5,000,000)	(5,000,000)	-			
Transfers in - General Fund	3,600,000	3,600,000				
Total other financing sources (uses)	3,600,000	(1,400,000)	(5,000,000)			
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$</u>	(4,151,457)	<u>\$ (4,151,457)</u>			
Net Position:						
Beginning of year - July 1	-	11,186,984				
End of year - June 30	5	\$ 7,035,527				

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# Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# 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**

- <u>Municipality Tax Custodial Fund</u> accounts for funds collected by the Tax Collector's office on behalf of other municipal entities within the County.
- Sheriff Inmates Fund accounts for monies held on behalf of inmates of the County jail.

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# COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS JUNE 30, 2024

	Municipality Tax Custodial Fund			riff Inmate ustodial Fund	 Total
Assets: Cash and cash equivalents	\$	15,237	\$	345,058	\$ 360,295
Receivable for others, net Total assets		1,269,162 1,284,399		345,058	 1,269,162 1,629,457
<b>Net Position:</b> <b>Restricted For:</b> Individuals, organizations, and other governments	\$	1,284,399	\$	345,058	\$ 1,629,457

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	Municipality Tax Custodial Fund			beriff Inmate Custodial Fund		Total
Additions:						
Collections for other governments	\$	109,750,333	\$	-	\$	109,750,333
Collections on behalf of inmates				2,026,205		2,026,205
Total additions		109,750,333		2,026,205		111,776,538
<b>Deductions:</b> Tax distributions to other governments Payments on behalf of inmates		109,716,930		1,999,357		109,716,930 1,999,357
Total deductions		109,716,930		1,999,357		111,716,287
Net increase (decrease) in fiduciary net position		33,403		26,848		60,251
Net position, beginning of year		1,250,996		318,210	_	1,569,206
Net position, end of year	\$	1,284,399	\$	345,058	\$	1,629,457

Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Other Supplemental Schedules

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#### Schedule 24

# GASTON COUNTY, NORTH CAROLINA

# SCHEDULE OF AD VALOREM TAXES RECEIVABLE JUNE 30, 2024

Fiscal Year		Uncollected Balance July 1, 2023		Additions		Collections and Credits	Uncollected Balance une 30, 2024
2023-2024	\$	-	\$	206,144,442	\$	204,085,150	\$ 2,059,292
2022-2023		1,517,147		375,994		1,064,085	829,056
2021-2022		576,390		47,280		218,210	405,460
2020-2021		407,223		6,791		105,056	308,958
2019-2020		420,604		-		153,531	267,073
2018-2019		310,549		-		97,420	213,129
2017-2018		289,973		94		57,671	232,396
2016-2017		220,271		- 22,548		22,548	197,723
2015-2016		190,422		89 24,3		24,372	166,139
2014-2015		200,746		26		22,451	178,321
2013-2014		183,961		-		183,414	547
2012-2013		159,482		-		159,133	349
2011-2012		163,872		-		163,522	350
2010-2011		175,961		-		175,611	350
2009-2010		170,640		-		170,289	351
Total	\$	4,987,241	\$	206,574,716	\$	206,702,463	 4,859,494
Less: Allowance fo General Fund	r uncolle	ctible ad valorer	n taxe	s receivable:			 (3,862,969)
Ad valorem taxes re	ceivable,	, net					\$ 996,525
<b>Reconciliation with</b> General Fund Penalties and interest							\$ 205,493,787 (536,737)

Interest on prior years' delinquent taxes(281,347)Miscellaneous adjustment1,194,454Amount written off per Statute of Limitations832,306Total collections and credits\$ 206,702,463

# ANALYSIS OF CURRENT PROPERTY TAX LEVY - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2024

					Total Levy				
	(	Coui	nty-Wide		Property Excluding Registered	1	Registered		
	Property Valuation		Rate	Amount of Levy	Motor Vehicles		Motor Vehicles		
Original Levy:									
Property taxed at current									
year's rate	\$ 33,543,476,393	\$	0.0061	\$ 204,615,206	\$ 187,661,593	\$	16,953,613		
Penalties				521,027	308,723		212,304		
Total	33,543,476,393			205,136,233	187,970,316		17,165,917		
Discoveries:									
Current year taxes	117,724,098			718,117	718,117		-		
Adjusted prepaids	101,705,246			620,402	620,402		-		
Penalties	27,360,164			166,897	166,897		-		
Total	246,789,508			1,505,416	1,505,416		-		
Abatements									
Current year taxes	(79,929,836)			(487,572)	(487,572)		-		
Penalties	(1,579,508)			(9,635)	(9,635)		-		
Total	(81,509,344)			(497,207)	(497,207)	_	-		
Total property valuation	\$ 33,708,756,557								
Net Levy				206,144,442	188,978,525		17,165,917		
Uncollected taxes at June 30, 20	24 (General Fund)			2,059,292	2,059,292				
Current Year Taxes Collected				\$ 204,085,150	<u>\$ 186,919,233</u>	\$	17,165,917		
Current Levy Collection Perce	entage			<u>99.00%</u>	<u>98.91%</u>		<u>100.00%</u>		
Prior Year Levy Collection Pe	rcentage			<u>99.15%</u>	<u>99.05%</u>		<u>100.00%</u>		

# ANALYSIS OF CURRENT TAX LEVY COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2024

# **Secondary Market Disclosures:**

Assessed Valuation: Assessment ratio	<u>100.00%</u>
Real and personal property Tag and tax vehicles GAP vehicles Public service companies	\$ 29,875,073,770 2,779,280,762 47,535,410 1,006,866,615
Total assessed valuation	\$ 33,708,756,557
Tax rate per \$100	0.0061
Levy (includes discoveries, releases, and abatements, excludes penalties)	\$ 206,144,442

### SCHEDULE OF THE TEN LARGEST TAXPAYERS FOR THE YEAR ENDED JUNE 30, 2024

<u>Taxpayer</u>	Type of Business	2024 Assessed Valuation	Percentage of Total Assessed Valuation
Duke Energy Carolinas LLC	Electric Utility	\$ 648,627,749	1.92%
FMC Lithium USA Corp.	Manufacturing	198,738,389	0.59%
NP Gastonia Industrial LLC	Manufacturing	191,161,880	0.57%
Daimler Trucks North America-Freightliner Parts Plant	Manufacturing	182,628,452	0.54%
Triangle Real Estate	Real Estate	125,344,270	0.37%
Public Service Co. of NC, Inc.	Natural Gas Co.	101,920,548	0.30%
Progress Residential Borrower LLC	Real Estate	78,153,030	0.23%
Glatfelter Mt Holly LLC	Manufacturing	77,691,204	0.23%
Owens Corning Non-Woven	Manufacturing	73,452,653	0.22%
American & Efird LLC	Manufacturing	55,864,649	<u>0.17%</u>
Total		\$ 1,733,582,824	5.14%

# Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Statistical Section

#### Gaston County Net Position by Component, Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
Government activities					
Net investment in capital assets	\$ 55,545,813	\$ 71,461,891	\$ 72,933,525	\$ 72,946,461	\$ 67,300,111
Restricted	50,677,610	52,033,806	35,125,642	44,572,115	77,311,495
Unrestricted	(82,292,573)	(95,007,944)	(99,008,303)	(160,435,574)	(181,349,359)
Total governmental activities net position	<u>\$ 23,930,850</u>	<u>\$ 28,487,753</u>	<u>\$ 9,050,864</u>	<u>\$ (42,916,998</u> )	<u>\$ (36,737,753</u> )
Business-type activities					
Net investment in capital assets	\$ 18,240,871	\$ 18,219,489	\$ 21,569,824	\$ 21,961,445	\$ 23,345,048
Unrestricted	(4,361,654)	(2,085,745)	(2,645,334)	(702,062)	959,248
Total business-type activities net position	<u>\$ 13,879,217</u>	\$ 16,133,744	\$ 18,924,490	\$ 21,259,383	\$ 24,304,296
Primary government					
Net investment in capital assets	\$ 73,786,684	\$ 89,681,380	\$ 94,503,349	\$ 94,907,906	\$ 90,645,159
Restricted	50,677,610	52,033,806	35,125,642	44,572,115	77,311,495
Unrestricted	(86,654,227)	(97,093,689)	(101,653,637)	(161,137,636)	(180,390,111)
Total primary government net position	<u>\$ 37,810,067</u>	\$ 44,621,497	<u>\$ 27,975,354</u>	<u>\$ (21,657,615</u> )	<u>\$ (12,433,457</u> )

#### Gaston County Net Position by Component, Last Ten Fiscal Years

(modified accrual basis of accounting)

	2020	2021	2022	2023	2024
Government activities					
Net investment in capital assets	\$ 78,593,203	\$ 72,265,228	\$ 84,203,927	\$ 104,066,102	\$ 123,399,568
Restricted	46,751,723	57,797,261	63,100,685	78,381,072	89,290,756
Unrestricted	(152,166,113)	(113,098,805)	(87,946,311)	(51,721,564)	(64,404,855)
Total governmental activities net position	<u>\$ (26,821,187</u> )	<u>\$ 16,963,684</u>	<u>\$ 59,358,301</u>	<u>\$ 130,725,610</u>	<u>\$ 148,285,469</u>
Business-type activities					
Net investment in capital assets	\$ 23,471,977	\$ 29,635,797	\$ 29,664,480	\$ 32,309,506	\$ 38,374,992
Unrestricted	1,863,279	(1,184,805)	(191,935)	(2,158,792)	(4,374,968)
Total business-type activities net position	\$ 25,335,256	\$ 28,450,992	\$ 29,472,545	\$ 30,150,714	\$ 34,000,024
Primary government					
Net investment in capital assets	\$ 102,065,180	\$ 101,901,025	\$ 113,868,407	\$ 136,375,608	\$ 161,774,560
Restricted	46,751,723	57,797,261	63,100,685	78,381,072	89,290,756
Unrestricted	(150,302,834)	(114,283,610)	(88,138,246)	(53,880,356)	(68,779,823)
Total primary government net position	<u>\$ (1,485,931</u> )	<u>\$ 45,414,676</u>	<u>\$ 88,830,846</u>	<u>\$ 160,876,324</u>	<u>\$ 182,285,493</u>

Expenses         Governmental activities:         S         27,552,105         \$         28,559,125         \$         28,404,703         \$         24,202,171         \$         24,465,445           Governmental activities:         53,83,802         64,793         \$         22,613         80,459         76,033,302         64,773,076         64,773,076         64,773,076         64,773,076         77,073,076         76,033,442         21,773,076         53,782,741         65,326,804         69,374,432         21,773,076         66,93,443         21,773,076         66,93,744         22,716,816         63,026,904         66,93,744         24,729         5,314,570         5,226,812,544         262,878,672         253,266,437         264,280,530           Business-type activities:         5,345,7241         62,217,0891         80,014,382         9,042,597         9,097,588           Total governmental activities expenses         2,228,617,151         5,915,128         8,917,016         8,829,223         5,114,75,466           Governmental activities:         7,399,385         8,001,750         8,187,016         8,829,223         5,114,75,466           Governmental activities:         7,399,385         8,001,750         8,187,016         8,829,223         5,114,75,466           Governmental activities:			2015		2016		2017		2019		2010
Governmental activities:         S         27,552,105         \$         28,653,125         \$         28,464,793         \$         32,021,171         \$         24,654,494           Public safety         5         27,552,105         \$         28,553,125         \$         28,464,793         \$         32,021,171         \$         24,654,494           Public safety         5         60,010         62,373,887         7,119,799         63,258,90         64,4753,386         57,901,271           Cultural and recreation         5,345,740         5,128,279         5,301,850         6,247,083         6,033,4401           Debt service - interest and fees         8,310,982         7,982,990         8,084,520         6,680,302         6,603,577           Total governmental activities:         7,399,385         8,001,750         8,722,360         9,422,597         9,097,588           Total primary government expenses         \$         228,671,51         \$         5,916,128         \$         8,187,016         \$         8,529,223         \$11,475,466           Public safety         13,026,981         13,199,535         13,669,409         15,055,195         18,847,526           Cultural and idevelopment         1,728,225         2,027,978         2,270,607         2,21,641,1	_		2015		2016	-	2017	-	2018	-	2019
Public safety         58,453,071         61,148,913         63,783,887         64,758,386         79,033,392           Environmental protection         63,783,887         64,759         82,563         80,459         54,555           Economic and physical development         4,442,119         8,144,361         7,119,790         6,953,443         21,773,076           Cultural and recreation         5,345,740         6,212,876         6,217,083         4,905,313           Education         58,762,741         62,217,168         86,104,362         80,128,224         66,80,302         6,603,577           Total governmental activities:         221,030,758         235,612,544         262,676,678         253,269,437         242,260,530           Business-type activities:         7,399,385         8,001,750         8,722,380         9,422,597         9,097,588           Total primary government expenses         \$ 22,667,151         \$ 5,915,128         \$ 8,17,016         \$ 8,529,223         \$ 11,475,456           Governmental protection         1,728,225         2,027,977         2,406,682         3,189,152           Charges for services:         General government         1,728,225         2,270,1671         \$ 8,159,223         \$ 11,475,456           Public safety         13,1026,401         1	Governmental activities:	•	07 550 405	•	00 550 405	•	00.404.700	•		•	
Environmental protection         83.392         64.799         7.82.53         80.459         54.555           Economic and physical development         4.44.2119         8.144.361         7.119.799         6.53.443         21.773.076           Human Services         55.060.108         62.370.891         63.326.906         62.70.834         69.334.401           Cultural and recreation         53.45.740         51.28.279         53.018.50         62.17.083         4.690.533           Education         53.782.741         62.216.168         86.104.322         6.680.302         6.680.302         6.603.577           Total governmental activities expenses         221.030.758         235.612.544         262.678.678         253.269.437         264.260.530           Business-type activities:         Solid Waste         7.399.386         6.001.750         6.722.360         9.422.597         9.097.588           Governmental activities:         Charge provernment         \$ 226.67.151         \$ 5.915.128         \$ 8.187.016         \$ 8.529.223         \$11.475.456           Public safety         13.026.861         13.199.535         13.669.409         10.764.70         8.197.102           General governmental protection         1.754.027         378.454         940.616         421.410         1.824	-	\$		\$		\$		\$		\$	
Economic and physical development         4.442,119         8,144,361         7,119,799         6.853,443         21,773,076           Human Services         5,345,740         5,218,279         6,610,362         80,742,234         69,334,401           Debt service - interest and fees         8,310,392         7,982,990         8,064,520         6,680,302         6,603,577           Total governmental activities         221,030,756         235,612,544         262,876,678         253,269,437         264,260,539           Business-type activities:         Solid Waste         7,399,385         6,001,750         8,722,360         9,422,597         9,097,588           Total primary government expenses         2,226,40,143         \$,243,614,294         \$,271,601,038         \$,262,692,034         \$,273,358,118           Program Revenues         Covernmental activities:         Charges for services:         \$,860,409         11,675,456         \$,817,016         \$,8,529,223         \$,11,475,456           Covernmental protection         1,728,225         2,270,610,918         \$,817,016         \$,829,223         \$,11,475,456           Cutural and netreation         193,471         2,167,973,978,454         940,616         421,410         1,844,526           Operating grants and contributions:         General government         1,											
Cultural and recreation         5.345,740         5.128,279         5.301.805         6.217.083         4.905.313           Education         58.782,741         65.216,168         68.104.322         66.803.02         6.603.577           Total governmental activities:         221.030,758         235.612,544         262.878.678         253.269.437         264.260.530           Business-type activities:         5.014 Waste         7.399.385         6.001,750         8.722.300         9.422.697         9.097.588           Total primary government expenses         \$.228.430.143         \$.243.614.294         \$.271.601.038         \$.262.692.034         \$.273.358.118           Program Revenues         Governmental activities:         Charges for services:         General government         \$.13.069.409         \$15.063.196         \$.8.529.223         \$11.475.456           Convernmental activities:         1.784.027         3.13.069.409         \$16.063.196         \$18.847.545           Charges for services:         General government         1.778.225         2.027.978         2.208.07         2.608.882         3.189.152           Economic and physical development         1.784.027         3.13.629         8.444.809         10.716.470         8.917.862           Operating grants and contributions:         General government					,		,				
Education         58,782,741         62,216,186         66,104,362         60,128,234         69,334,401           Debt service - interest and fees         8,310,982         7,982,990         8,064,520         6,680,302         6,603,377           Total governmental activities: Solid Waste         7,399,385         235,612,544         262,878,678         253,269,437         264,260,530           Business-type activities: Solid Waste         7,399,385         8,001,750         8,722,360         9,422,597         9,097,588           Covernmental activities: General government         \$ 228,691,151         \$ 5915,128         \$ 8,197,016         \$ 8,529,223         \$11,475,456           Governmental activities: General government         \$ 22,667,151         \$ 5915,128         \$ 8,197,016         \$ 8,529,223         \$11,475,456           Public safety         13,026,981         13,199,535         13,669,409         15,053,195         18,847,526           Cultural and recreation         19,313,829         8,505,340         8,444,609         10,716,470         8,917,862           Cultural and recreation         19,313,829         8,505,340         8,444,609         10,716,470         8,917,862           Cultural and recreation         19,313,829         8,505,340         8,444,618         116,893         81,807 <td></td>											
Debt service - interest and fees         8.310.982         7.982.990         8.064.520         6.680.302         6.603.577           Total governmental activities expenses         221.030.758         235.612.544         262.878.678         253.269.437         264.260.530           Business-type activities: Solid Waste         7.399.385         8.001.750         8.722.360         9.422.597         9.097.588           Total primary government expenses         \$ 226.430.143         \$ 243.614.294         \$ 271.601.038         \$ 266.20.034         \$ 273.358.118           Program Revenues         Governmental activities: Charges for services: General government         \$ 22.667.151         \$ 5.915.128         \$ 8.187.016         \$ 8.529.223         \$11.475.456           Public safety         13.026.881         13.09.355         13.690.902         £0.608.82         3.189.152           Economic and physical development         1.754.027         378.454         940.616         421.410         1.824           Human Services         9.313.829         8.505.340         8.448.409         10.764.70         8.197.62C           Cultural and recreation         193.471         215.113         260.552         246.616         231.254           Operating grants and contributions: General government         25.846.473         27.109.313         26.											
Total governmental activities expenses         221.030.758         235.612.544         262.878.678         253.269.437         264.260.530           Business-type activities: Solid Waste         7.399.385         8.001.750         8.722.360         9.422.597         9.097.588           Total primary government expenses         \$ 228.430.143         \$ 243.614.294         \$ 271.601.038         \$ 262.692.034         \$ 273.358.118           Program Revenues         Governmental activities: Charges for services: General government         \$ 222.667.151         \$ 5.915.128         \$ 8.187.016         \$ 8.529.223         \$11.475.466           Public safely         13.026.981         13.199.535         13.669.409         15.053.195         18.847.526           Cultural and recreation         19.318.29         8.505.340         8.448.09         10.716.470         8.917.862           Cultural and recreation         19.318.29         8.505.340         8.448.09         10.716.470         8.917.862           Cultural and recreation         19.318.29         2.57.113         260.552         246.616         231.254           Operating grants and contributions: General government         2.584.64.73         27,109.313         26.971.143         19.562.935         21.403.426           Cultural and recreation         2.056.824         2.369.350											, ,
Solid Waste         7,399,385         8,001,750         8,722,360         9,422,597         9,097,588           Total primary government expenses         \$         228,430,143         \$         243,614,294         \$         271,601,038         \$         262,692,034         \$         273,358,118           Program Revenues         Governmental activities:         Charges for services:         8         8,187,016         \$         8,529,223         \$11,475,456           General government         13,026,981         13,199,535         13,669,409         15,053,155         18,847,526           Environmental protection         1,728,027         278,454         940,616         421,410         1,224           Cultural and recreation         193,471         215,113         260,552         246,616         231,254           Operating grants and contributions:         General government         -         -         -         -           General government         25,846,473         27,109,313         26,971,143         19,562,935         21,403,426           Cultural and recreation         -         -         -         -         -         -           General government         545,193         1,09,440         48,618         116,893         81,807 <td></td> <td>_</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>· · · · · ·</td>		_									· · · · · ·
Solid Waste         7,399,385         8,001,750         8,722,360         9,422,597         9,097,588           Total primary government expenses         \$         228,430,143         \$         243,614,294         \$         271,601,038         \$         262,692,034         \$         273,358,118           Program Revenues         Governmental activities:         Charges for services:         8         8,187,016         \$         8,529,223         \$11,475,456           General government         13,026,981         13,199,535         13,669,409         15,053,155         18,847,526           Environmental protection         1,728,027         278,454         940,616         421,410         1,224           Cultural and recreation         193,471         215,113         260,552         246,616         231,254           Operating grants and contributions:         General government         -         -         -         -           General government         25,846,473         27,109,313         26,971,143         19,562,935         21,403,426           Cultural and recreation         -         -         -         -         -         -           General government         545,193         1,09,440         48,618         116,893         81,807 <td></td> <td>_</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>		_									
Total primary government expenses         \$ 228,430,143         \$ 243,614,294         \$ 271,601,038         \$ 262,692,034         \$ 273,358,118           Program Revenues Governmental activities: Charges for services: General government         \$ 22,667,151         \$ 5,915,128         \$ 8,187,016         \$ 8,529,223         \$11,475,456           Public safety         13,026,881         13,199,535         13,669,409         12,682,207         2,608,82         3,1847,526           Environmental protection         1,728,225         2,007,978         2,270,007         2,608,82         3,1847,526           Cultural and recreation         193,471         215,113         260,552         246,616         421,410         1,824           Operating grants and contributions: General government         545,193         1,09,440         48,618         116,893         81,807           Economic and physical development         420,403         402,209         812,010         645,239         516,253           Cultural and recreation         2,056,824         2,369,350         1,880,336         2,120,800         2,242,658           Cultural and recreation         2,056,824         2,369,350         1,880,336         2,120,800         2,242,658,347           Cultural and recreation         2,056,824         2,369,350         1,880,336			7.399.385		8.001.750		8.722.360		9.422.597		9.097.588
Governmental activities: Charges for services: General government         \$ 22,667,151         \$ 5,915,128         \$ 8,187,016         \$ 8,529,223         \$11,475,456           Public safety         13,026,981         13,199,535         2,270,607         2,608,409         15,063,195         18,847,526           Environmental protection         1.728,222         2,027,978         2,270,607         2,608,882         3,189,152           Columation of the protection         1.754,027         378,454         940,616         421,410         1,824           Human Services         9,313,829         8,505,340         8,444,809         10,716,470         8,917,862           Operating grants and contributions:         General government         -         -         -         -           Guitural and recreation         193,471         215,113         260,571,143         19,562,935         21,403,426           Cultural and recreation         -         -         -         -         -         -           General government         420,403         402,209         812,010         645,239         516,253           General government         420,403         402,209         812,010         645,239         516,253           General government         2,056,824 <t< td=""><td>Total primary government expenses</td><td>\$</td><td></td><td>\$</td><td></td><td>\$</td><td></td><td>\$</td><td></td><td>\$</td><td></td></t<>	Total primary government expenses	\$		\$		\$		\$		\$	
Governmental activities: Charges for services: General government         \$ 22,667,151         \$ 5,915,128         \$ 8,187,016         \$ 8,529,223         \$11,475,456           Public safety         13,026,981         13,199,535         2,270,607         2,608,409         15,063,195         18,847,526           Environmental protection         1.728,222         2,027,978         2,270,607         2,608,882         3,189,152           Columation of the protection         1.754,027         378,454         940,616         421,410         1,824           Human Services         9,313,829         8,505,340         8,444,809         10,716,470         8,917,862           Operating grants and contributions:         General government         -         -         -         -           Guitural and recreation         193,471         215,113         260,571,143         19,562,935         21,403,426           Cultural and recreation         -         -         -         -         -         -           General government         420,403         402,209         812,010         645,239         516,253           General government         420,403         402,209         812,010         645,239         516,253           General government         2,056,824 <t< td=""><td></td><td></td><td></td><td></td><td><u> </u></td><td></td><td>i</td><td></td><td><u> </u></td><td></td><td>i</td></t<>					<u> </u>		i		<u> </u>		i
Charges for services: General government         \$ 22,667,151         \$ 5,915,128         \$ 8,187,016         \$ 8,529,223         \$11,475,456           Public safety         13,026,981         13,199,535         13,669,409         15,053,195         18,847,526           Environmental protection         1,728,225         2,027,978         2,270,607         2,608,882         3,189,152           Economic and physical development         1,754,027         378,454         940,616         421,410         1,824           Human Services         9,313,829         8,505,340         8,444,809         10,716,477         8,917,862           Operating grants and contributions:         General government         -         -         -         -           General government         2         2,7109,313         26,971,143         19,562,935         21,403,426           Cultural and recreation         25,846,473         27,109,313         26,971,143         19,562,935         21,403,426           Cultural and recreation         2         2,206,824         109,938         655,980         264,649         624,881           Human Services         2,206,824         2,369,350         1,880,336         2,120,880         2,242,668           Total government         2,056,824         2,369,350	0										
General government         \$ 22,667,151         \$ 5,915,128         \$ 1,870,16         \$ 8,529,223         \$11,475,456           Public safety         13,026,981         13,199,535         13,669,409         15,053,195         18,847,526           Environmental protection         1,728,225         2,207,978         2,270,607         2,608,882         3,189,152           Economic and physical development         1,754,027         378,454         940,616         421,410         1,824           Human Services         9,313,829         8,505,340         8,444,809         10,716,470         8,917,862           Cultural and recreation         193,471         215,113         260,552         246,616         231,254           Operating government         545,193         1,109,440         48,618         116,893         81,807           Economic and physical development         25,846,473         27,109,313         26,971,143         19,562,935         21,403,426           Cultural and recreation         25,846,473         27,109,313         26,971,143         19,562,935         516,253           General government         420,403         402,209         812,010         645,239         516,253           General government         420,403         402,209         512,010											
Public safety         13,026,981         13,199,532         13,669,409         15,053,195         18,847,526           Environmental protection         1,758,225         2,027,978         2,270,607         2,608,882         3,189,152           Economic and physical development         1,758,207         378,454         940,616         421,410         1,824           Human Services         9,313,829         8,505,340         8,444,809         10,716,470         8,917,862           Operating grants and contributions:         General government         -	•	\$	22.667.151	\$	5.915.128	\$	8.187.016	\$	8.529.223		\$11.475.456
Economic and physical development         1,754,027         378,854         940,616         421,410         1,824           Human Services         9,313,829         8,505,340         8,444,809         10,716,470         8,917,862           Operating grants and contributions:         193,471         215,113         260,552         246,616         231,254           Operating grants and contributions:         General government         -		,									
Human Services         9,313,829         8,505,340         8,444,809         10,716,470         8,917,862           Cultural and recreation         193,471         215,113         260,552         246,616         231,254           Operating grants and contributions:         General government         545,193         1,109,440         48,618         116,893         81,807           Economic and physical development         545,193         1,109,440         48,618         116,893         81,807           Cultural and recreation         25,846,473         27,109,313         26,971,143         19,562,935         21,403,426           Cultural and recreation         25,846,473         27,109,313         26,971,143         19,562,935         21,403,426           Cultural and recreation         328,042         109,938         656,980         264,649         624,881           Human Services         4,484,882         4,430,744         4,698,298         5,023,236         5,859,347           Cultural and recreation         2,056,824         2,369,350         1,880,336         2,120,880         2,242,658           Total governmental activities         2,056,824         2,369,350         1,880,336         2,120,880         2,242,658           Dusiness-type activities:         Charges for s			1,728,225		2,027,978		2,270,607		2,608,882		
Cultural and recreation         193,471         215,113         260,552         246,616         231,254           Operating grants and contributions: General government         - <td< td=""><td>1,5 1</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	1,5 1										
Operating grants and contributions: General government         545,193         1,109,440         48,618         116,893         81,807           Public safety         545,193         1,109,440         48,618         116,893         81,807           Economic and physical development         25,846,473         27,109,313         26,971,143         19,562,935         21,403,426           Cultural and recreation         25,846,473         27,109,313         26,971,143         19,562,935         21,403,426           Capital grants and contributions:         General government         420,403         402,209         812,010         645,239         516,253           Economic and physical development         328,042         109,938         656,980         264,649         624,881           Human Services         4,484,882         4,430,744         4,698,298         5,023,236         5,859,347           Cultural and recreation         2,056,824         2,369,350         1,860,336         2,120,880         2,242,658           Total governmental activities program revenues         8,673,300         10,243,430         11,101,886         11,106,915         12,001,498           Operating grants and contributions:			, ,						, ,		
General government Public safety         545,193         1,109,440         48,618         116,893         81,807           Economic and physical development Human Services         25,846,473         27,109,313         26,971,143         19,562,935         21,403,426           Cultural and recreation         25,846,473         27,109,313         26,971,143         19,562,935         21,403,426           Capital grants and contributions: General government         420,403         402,209         812,010         645,239         516,253           Economic and physical development         328,042         109,938         656,980         264,649         624,881           Human Services         4,484,882         4,430,744         4,698,298         5,023,236         5,859,347           Cultural and recreation         2,056,824         2,369,350         1,880,336         2,120,880         2,242,658           Total governmental activities program revenues         82,365,501         65,772,542         68,840,394         65,309,628         73,391,446           Business-type activities: Solid Waste			190,471		215,115		200,552		240,010		231,234
Public safety       545,193       1,109,440       48,618       116,893       81,807         Economic and physical development       25,846,473       27,109,313       26,971,143       19,562,935       21,403,426         Human Services       25,846,473       27,109,313       26,971,143       19,562,935       21,403,426         Cultural and recreation       -       -       -       -       -       -         Capital grants and contributions:       General government       420,403       402,209       812,010       645,239       516,253         Economic and physical development       328,042       109,938       656,980       264,649       624,881         Human Services       4,484,882       4,430,744       4,698,298       5,023,236       5,859,347         Cultural and recreation       2,056,824       2,369,350       1,880,336       2,120,880       2,242,658         Total governmental activities program revenues       82,365,501       65,772,542       68,840,394       65,309,628       73,391,446         Business-type activities:       Charges for services:       Solid Waste       11,101,886       11,106,915       12,001,498         Operating grants and contributions:       Solid Waste       91,038,801       76,015,972       79,942,280			-		-		-		-		-
Human Services       25,846,473       27,109,313       26,971,143       19,562,935       21,403,426         Cultural and recreation       -			545,193		1,109,440		48,618		116,893		81,807
Cultural and recreation       - <td></td> <td></td> <td>-</td> <td></td> <td>-</td> <td></td> <td>-</td> <td></td> <td>-</td> <td></td> <td>-</td>			-		-		-		-		-
Capital grants and contributions:         420,403         402,209         812,010         645,239         516,253           Economic and physical development         328,042         109,938         656,980         264,649         624,881           Human Services         4,484,882         4,430,744         4,698,298         5,023,236         5,859,347           Cultural and recreation         2,056,824         2,369,350         1,880,336         2,120,880         2,242,658           Total governmental activities program revenues         82,365,501         65,772,542         68,840,394         65,309,628         73,391,446           Business-type activities:         Charges for services:         Solid Waste         8,673,300         10,243,430         11,101,886         11,106,915         12,001,498           Operating grants and contributions:         91,038,801         76,015,972         79,942,280         76,416,543         85,392,944           Net (Expense)/Revenue         \$ (138,665,257)         \$ (169,840,002)         \$ (194,038,284)         \$ (187,959,809)         \$ (190,869,084)           Business-type activities         \$ (138,665,257)         \$ (169,840,002)         \$ (194,038,284)         \$ (190,869,084)         2,903,910			25,846,473		27,109,313		26,971,143		19,562,935		21,403,426
General government       420,403       402,209       812,010       645,239       516,253         Economic and physical development       328,042       109,938       656,980       264,649       624,881         Human Services       4,484,882       4,430,744       4,698,298       5,023,236       5,859,347         Cultural and recreation       2,056,824       2,369,350       1,880,336       2,120,880       2,242,658         Total governmental activities program revenues       82,365,501       65,772,542       68,840,394       65,309,628       73,391,446         Business-type activities:       Charges for services:       Solid Waste       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Operating grants and contributions:       Solid Waste       91,038,801       76,015,972       79,942,280       76,416,543       \$ 85,392,944         Net (Expense)/Revenue       \$ (138,665,257)       \$ (169,840,002)       \$ (194,038,284)       \$ (190,869,084)       2,903,910         Business-type activities       \$ (138,665,257)       \$ (169,840,002)       \$ (194,038,284)       \$ (190,869,084)       2,903,910			-		-		-		-		-
Economic and physical development       328,042       109,938       656,980       264,649       624,881         Human Services       4,484,882       4,430,744       4,698,298       5,023,236       5,859,347         Cultural and recreation       2,056,824       2,369,350       1,880,336       2,120,880       2,242,658         Total governmental activities program revenues       82,365,501       65,772,542       68,840,394       65,309,628       73,391,446         Business-type activities:       Charges for services:       Solid Waste       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Operating grants and contributions:       Solid Waste       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Total primary government program revenues       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Total primary government program revenues       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Total primary government program revenues       91,038,801       76,015,972       79,942,280       76,416,543       \$ 85,392,944         Net (Expense)/Revenue       \$ (138,665,257)       \$ (169,840,002)       \$ (194,038,284)       \$ (190,869,084)       2,903,			420 403		402 209		812 010		645 239		516 253
Human Services       4,484,882       4,430,744       4,698,298       5,023,236       5,859,347         Cultural and recreation       2,056,824       2,369,350       1,880,336       2,120,880       2,242,658         Total governmental activities program revenues       82,365,501       65,772,542       68,840,394       65,309,628       73,391,446         Business-type activities:       Charges for services:       Solid Waste       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Operating grants and contributions:       Solid Waste       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Total primary government program revenues       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Total primary government program revenues       91,038,801       \$ 76,015,972       79,942,280       \$ 76,416,543       \$ 85,392,944         Net (Expense)/Revenue       \$ (138,665,257)       \$ (169,840,002)       \$ (194,038,284)       \$ (187,959,809)       \$ (190,869,084)         Business-type activities       \$ (138,665,257)       \$ (169,840,002)       \$ (194,038,284)       \$ (190,869,084)       2,903,910											
Education       2,056,824       2,369,350       1,880,336       2,120,880       2,242,658         Total governmental activities program revenues       82,365,501       65,772,542       68,840,394       65,309,628       73,391,446         Business-type activities:       Charges for services:       Solid Waste       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Operating grants and contributions:       Solid Waste											
Total governmental activities program revenues       82,365,501       65,772,542       68,840,394       65,309,628       73,391,446         Business-type activities:       Charges for services:       Solid Waste       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Operating grants and contributions:       Solid Waste			-		-		-		-		-
Business-type activities:         Charges for services:         Solid Waste         Operating grants and contributions:         Solid Waste         Total business-type activities program revenues         8,673,300         10,243,430         11,101,886         11,106,915         12,001,498         Operating grants and contributions:         Solid Waste         -         -         Total business-type activities program revenues         8,673,300         10,243,430         11,101,886         11,106,915         12,001,498         Total business-type activities program revenues         8,673,300         10,243,430         11,101,886         11,106,915         12,001,498         Total primary government program revenues         \$ 91,038,801         \$ 76,015,972         \$ 79,942,280         \$ 76,416,543         \$ 85,392,944         Net (Expense)/Revenue         Governmental activities         Business-type activities         1,273,915         2,241,680         2,379,526         1,684,318									<u> </u>	_	
Charges for services:       Solid Waste       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Operating grants and contributions:       Solid Waste	5		02,303,301		05,772,542		00,040,394		03,309,020		73,391,440
Solid Waste       8,673,300       10,243,430       11,101,886       11,106,915       12,001,498         Operating grants and contributions: Solid Waste											
Operating grants and contributions: Solid Waste			8,673,300		10,243,430		11,101,886		11,106,915		12,001,498
Solid Waste											
Total primary government program revenues       \$ 91,038,801       \$ 76,015,972       \$ 79,942,280       \$ 76,416,543       \$ 85,392,944         Net (Expense)/Revenue       \$ 01,038,665,257)       \$ (169,840,002)       \$ (194,038,284)       \$ (187,959,809)       \$ (190,869,084)         Business-type activities       \$ 1,273,915       \$ 2,241,680       \$ 2,379,526       \$ 1,684,318       \$ 2,903,910			-		-		-		-		_
Net (Expense)/Revenue           Governmental activities         \$ (138,665,257) \$ (169,840,002) \$ (194,038,284) \$ (187,959,809) \$ (190,869,084)           Business-type activities         1,273,915         2,241,680         2,379,526         1,684,318         2,903,910	Total business-type activities program revenues	_	8,673,300		10,243,430		11,101,886		11,106,915		12,001,498
Governmental activities         \$ (138,665,257)         \$ (169,840,002)         \$ (194,038,284)         \$ (187,959,809)         \$ (190,869,084)           Business-type activities         1,273,915         2,241,680         2,379,526         1,684,318         2,903,910	Total primary government program revenues	\$	91,038,801	\$	76,015,972	\$	79,942,280	\$	76,416,543	\$	85,392,944
Governmental activities         \$ (138,665,257)         \$ (169,840,002)         \$ (194,038,284)         \$ (187,959,809)         \$ (190,869,084)           Business-type activities         1,273,915         2,241,680         2,379,526         1,684,318         2,903,910	Net (Exnense)/Revenue										
Business-type activities         1,273,915         2,241,680         2,379,526         1,684,318         2,903,910		\$	(138.665.257)	\$	(169.840.002)	\$	(194.038.284)	\$	(187.959.809)	\$	(190.869.084)
Total primary government net expense \$ (137,391,342) \$ (167,598,322) \$ (191,658,758) \$ (186,275,491) \$ (187,965,174)		¥	, , , ,	7	( , , , ,	Ť	( , , , ,	+	( , , , )	7	· ,
$\frac{1}{1} \frac{1}{1} \frac{1}$	Total primary government net expense	\$	(137,391,342)	\$	(167,598,322)	\$	(191,658,758)	\$	(186,275,491)	\$	(187,965,174)

		2020		2021		2022		2023		2024
Expenses										
Governmental activities: General government Public safety	\$	35,595,530 62,939,205 100,204	\$	37,683,711 74,710,903 35,496	\$	38,823,065 86,092,447 44,226	\$	44,596,359 100,482,129 64,896	\$	36,638,588 113,551,928 106,537
Environmental protection Economic and physical development Human Services		21,538,252 61,986,901		20,506,642 62,817,313		44,226 25,017,839 79,669,163		38,005,222 76,507,554		70,948,415 84,121,774
Cultural and recreation Education		6,770,357 88,040,979		7,828,226 78,112,936		7,808,985 59,153,869		8,803,571 60,182,352		9,422,983 60,978,024
Debt service - interest and fees Total governmental activities expenses		9,595,732 286,567,160		6,909,340 288,604,567		6,978,209 303,587,803		6,123,814 334,765,897	_	10,778,191 386,546,440
Business-type activities:					_				_	
Solid Waste		11,257,256		9,475,769		11,122,940		14,221,442		12,125,811
Total primary government expenses	\$	297,824,416	\$	298,080,336	\$	314,710,743	\$	348,987,339	\$	398,672,251
<b>Program Revenues</b> Governmental activities: Charges for services:										
General government		\$7,899,710		\$6,159,375		\$8,288,181		\$12,566,510	\$	7,492,797
Public safety Environmental protection		15,709,718 2,859,411		18,993,234 3,711,079		19,439,935 4,107,862		16,421,169 6,615,053		18,161,452 8,332,545
Economic and physical development Human Services		26,824 8,825,029		2,455,852 7,829,923		2,348 6,540,095		2,016 5,011,415		2,400 4,332,643
Cultural and recreation		183,668		168,952		210,429		199,731		4,332,043
Operating grants and contributions: General government Public safety		- 71,705		667,331 138,038		1,016,850 133,119		1,028,017 191,308		1,465,745 172,596
Economic and physical development Human Services Cultural and recreation		- 22,842,412 -		20,750 32,669,305 728,563		- 1,974,837 672,667		- 15,921,666 -		- 2,011,593 -
Capital grants and contributions: General government		4,902,786		18,047,937		39,493,071		49,335,325		46,649,597
Economic and physical development		-		- 10,047,937		100,000		55,736		104,848
Human Services Cultural and recreation		4,476,540		4,002,821		7,608,802		9,676,200		8,131,618 -
Education		2,364,600		-				2,230,295		2,150,289
Total governmental activities program revenues		70,162,403		95,593,160		89,588,196		\$ <u>119,254,441</u>	\$	99,235,355
Business-type activities: Charges for services: Solid Waste		12,141,271		12,562,448		12,095,301		13,752,041		14,501,948
Operating grants and contributions: Solid Waste				20,000		2,653		639,350		678,048
Total business-type activities program revenues		12,141,271		12,582,448		12,097,954		14,391,391		15,179,996
Total primary government program revenues	\$	82,303,674	\$	108,175,608	\$	101,686,150	\$	133,645,832	\$	114,415,351
Net (Expense)/Revenue Governmental activities	\$		\$		\$	(213,999,607)	\$		\$	
Business-type activities	-	884,015	_	3,106,679	_	975,014	_	169,949	_	3,054,185
Total primary government net expense	\$	(215,520,742)	\$	(189,904,728)	\$	(213,024,593)	\$	(215,341,507)	\$	(284,256,900)

#### General Revenues and Other Changes in

Net Position	 2015	 2016	 2017		2018	 2019
Governmental activities: Ad valorem taxes Sales tax Real estate transfer taxes Investment earnings Transfers Miscellaneous revenue	\$ 139,163,619 30,781,557 724,130 166,921 -	\$ 139,255,320 32,979,693 1,803,998 357,894 - -	\$ 143,710,080 35,671,950 1,710,358 906,903 (366,730)	·	148,141,098 37,084,145 2,120,723 1,734,305 (462,698)	151,938,625 39,003,754 7,544,708 3,338,776 - -
Total governmental activities	 170,836,227	 174,396,905	 181,632,561		188,617,573	 201,825,863
Business-type activities: Investment earnings Transfers	 6,436 -	 12,847 -	 44,490 366,730		131,598 462,698	 141,003 -
Total governmental activities	 6,436	 12,847	 411,220		594,296	 141,003
Total primary government	\$ 170,842,663	\$ 174,409,752	\$ 182,043,781	\$	189,211,869	\$ 201,966,866
<b>Change in Net Position</b> Governmental activities Business-type activities	\$ 32,170,970 1,280,351	\$ 4,556,903 2,254,527	\$ (12,405,723) 2,790,746	\$	657,764 2,278,614	\$ 10,956,779 3,044,913
Total primary government	\$ 33,451,321	\$ 6,811,430	\$ (9,614,977)	\$	2,936,378	\$ 14,001,692

#### General Revenues and Other Changes in

Net Position	2020	2021	2022	2023	2023
Governmental activities: Ad valorem taxes Sales tax Real estate transfer taxes Investment earnings Transfers Miscellaneous revenue	\$ 172,021,975 41,081,488 10,441,771 2,776,089 - -	\$ 176,874,990 56,623,399 2,988,156 79,656 - -	65,797,535 4,894,697	70,918,199 4,169,059	\$ 214,970,690 71,258,587 4,391,980 14,249,687
Total governmental activities	226,321,323	236,566,201	256,401,646	270,252,816	304,870,944
Business-type activities: Investment earnings Transfers	146,945	9,057	39,117	508,220	795,125
Total governmental activities	146,945	9,057	39,117	508,220	795,125
Total primary government	<u>\$ 226,468,268</u>	<u>\$ 236,575,258</u>	<u>\$ 256,440,763</u>	<u>\$ 270,761,036</u>	<u>\$ 305,666,069</u>
<b>Change in Net Position</b> Governmental activities Business-type activities	\$       9,916,566 1,030,960	\$ 43,554,794 3,115,736	\$ 42,394,617 	\$ 54,741,360 678,169	\$ 17,559,859 3,849,310
Total primary government	\$ 10,947,526	\$ 46,670,530	\$ 43,416,170	\$ 55,419,529	\$ 21,409,169

#### Gaston County Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

	 2015	_	2016	_	2017	_	2018	_	2019
General Fund									
Nonspendable	\$ 234,324	\$	258,057	\$	359,525	\$	830,609	\$	547,329
Restricted	24,349,723		24,810,036		24,832,155		28,249,790		32,955,914
Assigned	22,060,660		23,827,805		23,684,737		26,031,354		16,815,592
Unassigned	 29,619,149		15,486,470		12,638,808		2,450,356		4,884,062
Total General Fund	\$ 76,263,856	\$	64,382,368	\$	61,515,225	\$	57,562,109	\$	55,202,897
All Other Governmental Funds									
Nonspendable	\$ 369	\$	18,067	\$	54,571	\$	88,687	\$	16,363
Restricted	26,327,887		70,014,957		36,244,219		24,624,826		108,726,287
Committed	11,942,050		16,454,167		22,994,576		12,422,983		3,299,537
Assigned	15,864,939		25,967,185		24,717,961		36,056,393		46,528,925
Unassigned	 -		-		-		-		-
Total all other governmental funds	\$ 54,135,245	\$	112,454,376	\$	84,011,327	\$	73,192,889	\$	158,571,112

#### Gaston County Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

	 2020	_	2021	 2022	_	2023	 2024
General Fund							
Nonspendable	\$ 381,137	\$	356,936	\$ 790,450	\$	498,069	\$ 395,605
Restricted	25,362,832		32,869,158	39,407,589		50,876,738	53,426,111
Assigned	21,508,220		21,427,155	32,628,830		29,736,284	18,783,877
Unassigned	 6,828,242	_	19,386,039	 38,240,600	_	42,913,653	 63,459,120
Total General Fund	\$ 54,080,431	\$	74,039,288	\$ 111,067,469	\$	124,024,744	\$ 136,064,713
All Other Governmental Funds							
Nonspendable	\$ 41,367	\$	55,287	\$ 8,738	\$	1,204	\$ 5,025
Restricted	71,487,974		38,841,927	35,389,953		42,915,236	82,117,316
Committed	377,866		28,579,939	68,363,569		71,639,131	92,290,409
Assigned	51,349,764		63,931,394	3,246,474		4,922,543	6,635,028
Unassigned	 -		(29,963)	 (46,696)		-	 (115,882)
Total all other governmental funds	\$ 123,256,971	\$	131,378,584	\$ 106,962,038	\$	119,478,114	\$ 180,931,896

# Changes in Fund Balances, Governmental Funds,

#### Last Ten Fiscal Years (modified accrual basis of accounting)

**Gaston County** 

	2015	2016	2017	2018	2019
Revenues					
Ad valorem taxes	\$ 140,402,323	\$ 139,748,392	\$ 144,143,069	\$ 148,367,037	\$ 152,502,495
Other taxes and licenses	32,228,917	34,783,691	37,382,308	39,204,868	46,548,462
Restricted intergovernmental revenues	35,948,393	37,354,507	36,921,808	29,330,886	32,146,584
Fees, licenses and permits	3,363,174	3,933,473	4,227,840	4,614,578	6,526,808
Sales and services	18,497,802	18,239,812	18,559,984	22,560,970	23,283,237
E911 surcharge	729,724	714,921	734,975	736,000	760,575
Investment earnings	150,420	332,737	838,903	1,568,297	3,112,370
Miscellaneous revenues	24,139,339	3,130,389	4,288,594	3,931,473	2,328,043
Total revenues	255,460,092	238,237,922	247,097,481	250,314,109	267,208,574
	200,100,002				
Expenditures	05 007 404	~~~~~	00.005.004		04 700 000
General government	25,227,484	26,296,804	26,805,601	30,290,301	31,726,839
Public safety	58,366,090	60,586,898	63,057,252	65,452,881	84,276,206
Environmental protection	83,892	64,799	60,916	81,533	65,385
Economic and physical development	3,457,506	4,192,734	4,568,532	4,417,548	4,496,983
Human services	58,703,124	61,931,748	61,589,102	56,434,756	57,772,654
Cultural and recreational	5,235,321	5,384,033	5,548,764	5,819,668	5,902,072
Education	49,517,556	49,693,622	51,384,897	54,073,032	55,485,329
Capital outlay Debt service:	10,176,139	16,317,490	38,538,487	28,481,094	31,036,309
Principal retirement	16,981,256	17,133,085	19,714,275	78,023,256	19,410,727
Interest and fees	8,511,386	8,183,394	8,634,832	10,955,829	6,803,367
Total expenditures	236,259,754	249,784,607	279,902,658	334,029,898	296,975,871
Excess of revenues over (under)					
expenditures	19,200,338	(11,546,685)	(32,805,177)	(83,715,789)	(29,767,297)
					()
Other Financing Sources (Uses)					
Installment purchase contracts issued	1,713,854	2,610,233	-	3,459,164	15,886,553
Refunding bonds issued	-	5,020,000	-	59,182,000	-
Bonds issued	-	50,025,000	1,861,715	6,000,000	60,000,000
Limited Obligation Bonds	-	-	-	-	26,785,000
Lease liabilities issued	-	-	-	-	-
Subscription liabilities issued	-	-	-	-	-
Capital Contribution	-	-	-	-	-
Payments to escrow agent	-	(5,308,094)	-	-	-
Bond premium	-	5,637,189	-	-	8,506,758
Sale of property	-	-	-	-	-
Transfers in	51,381,592	54,096,440	43,198,890	45,580,119	43,617,299
Transfers out	(49,927,276)	(54,096,440)	(43,565,620)	(45,277,048)	(42,009,299)
Total other financing sources (uses)	3,168,170	57,984,328	1,494,985	68,944,235	112,786,311
Net change in fund balances	\$ 22,368,508	\$ 46,437,643	<u>\$ (31,310,192</u> )	<u>\$ (14,771,554</u> )	\$ 83,019,014
Debt service as a percentage of noncapital					
expenditures	11.28%	10.84%	11.75%	29.12%	9.86%

#### Gaston County Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

	2020	2021	2024 2022			
	2020	2021	2022	2023	2024	
Revenues						
Ad valorem taxes	\$ 171,314,638	\$ 177,566,661	\$ 183,461,238	\$ 187,371,511	\$ 215,061,620	
Other taxes and licenses	51,523,259	59,611,555	70,692,232	75,087,258	75,650,567	
Restricted intergovernmental revenues	36,121,395	56,352,948	54,238,136	64,843,276	68,239,773	
Fees, licenses and permits	6,484,384	9,889,809	7,245,512	10,733,496	12,630,991	
Sales and services	19,980,373	19,845,793	20,767,440	16,748,980	17,419,015	
E911 surcharge	698,276	579,741	809,328	761,179	754,786	
Investment earnings	2,577,553	67,107	(1,045,726)	7,616,750	14,019,013	
Miscellaneous revenues	2,636,773	5,256,719	7,566,782	12,647,609	7,896,239	
Total revenues	291,336,651	329,170,333	343,734,942	375,810,059	411,672,004	
Expenditures						
General government	34,322,360	38,505,544	48,555,750	46,987,116	50,789,171	
Public safety	75,182,323	74,652,785	86,306,054	102,747,589	109,387,974	
Environmental protection	69,718	-	82,754	79,386	63,070	
Economic and physical development	4,393,547	4,470,307	5,502,464	6,464,195	6,869,645	
Human services	59,251,335	59,708,312	83,139,382	77,553,881	84,511,842	
Cultural and recreational	6,064,538	6,884,869	7,947,537	9,007,456	8,777,448	
Education	57,591,462	57,240,267	59,153,869	60,182,352	60,978,024	
Capital outlay	47,436,706	36,781,478	22,687,960	32,003,724	72,000,852	
Debt service:						
Principal retirement	35,948,139	23,263,916	22,669,305	22,628,574	26,146,692	
Interest and fees	10,220,860	9,596,392	8,642,080	7,787,690	10,142,007	
Total expenditures	330,480,988	311,103,870	344,687,155	365,441,963	429,666,725	
Excess of revenues over (under)						
expenditures	(39,144,337)	18,066,463	(952,213)	10,368,096	(17,994,721)	
Other Financing Sources (Uses)						
Installment purchase contracts issued	1,099,727	1,958,436	6,707,137	8,180,821	4,634,989	
Refunding bonds issued	-	50,145,000	-	-	-	
Bonds issued	-	-	-	-	80,000,000	
Limited Obligation Bonds	-	-	-	-	-	
Lease liabilities issued	-	-	2,430,121	187,173	1,306,969	
Subscription liabilities issued	-	-		1,737,261	3,001,714	
Capital Contribution	-	1,710,881	-	-	-	
Payments to escrow agent	-	(60,192,495)	-	-	-	
Bond premium	-	10,371,875	-	-	1,144,800	
Sale of property	-	-	3,067,470	-	-	
Transfers in	64,543,253	110,919,703	141,736,750	128,476,338	229,981,566	
Transfers out	(62,935,253)	(107,129,470)	(138,377,630)	(123,476,338)	(228,581,566)	
Total other financing sources (uses)	2,707,727	7,783,930	15,563,848	15,105,255	91,488,472	
Net change in fund balances	<u>\$ (36,436,610</u> )	\$ 25,850,393	\$ 14,611,635	\$ 25,473,351	\$ 73,493,751	
Debt service as a percentage of noncapital						
expenditures	16.31%	11.98%	9.72%	9.12%	10.15%	

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

	Gener	al Bonded Debt Outsta				
Fiscal Year	Total Debt	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income (a)	Percentage of Actual Value of Taxable Property (b)	Per Capita (a)
2015	\$ 178,203,288	\$-	\$ 178,203,288	2.26%	1.30%	833.29
2016	213,575,436	-	213,575,436	2.62%	1.55%	980.84
2017	195,722,876	-	195,722,876	2.27%	1.23%	885.75
2018	186,341,784	-	186,341,784	2.11%	1.13%	831.13
2019	269,601,609	-	269,601,609	2.89%	1.60%	1,192.19
2020	234,753,198	-	234,753,198	2.29%	1.19%	1,027.30
2021	203,400,222	-	203,400,222	1.80%	0.99%	879.24
2022	188,174,420	-	188,174,420	1.62%	0.89%	803.43
2023	174,951,446	-	174,951,446	*	0.79%	725.41
2024	235,615,129	-	235,615,129	*	0.70%	968.64

\* 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.

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

	2015	2016	2017	2018	2019
Assessed Value of Property	\$ 13,693,431,657	\$ 13,808,052,961	\$ 15,943,317,816	\$ 16,437,042,595	\$ 16,855,932,097
Debt Limit, 8% of Assessed Value (Statutory Limitation)	1,095,474,533	1,104,644,237	1,275,465,425	1,314,963,408	1,348,474,568
Amount of Debt Applicable to Limit					
General Obligation Bonds Certificates of Participation	161,684,000 3,095,000	199,590,000 1,580,000	185,044,000	176,575,000	220,130,000
Other Debt	13,424,288	12,405,436	10,678,876	9,766,784	49,471,609
Total net debt applicable to limit	178,203,288	213,575,436	195,722,876	186,341,784	269,601,609
Legal Debt Margin	<u>\$ 917,271,245</u>	<u>\$ 891,068,801</u>	<u>\$ 1,079,742,549</u>	<u>\$ 1,128,621,624</u>	<u>\$ 1,078,872,959</u>
Total net debt applicable to the limit as a percentage of debt limit	16.27%	19.33%	15.35%	14.17%	19.99%

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

	2020	2021	2022	2023	2024
Assessed Value of Property	\$ 19,745,275,404	\$ 20,546,387,144	\$ 21,202,036,917	\$ 22,086,737,037	\$ 33,708,756,557
Debt Limit, 8% of Assessed Value (Statutory Limitation)	1,579,622,032	1,643,710,972	1,696,162,953	1,766,938,963	2,696,700,525
Amount of Debt Applicable to Limit					
General Obligation Bonds	200,411,000	172,647,000	155,385,000	139,105,000	202,820,000
Certificates of Participation Other Debt	- 34,342,198	- 30,753,222	- 32,789,420	- 35,846,446	- 32,795,129
Total net debt applicable to limit	234,753,198	203,400,222	188,174,420	174,951,446	235,615,129
Legal Debt Margin	<u>\$ 1,344,868,834</u>	<u>\$ 1,440,310,750</u>	<u>\$ 1,507,988,533</u>	<u>\$ 1,591,987,517</u>	<u>\$ 2,461,085,396</u>
Total net debt applicable to the limit as a percentage of debt limit	14.86%	12.37%	11.09%	9.90%	8.74%

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

		Governmental Activities											
Fiscal Year	General Obligation Bonds	Certificates of Participation			Leases	Subscription Liabilities		Limited Obligation Bonds		Installment Purchases		Unamortized Premium	
2015	\$161,684,000	\$	3,095,000	\$	-	\$	-	\$	-	\$	7,200,445	\$	9,079,174
2016	199,590,000		1,580,000		-		-		-		6,547,702		14,020,119
2017	185,044,000		-		-		-		-		5,187,250		12,946,062
2018	176,575,000		-		-		-		-		4,641,266		11,872,005
2019	220,130,000		-		-		-		-		44,712,200		19,304,706
2020	200,411,000		-		-		-		-		29,948,896		17,805,311
2021	172,647,000		-		-		-	23,	695,000		3,031,030		25,525,362
2022	155,385,000		-		1,693,756		-	22,	100,000		7,028,334		22,873,537
2023	139,105,000		-		1,238,015	1,15	5,396	20,	505,000		12,046,468		20,221,712
2024	202,820,000		-		1,846,190	2,68	0,518	18,	910,000		10,956,259		18,142,287

\* Information not yet available.

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

	Governmental Activities Business-Type Activities										
Fiscal Year				Total Primary Government		Percentage of Personal Income	Per Capita				
2015	\$	6,223,843	\$		-	\$	3,460,339	\$	190,744,816	2.41%	892
2016		5,857,734			-		2,876,030		230,473,601	2.83%	1,058
2017		5,491,626			-		2,712,329		211,383,284	2.46%	957
2018		5,125,518			-		2,266,934		200,482,741	2.27%	894
2019		4,759,409			-		1,238,309		290,146,643	3.11%	1,283
2020		4,393,302			-		419,929		252,980,458	2.47%	1,107
2021		4,027,192			-		811,319		229,738,924	2.04%	993
2022		3,661,086			-		1,461,478		214,205,213	1.84%	915
2023		3,294,978			-		791,744		198,360,336	*	822
2024		2,928,870			-		189,883		258,476,031	*	1,063

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

Fiscal Year Ended June 30	Real & Personal Property	Vehicles	GAP Vehicles	Public Service Companies
(FY14-15) 2015	\$ 11,849,164,221	\$ 1,200,100,637	\$ -	\$ 644,166,799
(FY15-16) 2016	11,846,593,779	1,268,743,871	-	692,715,311
(FY16-17) 2017	13,762,503,341	1,451,272,391	-	729,542,084
(FY17-18) 2018	14,063,126,530	1,584,208,673	-	789,707,392
(FY18-19) 2019	14,172,111,402	1,851,929,878	-	831,890,817
(FY19-20) 2020	16,990,798,356	1,850,365,458	-	904,111,590
(FY20-21) 2021	17,431,210,503	2,171,192,627	-	943,984,014
(FY21-22) 2022	17,907,237,470	2,245,357,037	14,219,759	1,035,222,651
(FY22-23) 2023	18,664,661,239	2,436,623,452	56,535,926	928,916,420
(FY23-24) 2024	29,875,073,770	2,779,280,762	47,535,410	1,006,866,615

Source: Gaston County Tax Department

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

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

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

Fiscal Year Ended June 30	Total Taxable Assessed Value	Total Direct Tax Rate	Percentage of Actual Taxable Value (a)	Estimated Actual Taxable Value
(FY14-15) 2015	\$ 13,693,431,657	0.8700	108.41%	\$ 12,631,151,791
(FY15-16) 2016	13,808,052,961	0.8700	97.84%	14,112,891,416
(FY16-17) 2017	15,943,317,816	0.8700	108.00%	14,762,331,311
(FY17-18) 2018	16,437,042,595	0.8700	86.34%	19,037,575,394
(FY18-19) 2019	16,855,932,097	0.8700	96.99%	17,379,041,238
(FY19-20) 2020	19,745,275,404	0.8400	99.05%	19,934,654,623
(FY20-21) 2021	20,546,387,144	0.8300	99.04%	20,745,544,370
(FY21-22) 2022	21,202,036,917	0.8300	83.67%	25,340,070,416
(FY22-23) 2023	22,086,737,037	0.8100	68.67%	32,163,589,685
(FY23-24) 2024	33,708,756,557	0.6100	96.77%	34,833,891,244

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

(rate per \$100 of assessed value)

	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
	2015	2016	2017	2018	2019
County Direct Rate					
General *	0.8700	0.8700	0.8700	0.8700	0.8700
City Rates					
Belmont	0.4750	0.4750	0.4750	0.4750	0.5150
Bessemer City	0.4300	0.4300	0.4500	0.4500	0.4700
Cherryville	0.4600	0.4600	0.4600	0.4600	0.4600
Gastonia	0.5300	0.5300	0.5300	0.5300	0.5300
Kings Mountain	0.4000	0.4000	0.4300	0.4300	0.4300
Mt. Holly	0.5300	0.5300	0.5300	0.5300	0.5300
Town Rates					
Cramerton	0.4750	0.4750	0.4750	0.4750	0.4750
Dallas	0.3800	0.3800	0.4000	0.4000	0.4000
High Shoals	0.4100	0.4100	0.4100	0.4100	0.4100
Lowell	0.4300	0.4300	0.4300	0.4300	0.4300
McAdenville	0.3000	0.3000	0.3000	0.3300	0.3300
Ranlo	0.3700	0.4000	0.4000	0.4000	0.4000
Spencer Mountain	N/A	N/A	N/A	N/A	N/A
Stanley	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)

	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
	2020	2021	2022	2023	2024
County Direct Rate					
General *	0.8400	0.8300	0.8300	0.8100	0.6100
City Rates					
Belmont	0.5150	0.5150	0.5150	0.4950	0.4550
Bessemer City	0.4500	0.4500	0.4500	0.4500	0.4500
Cherryville	0.4600	0.5200	0.5200	0.5200	0.4800
Gastonia	0.5200	0.5200	0.5200	0.5200	0.4700
Kings Mountain	0.4300	0.4300	0.4300	0.4300	0.4800
Mt. Holly	0.4850	0.4850	0.4850	0.4850	0.4050
Town Rates					
Cramerton	0.4750	0.4750	0.4750	0.4750	0.4450
Dallas	0.4000	0.4000	0.4200	0.4200	0.4200
High Shoals	0.4100	0.3800	0.3800	0.3800	0.3200
Lowell	0.4300	0.4300	0.4900	0.4900	0.4900
McAdenville	0.3300	0.3300	0.3300	0.3900	0.3900
Ranlo	0.4000	0.4000	0.5000	0.5000	0.4500
Spencer Mountain	N/A	N/A	N/A	N/A	N/A
Stanley	0.5400	0.5400	0.5400	0.5400	0.4900

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

	2015	2016	2017	2018	2019
Fire District Rates					
Agriculture Center	0.0630	0.0630	0.0730	0.0730	0.0730
Alexis	0.0850	0.0900	0.0900	0.0950	0.0950
Chapel Grove	0.0950	0.1050	0.1050	0.1050	0.1050
Chestnut Ridge	0.0800	0.0840	0.0840	0.0840	0.0950
Community	0.1000	0.1000	0.1000	0.1000	0.1200
Crouse	0.0740	0.0740	0.0740	0.0740	0.0860
East Gaston	0.0840	0.0840	0.0840	0.0840	0.0840
High Shoals	0.1030	0.1030	0.1030	0.1030	0.1030
Hughs Pond	0.1010	0.1010	0.1010	0.1100	0.1100
Long Shoals	0.1030	0.1030	0.1030	0.1030	0.1030
Lowell	0.0500	0.0500	0.0740	0.0740	0.0740
Lucia-Riverbend	0.1050	0.1050	0.1050	0.1100	0.1140
New Hope	0.0800	0.0880	0.0880	0.0880	0.1000
Ranlo	0.0840	0.0840	0.0740	0.0840	0.0840
South Gastonia	0.0950	0.1050	0.1050	0.1050	0.1050
South Point	0.0640	0.0640	0.0500	0.0400	0.0400
Spencer Mountain	0.0700	0.0800	0.0800	0.0800	0.0800
Tryonota	0.0800	0.0840	0.0840	0.0840	0.0950
Union Road	0.0670	0.0770	0.0770	0.0770	0.0770
Waco	0.0730	0.0730	0.0730	0.0950	0.0950
Special Taxing Rates					
Gastonia York-Chester District	0.5300	0.5300	0.5300	0.5300	0.5300
Gastonia Service District	0.2000	0.2000	0.2000	0.2000	0.2000

Source: Gaston County Tax Department.

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

	2020	2021	2022	2023	2024
Fire District Rates					
Agriculture Center	0.0920	0.0112	0.1200	0.1100	0.0850
Alexis	0.0790	0.0990	0.1060	0.1100	0.0850
Chapel Grove	0.0930	0.0930	0.1240	0.1100	0.0850
Chestnut Ridge	0.0810	0.1010	0.1200	0.1100	0.0850
Community	0.0990	0.1190	0.1210	0.1100	0.0850
Crouse	0.0690	0.0750	0.0750	0.1100	0.0850
East Gaston	0.0720	0.0920	0.0980	0.1100	0.0850
High Shoals	0.1040	0.1040	0.1040	0.1100	0.0850
Hughs Pond	0.1050	0.1050	0.1050	0.1100	0.0850
Long Shoals	0.1040	0.1040	0.1040	0.1100	0.0850
Lowell	0.0680	0.0680	0.0680	0.1100	0.0850
Lucia-Riverbend	0.0930	0.1130	0.1250	0.1100	0.0850
New Hope	0.0840	0.0970	0.0970	0.1100	0.0850
Ranlo	0.0880	0.0910	0.0910	0.1100	0.0850
South Gastonia	0.0930	0.0930	0.1240	0.1100	0.0850
South Point	0.0360	0.0500	0.0500	0.1100	0.0850
Spencer Mountain	0.0930	0.1030	0.1030	0.1100	0.0850
Tryonota	0.0810	0.1010	0.1200	0.1100	0.0850
Union Road	0.0650	0.0760	0.0760	0.1100	0.0850
Waco	0.0810	0.0950	0.0950	0.1100	0.0850
Special Taxing Rates					
Gastonia York-Chester District	0.5200	0.5200	0.5200	0.4700	0.4700
Gastonia Service District	0.2000	0.2000	0.2000	0.2000	0.2000

	Fisca	l Year 20	024		Fisca	I Year 2	015
<u>Taxpayer</u>	 Assessed Value	Rank	Percentage of Total Assessed Valuation	_	Assessed Value	Rank	Percentage of Total Assessed Valuation
Duke Energy Carolinas LLC	\$ 648,627,749	1	1.9%	\$	402,344,986	1	2.8%
FMC Lithium USA	198,738,389	2	0.6%		50,960,018	6	0.4%
NP Gastonia Ind.	191,161,880	3	0.6%		-	-	-
Daimler Trucks	182,628,452	4	0.5%		91,155,042	2	0.6%
Triangle Real Estate	125,344,270	5	0.4%		-	-	-
Public Service Company	101,920,548	6	0.3%		63,882,771	3	0.4%
Progress Residential Borrower LLC	78,153,030	7	0.2%		-	-	-
Glatfelter Mt Holly LLC	77,691,204	8	0.2%		-	-	-
Owens Corning	73,452,653	9	0.2%		-	-	-
American & Efird	55,864,649	10	0.2%		-	-	-
BellSouth	-	-	-		53,837,204	4	0.4%
Bud Antle, Inc.	-	-	-		51,036,603	5	0.4%
Pharr Yarns	-	-	-		47,285,428	7	0.3%
Southwood Realty Company	-	-	-		44,114,600	8	0.3%
Mann+Hummel (formerly WIX Filtration)	-	-	-		42,237,836	9	0.3%
Rutherford EMC	 -		-		34,847,979	10	0.2%
Total	\$ 1,733,582,824	-	5.14%	\$	881,702,467	-	6.03%

Source: Gaston County Tax Department

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

		_		Percentage Subseq			Total Collect	ions to Date
Fiscal Year Ended June 30	Taxes Levied the Fiscal Ye		Amount			ollections in ubsequent Years	Amount	Percentage of Levy
2015	\$ 134,740	,856	\$ 132,998,045	98.71%	\$	1,542,066	\$ 134,540,111	99.85%
2016	134,957	,472	133,397,408	98.84%		1,369,643	134,767,051	99.86%
2017	139,161	,704	137,616,976	98.89%		1,324,457	138,941,433	99.84%
2018	143,478	,862	141,959,045	98.94%		1,229,844	143,188,889	99.80%
2019	147,062	,463	145,746,820	99.11%		1,005,095	146,751,915	99.79%
2020	166,281	,606	163,922,402	98.58%		1,938,600	165,861,002	99.75%
2021	170,971	,588	169,413,769	99.09%		1,150,596	170,564,365	99.76%
2022	176,450	,171	174,965,654	99.16%		908,128	175,873,782	99.67%
2023	179,402	,454	177,885,307	99.15%		688,091	178,573,398	99.54%
2024	206,144	,442	204,085,150	99.00%		-	204,085,150	99.00%

Source: Gaston County Tax Department

#### Gaston County Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population (a)	Personal Income (b) (thousands of dollars)	Per Capita Personal Income (b)	Public School Enrollment (c)	Private School Enrollment (d)	Unemployment Rate (e)
2015	213,856	\$ 7,901,694	36,949	31,293	2,129	5.9%
2016	217,748	8,149,218	37,425	31,442	2,081	5.3%
2017	220,969	8,605,557	38,945	31,665	2,195	4.6%
2018	224,204	8,823,284	39,354	31,527	2,240	4.0%
2019	226,140	9,342,541	41,313	31,804	2,220	3.8%
2020	228,514	10,239,160	44,808	31,153	2,129	7.8%
2021	231,337	11,277,151	48,748	30,975	2,148	5.2%
2022	234,215	11,634,395	49,674	31,028	2,235	3.7%
2023	241,175	*	*	30,431	2,491	3.4%
2024	243,242	*	*	30,341	2,667	*

\* Information is not yet available.

Sources:

(a) North Carolina Office of State Budget and Management, State Demographer's Office.

2014-2019 Intercensal Population Estimates.

2020 Census.

2021-2022 County Population Projections.

(b) US Department of Commerce, Bureau of Economic Analysis. Annual Average.

(c) North Carolina Department of Public Instruction.

(d) North Carolina Department of Administration, Division of Non-Public Education.

(e) US Department of Labor, US Bureau of Labor Statistics. Annual Average.

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

		2024			2015	
<u>Employer</u>	_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+	3	-
County Of Gaston	1000+	4	-	1000+	5	-
Wal-Mart Associates Inc.	1000+	5	-	1000+	4	-
Mann+hummel	1000+	6	-	1000+	7	-
American & Efird Llc	1000+	7	-	1000+	6	-
City Of Gastonia	500-999	8	-	500-999	8	-
Food Lion	500-999	9	-	-	-	-
Kintegra Health	500-999	10	-	-	-	-
Pharr Yarns	-	-	-	500-999	9	-
Sara Lee Corporation	-	-	-	500-999	10	-

Source: Gaston County Economic Development Commission

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

2015	2016	2017	2018	2019
169	172	172	171	173
612	616	616	636	636
20	21	21	21	21
623	619	619	626	626
60	60	60	62	62
26	27	27	28	28
1,510	1,515	1,515	1,544	1,546
	169 612 20 623 60 26	169         172           612         616           20         21           623         619           60         60           26         27	169         172         172           612         616         616           20         21         21           623         619         619           60         60         60           26         27         27	169         172         172         171           612         616         616         636           20         21         21         21           623         619         619         626           60         60         60         62           26         27         27         28

Sources: County budget department and individual county departments.

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

Function / Program	2020	2021	2022	2023	2024
General Government	173	185	205	209	216
Public Safety	642	666	674	684	684
Economic and Physical Development	23	25	26	27	30
Human Services	630	643	633	632	648
Cultural and Recreational	62	64	65	66	69
Solid Waste / Landfill	28	30	29	30	30
Total	1,558	1,613	1,632	1,648	1,677

unction / Program	2015	2016	2017	2018	2019
eneral Government					
Access					
Passenger trips	133,970	122,114	116,462	107,393	67,899
Service Miles	586,000	608,850	494,053	489,725	538,619
Commissioners / Clerk to the Board	475	500	550	500	000
Number of Contracts	475	586	552	563	632
Number of Minutes	334	273	255	301	362
Human Resources Number of applications processed	10,668	10,219	8,362	10,238	7,532
Information Technology	10,000	10,219	0,302	10,230	1,002
Number of service request / trouble tickets	10,086	10,616	7,217	7,082	6,583
Public Works	10,000	10,010	1,211	7,002	0,000
Number of vehicle work orders processed / completed	3,107	2,886	3,217	2,974	3,139
Number of vehicle work orders requested / completed	9,644	8,991	6,768	8,590	9,162
Register of Deeds	0,044	0,001	0,700	0,000	0,102
Vital records issued (birth, death, marriage)	23,715	23,445	25,516	25,709	27,493
Instruments recorded	21,665	22,628	32,745	23,549	23,287
(deeds, deeds of trust, corporations, etc.)	21,000	22,020	02,110	20,010	20,201
Notary oaths administered	582	704	667	734	741
Passports	0	0	0	89	1,394
Passport photos	0	0	0	46	876
Tax					
Business audits	97	140	195	195	131
Registered vehicles processed	184,200	182,000	193,886	193,974	193,224
ıblic Safety					
Animal Control					
Number of calls	13,327	15,879	16,100	15,864	17,558
Adoptions (rescue group placement & owner reclaims)	3,347	2,788	2,783	2,757	2,529
Building Inspections					
Inspections conducted	38,228	24,917	27,170	35,217	37,914
Residential permits issued	1,959	1,042	1,430	1,551	1,514
Commercial and other non-residential permits issued	1,393	281	437	221	240
Electrical permits issued	1,798	2,686	2,131	2,612	3,086
Mechanical permits issued	1,581	2,351	1,557	1,681	1,483
Plumbing permits issued	700	1,209	472	848	612
County Police					
UCR Part I Crimes	1,326	1,423	1,412	1,418	1,182
Emergency Management					
Emergency calls	12	14	14	5	15
(hazardous material spills, missing persons, complaints, etc)				*	
Presentations / programs conducted	11	7	12		4
Exercises conducted or attended	12	13	5	3	7
Formal plans developed, reviewed, updated or adopted	18	15	19	*	12
Emergency Medical Services	44,400	10.000	40.404	00.040	00.005
Emergency calls for service	44,429	46,233	46,401	39,812	30,895
Non-emergency calls for service	1,879	2,005	2,313	3,253	2,757
Number of dispatches	46,308	51,093	51,978	48,128	35,499
Number of transports	17,752	16,638	17,544	17,424	12,790
Fire Marshal	941	1,164	1,057	1 505	1,771
Inspections Investigations / Incidents	211	1,104	196	1,595 175	161
Fire investigation K9 Callouts	0	0	0	0	0
Fire Education Classes Taught	11	784	14	9	13
Rescue Squads		704	14	5	10
1.00040 044440					
blic Safety (continued)					
Sheriff					
Average monthly jail population	497	502	574	632	658
Number of civil papers served	23,554	23,664	16,338	17,930	17,726
Number of criminal papers served	4,575	5,236	3,383	4,405	5,059
		11,424	7,988	8,306	10,727
Number of weapon permits issued	6.096				
Number of weapon permits issued Number of court cases scheduled	6,096 130.248				
Number of weapon permits issued Number of court cases scheduled Telecommunications	6,096 130,248	136,580	158,322	144,421	180,762

Function / Program	2020	2021	2022	2023	2024
General Government					
Access	44 570		~~~~~	00 (50	~~ ~~~
Passenger trips	44,576	34,691	33,677	29,453	30,599
Service Miles Commissioners / Clerk to the Board	467,688	289,819	321,176	254,982	318, 615
Number of Contracts	593	617	655	636	745
Number of Minutes	320	354	348	374	324
Human Resources	020	001	010	0/1	021
Number of applications processed	7,221	5,699	6,910	6,610	14,183
Information Technology					
Number of service request / trouble tickets	4,055	5,857	5,296	6,486	5,612
Public Works					
Number of vehicle work orders processed / completed	2,937	2,916	3,223	3,361	3,380
Number of non-vehicle work orders requested / completed	6,902	8,516	8,293	8,787	6,732
Register of Deeds	05 040	20.204	20.007	04.000	00 745
Vital records issued (birth, death, marriage) Instruments recorded	25,613	30,324	32,627	34,228 31,704	29,745
(deeds, deeds of trust, corporations, etc.)	39,253	48,603	49,753	31,704	29,562
Notary oaths administered	562	778	857	859	878
Passports	1,055	1,080	1,725	2,819	4,067
Passport photos	719	791	1,280	1,984	3,279
Tax			.,	.,	-,
Business audits	175	181	206	184	230
Registered vehicles processed	192,592	204,569	196,697	201,747	201,467
Public Safety					
Animal Control					
Number of calls	15,349	16,565	17,325	18,100	18,418
Adoptions (rescue group placement & owner reclaims)	1,797	2,541	2,201	2,589	2,425
Building Inspections	36,582	43,211	40,926	54,155	64,168
Inspections conducted Residential permits issued	1,708	2,457	2,188	3,892	3,729
Commercial and other non-residential permits issued	277	2,437	357	795	591
Electrical permits issued	1,758	1,675	2,437	3,788	3,328
Mechanical permits issued	1,079	1,169	1,195	3,095	2,547
Plumbing permits issued	380	379	451	831	659
County Police					
UCR Part I Crimes	1,311	1,352	1,206	979	989
Emergency Management					
Emergency calls	*	11	44	214	75
(hazardous material spills, missing persons, complaints, etc)					
Presentations / programs conducted	*	4	4	5	11
Exercises conducted or attended	*	56	50	25	39
Formal plans developed, reviewed, updated or adopted	*	25	25	20	33
Emergency Medical Services	07 000	11 100	54 000	52 450	FF F04
Emergency calls for service	37,028 3,708	41,438 5,667	51,328 12,486	53,159 14,651	55,564 16,668
Non-emergency calls for service Number of dispatches	51,917	61,006	70,903	75,135	79,788
Number of transports	18,513	21,105	23,823	25,641	27,823
Fire Marshal	10,010	21,100	20,020	20,041	21,020
Inspections	*	796	939	1,129	1,281
Investigations / Incidents	*	153	152	239	163
Fire investigation K9 Callouts	*	0	n/a	n/a	n/a
Fire Education Classes Taught	*	1	1	41	49
Rescue Squads					
Public Safety (continued)					
Sheriff				a : =	
Average monthly jail population	587	559	596	617	664
Number of civil papers served	30,751	18,520	23,337	25,036	13,086
Number of criminal papers served	3,580	1,614	1,340	2,574	1,609 5 104
Number of weapon permits issued Number of court cases scheduled	15,171 160,430	21,164 110,462	12,810 164,234	10,117 149,884	5,194 78,242
Telecommunications	100,430	110,402	104,204	143,004	10,242
Number of 911 calls	139,885	148,072	161,750	152,461	141,133
	100,000	140,072	101,700	102,401	141,100

Function / Program	2015	2016	2017	2018	2019
Economic and Physical Development					
Cooperative Extension Service					
Structured teaching activities	445	393	410	422	397
Volunteer Hours	14,950	14,215	13,875	14,320	14,350
Natural Resources					
Number of people served (clients)	15,177	13,378	12,855	12,298	12,835
Number of technical services provided	16,875	16,144	21,724	20,534	21,712
Number of acres affected	7,936	7,005	8,162	6,751	7,008
Planning / Land Use					
Zoning permits issued	410	575	541	525	565
Site plans for commercial/industrial reviewed	17	20	17	14	11
Major subdivisions submitted (>50 homes)	0	1 *	0	2	4
Minor subdivisions submitted (<49 homes)					*
Minimum Housing Inspections	21	16	24	49	*
Tourism Development	0.57 750	~~~ ~~~		*	*
Overnight Stays	357,753	392,766	383,211	*	*
Visits to Visitors Center	4,486	4,619	4,200	*	*
Visitor's Guide Printed and Distributed	27,500	27,264	30,000		
Total Social Media Followers	*	10,064	13,573	18,033	21,236
Total Website Visitation	*	121,458	124,339	191,894	191,894
Total Weekend Hotel Demand	n	113,226	111,450	109,703	109,703
Human Services					
Health					
*** Number of patient visits	64,312	76,571	61,544	56,321	50,856
Onsite Wastewater Permits issued	872	731	983	1,039	1,358
Well permits issued	138	121	167	167	196
Food and Lodging Inspections performed	2,290	2,140	2,572	2,672	1,884
Social Services	202.020	202 000	10, 100	00.404	20.050
Medicald Cases	383,628	383,628	40,106	39,481	38,858
Medicald recipients	524,496	524,496	63,469	65,945	68,156
	256,868	245,756 498,432	16,591 36,697	15,487 34,510	15,219
<ul> <li>** Food and nutrition services recipients</li> <li>** Children in DSS custody</li> </ul>	520,569 3,278	490,432 3,360	345	34,510	33,933 349
Cultural and Recreation					
Art and History Museum					
Museum Visits	4,039	4,399	3,620	2,821	2,792
Program Attendance	23,164	19,622	19,105	21,025	19,350
Social Media Engagement	*	*	*	*	*
Virtual Engagement	*	*	*	*	*
Exhibits	18	16	17	15	15
Library					
Library Visits (Door Count)	486,111	530,498	575,420	567,500	536,541
Circulation - Books	666,939	750,487	717,366	679,201	628,314
Circulation - Audiovisuals	193,037	237,577	230,605	210,201	200,023
Circulation - e-resources	185,833	124,084	202,202	206,631	214,494
Library Programs	2,991	6,339	5,683	5,590	6,331
Cultural and Recreation (continued)					
Parks and recreation					
Park reservations	9,175	8,908	6,338	3,963	4,290
Scheduled park attendance	793,048	885,164	603,206	591,684	422,195
Senior Center	· · ·				
Program Attendance	40,108	41,895	45,383	46,101	44,766
Senior Center visits	39,167	42,534	46,408	47,893	47,052
Solid Waste / Landfill					
Waste tonnage disposed	222,587	250,065	281,841	260,385	274,770
Recycling tonnage	1,688	2,484	2,929	2,467	2,122
, , , ,	.,	,	,	,	,

Sources: Individual County departments.

Note: Indicators are not available for Environmental Protection.
 \* Information is not available.
 \*\* 2017 and after is reported in monthly averages.

Function / Program	2020	2021	2022	2023	2024
Economic and Physical Development Cooperative Extension Service					
Structured teaching activities	352	315	311	306	348
Volunteer Hours	11,887	10,325	10,692	10,656	15,896
Natural Resources	11,007	10,020	10,002	10,000	10,000
Number of people served (clients)	12,116	9,811	11,367	7,850	7,488
Number of technical services provided	18,667	18,560	18,106	32,423	18,857
Number of acres affected	8,250	14,885	19,480	16,162	11,019
Planning / Land Use					
Zoning permits issued	*	542	664	748	704
Site plans for commercial/industrial reviewed	4	17	45	33	15
Major subdivisions submitted (>50 homes)	4	9	10	0	0
Minor subdivisions submitted (<49 homes)	*	*	119	186	212
Minimum Housing Inspections	*	74	100	47	39
Tourism Development	*	*	*	*	*
Overnight Stays	*	*	*	*	*
Visits to Visitors Center	*	*	*	*	*
Visitor's Guide Printed and Distributed					
Total Social Media Followers Total Website Visitation	27,566	27,906	42,626	28,266	29,586
Total Weekend Hotel Demand	71,453 103,692	74,907 123,063	150,781 150,364	167,441 146,971	263,800 145,125
Total Weekend Hotel Demand	103,092	123,003	150,304	140,971	145,125
Human Services Health					
*** Number of patient visits	40,167	28,867	31,964	30,492	34,122
Onsite Wastewater Permits issued	1,766	1,911	1,816	1,760	1,518
Well permits issued	205	268	280	257	215
Food and Lodging Inspections performed	2,367	2,434	2,301	2,265	2,744
Social Services	2,000	2,.01	2,001	2,200	_,
** Medicaid cases	37,892	42,683	46,926	47,327	47,892
** Medicaid recipients	52,319	62,558	66,129	71,848	69,485
** Food and nutrition services cases	15,919	19,370	21,558	20,266	19,166
** Food and nutrition services recipients	33,676	39,096	43,207	40,657	38,394
** Children in DSS custody	324	365	445	387	370
Cultural and Recreation					
Art and History Museum					
Museum Visits	2,134	574	11,751	2,627	3,140
Program Attendance	13,817	2,616	9,548	9,245	15,727
Social Media Engagement	51,285	242,331	162,712	174,957	48,568
Virtual Engagement	13,305	29,509	16,806	18,510	28,932
Exhibits Library	9	9	11	12	12
Library Visits (Door Count)	385,113	139,777	386,857	420,284	427,436
Circulation - Books	480,141	306,512	518,384	553,126	556,687
Circulation - Audiovisuals	145,591	60,952	95,138	90,071	85,429
Circulation - e-resources	198,968	248,002	224,312	234,306	244,861
Library Programs	4,296	1,630	4,185	5,899	5,890
Cultural and Recreation (continued)					
Parks and recreation					
Park reservations	3,652	4,970	4,580	4,486	3,179
Scheduled park attendance	177,031	195,518	161,175	167,817	165,423
Senior Center					
Program Attendance	28,537	8,897	15,079	15,318	15,953
Senior Center visits	29,691	9,078	15,121	18,073	18,509
Solid Waste / Landfill					
Waste tonnage disposed	279,224	286,879	295,215	322,602	327,710
Recycling tonnage	1,339	2,300	2,332	2,346	2,224

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

Function / Program	2015	2016	2017	2018	2019
Public Safety					
Sheriff					
Jail capacity	584	584	584	584	584
Economic and Physical Development					
Economic Development Commission					
Business park acreage available for purchase:					
Gastonia Technology Park	117.81	117.81	117.81	117.81	117.81
Summit Crossing	16.86	16.86	16.86	16.86	16.86
South Ridge Business Park	25.26	25.26	25.26	25.26	11.86
Apple Creek Corporate Center*	-	-	-	-	326.58
Cultural and Recreation					
Parks and recreation					
Number of county parks	9	9	9	9	9
Park acreage:	0	0	0	0	0
Developed	512	512	512	512	512
Undeveloped	150	150	150	150	150
Total Park Acreage	662	662	662	662	662

Sources: County departments.

\*Apple Creek Corporate Center was purchased in 2018.

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

Function / Program	2020	2021	2022	2023	2024
Public Safety					
Sheriff					
Jail capacity	584	664	664	664	664
Economic and Physical Development					
Economic Development Commission					
Business park acreage available for purchase:					
Gastonia Technology Park	117.81	104.35	98.15	88.36	113.95
Summit Crossing	16.86	16.86	16.86	7.76	10.49
South Ridge Business Park	11.86	11.86	11.86	8.32	8.32
Apple Creek Corporate Center*	326.58	269.65	204.7	204.55	194.29
Cultural and Recreation					
Parks and recreation					
Number of county parks	9	9	9	9	10
Park acreage:					
Developed	562	562	562	562	630
Undeveloped	100	100	100	100	100
Total Park Acreage	662	662	662	662	730

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Gaston County, NC FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

# Compliance Section

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## MARTIN \* STARNES & ASSOCIATES, CPAS, P.A.

#### 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 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 (*Government Auditing Standards*), 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 4, 2024.

#### **Report on 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 County'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 over financial reporting 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 to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Report on 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 results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & associated, CPas, P.a.

Martin Starnes & Associates, CPAs, P.A. Hickory, North Carolina December 4, 2024



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

#### **Independent Auditor's Report**

To the Board of Commissioners Gaston County, North Carolina

#### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

We have audited Gaston County, North Carolina's compliance with the types of compliance requirements identified as subject to audit 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 Gaston County's major federal programs for the year ended June 30, 2024. 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.

In our opinion, Gaston County complied, in all material respects, with the 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, 2024.

#### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Gaston County and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Gaston County's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Gaston County's federal programs.

#### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Gaston County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Gaston County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Gaston County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Gaston County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Gaston County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Other Matters**

The results of our auditing procedures disclosed an instance of non-compliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-002. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* require the auditor to perform limited procedures on Gaston County's response to the non-compliance finding identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Gaston County's response was not subjected to

not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that weaknesses. However, as described below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance is a deficiency*, or a combination of deficiencies, or a combination of deficiencies, in internal control over compliance is a material 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-001 and 2024-002 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* require the auditor to perform limited procedures on Gaston County's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Gaston County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Martin Starnes & associates, CPas, P.a.

Martin Starnes & Associates, CPAs, P.A. Hickory, North Carolina December 4, 2024 This page left blank intentionally.



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

#### **Independent Auditor's Report**

To the Board of Commissioners Gaston County, North Carolina

#### **Report on Compliance for Each Major State Program**

#### **Opinion on Each Major State Program**

We have audited Gaston County, North Carolina's compliance with the types of compliance requirements identified as subject to audit 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 Gaston County's major state programs for the year ended June 30, 2024. 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.

In our opinion, Gaston County complied, in all material respects, with the 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, 2024.

#### Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Gaston County and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Gaston County's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Gaston County's state programs.

#### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Gaston County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Gaston County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Gaston County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Gaston County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Gaston County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance was not identify any deficiencies in internal control over compliance that weaknesses. However, as described below, we did identify a certain deficiency in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a 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 a combination of deficiencies, in internal control of deficiencies, in internal control over compliance with a type of compliance is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* require the auditor to perform limited procedures on Gaston County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Gaston County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Martin Starnes & associates, CPas, P.a.

Martin Starnes & Associates, CPAs, P.A. Hickory, North Carolina December 4, 2024 This page left blank intentionally.

# SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

# 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:	Unmodif	fied		
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		No
• Significant deficiency(ies) identified?	X	Yes		None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodif	fied		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X	Yes		No
Identification of major federal programs:				
Program Title Medicaid Cluster COVID-19-Emergency Rental Assistance Program Foster Care, Adoption, and Guardianship Assistance Cl COVID-19-Coronavirus State and Local Fiscal Recove SNAP Cluster WIOA Cluster		93 21 93 21 10	L# 	59 59, 17.278
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$1,329,9</u>	<u>82</u>		
Auditee qualified as low-risk auditee?		Yes	X	No

# SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

# State Awards

Internal control over major state programs:

• Material weakness(es) identified?		Yes		No
• Significant deficiency(ies) identified?	X	Yes		None reported
Type of auditor's report issued on compliance for major state programs:	Unmodif	ĩed		
Any findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? Identification of major state programs:	X	Yes		No
Program Title Medicaid Cluster Public School Building Capital Fund Foster Care, Adoption, and Guardianship Assistance C Opioid Settlement Fund State Directed Grant	luster			
Auditee qualified as state low-risk auditee?		Yes	<u> </u>	No
Financial Statements Findings				

None noted.

2.

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

## 3. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services Passed through the N.C. Dept. of Health and Human Services Program Name: Medical Assistance Program AL# 93.778 Grant Number: XIX-MAP23 / XIX-MAP24 Program Name: Foster Care AL# 93.658 Grant Number: 2301NCFOST / 2401NCFOST Program Name: Adoption Assistance AL# 93.659 Grant Number: 2301NCADPT / 2401NCADPT Program Name: SNAP Cluster AL# 10.561 Grant Number: 235NC406S2514 / 245NC406S2514

#### **Significant Deficiency**

#### Finding 2024-001

**Criteria:** In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the state network terminals or personal computers that are connected to the state mainframe.

**Condition:** Upon surprise inspection, two unattended workstations of DSS employees were logged onto the state network.

**Context:** While performing testing of internal control over compliance related to the Division of Social Services, we noted the above condition.

**Effect:** Unauthorized access to the state system could be obtained due to the unattended logon to the system throughout the DSS building.

Cause: Lack of proper internal controls over data security.

**Identification of a Repeat Finding:** This is a modified, repeat finding from the immediate previous audit, 2023-003.

**Questioned Costs:** None. The finding represents an internal control issue; therefore, no questioned costs are applicable.

**Recommendation:** Require the County Data Processing Department to implement procedures to require logout of workstations where access to the state DSS system is granted. The control procedures should include random verification of logout in instances where offices are unattended.

Name of Contact Person: Michael Coone, Social Services Assistant Director

**Views of Responsible Officials and Planned Corrective Actions:** Management concurs with this finding and will adhere to the Corrective Action Plan in this audit report.

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

## **3.** Federal Award Findings and Questioned Costs (continued)

**U.S. Department of Labor Employment and Training Administration** Passed through the N.C. Dept. of Commerce

Program Name: WIOA Cluster AL# 17.258, 17.259, 17.278 Grant Number: 23A55AY000007-01-00 / AA-38547-22-55-A-37

### Significant Deficiency, Nonmaterial Non-Compliance Earmarking

### **Finding 2024-002**

**Criteria:** In accordance with 20 CFR 681.590, local youth programs must expend not less than 20 percent of the funds allocated to them, except for the local area expenditures for administration, to provide paid and unpaid work experiences.

**Condition:** The County Department of Social Services failed to meet the required earmark percentage for paid and unpaid work experiences for Youth Activities.

**Context:** While performing tests over compliance related to the WIOA Cluster, we noted the above condition.

**Questioned Costs:** In accordance with 2 CFR 200.516(a)(3), auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. The results of our compliance testing noted \$34,440 in known questioned costs.

Effect: Program expenditures could be disproportionately paid across programs.

Cause: The County failed to monitor required earmarking for program specific requirements.

**Recommendation:** Require the County Program Directors to implement procedures to ensure that earmarking requirements are met.

Name of Contact Person: Michael Coone, Social Services Assistant Director

**Views of Responsible Officials and Planned Corrective Actions:** Management concurs with this finding and will adhere to the Corrective Action Plan in this audit report.

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

## 4. State Award Findings and Questioned Costs

**Finding: 2024-001** – In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the state network terminals or personal computers that are connected to the state mainframe. See more details at Finding 2024-001 in Section 3 Federal Award Findings, Responses, and Questioned Costs.

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## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2024

Federal and State Awards Findings and Questioned Costs

Finding: 2024-001

Name of Contact Person: Michael Coone, Assistant Social Services Director

**Criteria:** In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the state network terminals or personal computers that are connected to the state mainframe.

**Recommendation:** Require the County Data Processing Department to implement procedures to require logout of workstations where access to the state DSS system is granted. The control procedures should include random verification of logout in instances where offices are unattended.

**Corrective Action/Management's Response:** Management concurs with this finding and will adhere to the Corrective Action Plan in this audit report. The County has implemented the following process:

Awareness has been brought to the staff's attention by addressing the issue at the DSS all staff meetings. The DSS Business Services staff have been assigned areas to complete monthly random walk-throughs to ensure computers are locked when workers are away from their desks. Any workers found with unattended workstations are being recorded on a spreadsheet and reviewed by upper management. A progressive disciplinary process will follow for anyone found on this list.

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





# CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2024

Federal and State Awards Findings and Questioned Costs

Finding: 2024-002

Name of Contact Person: Michael Coone, Assistant Social Services Director

**Criteria:** In accordance with 20 CFR 681.590, local youth programs must expend not less than 20 percent of the funds allocated to them, except for the local area expenditures for administration, to provide paid and unpaid work experiences.

**Recommendation:** Require the County Program Directors to implement procedures to ensure that earmarking requirements are met.

## Corrective Action/Management's Response: Management concurs with this

finding and will adhere to the Corrective Action Plan in this audit report. The County has implemented the following process:

Gaston County Workforce Development Board staff worked closely with the previous Youth service provider requesting them to assign 100% of their WEX specialist salary towards work-based learning expenses to obtain this goal. With a new service provider, Two Hawk Employment Services, their financial staff have budgeted 20% of all WEX related activities, salaries, staff costs, participant costs, etc. to meet the 20% goal. Gaston County WDB and Two Hawk Employment Services have adjusted staff day sheet logs to reflect 20% of staff activities to ensure all staff are assigning the work appropriately.

The Gaston County Workforce Development Board mandated in the service provider Youth contract to meet the 20% WEX Expenditure and future contract awards are determined on successfully meeting the expenditure requirement. Per the state's most recent *Youth Expenditure Report* at the end of October 2024, Gaston County Workforce Development Board is 76% towards meeting the goal.

The Workforce Development Board staff and management will continue to monitor monthly that 20% of all salaries and WEX activities are accurately reflected on all invoices and financials from Two Hawk Employment Services.

**Proposed Completion Date:** Management and the Board will implement the above procedures immediately with a completion date of June 30, 2025.

## SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2024

# Finding:2023-001Status:Corrected.

# Finding:2023-002Status:Corrected

Status: Corrected.

Finding:2023-003Status:Modified and repeated as Finding 2024-001.

Finding:2023-004Status:Corrected.

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Schedule of Expenditures of Federal and State Awards

	For the Year Ended June 3	0, 2024				
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:	Eisting Number	Number	Experiditures	Experiditures	oubrecipienta	Experiatorea
U. S. Department of Agriculture Food and Nurtrition Service						
Passed-through the N. C. Department of Health and Human Services: Division of Social Services:						
Administration:						
SNAP Cluster: State Administrative Matching Grants for the Supplemental Nutrition						
Assistance Program	10.561	235NC406S2514 / 245NC406S2514	\$ 2,576,471	\$-	s -	\$ 2,576,471
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program ARPA	10.561	235NC406S2514 / 245NC406S2514	91,387			
Total SNAP Cluster	10.001	200101000201172101010002011	2,667,858		-	2,576,471
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 / 5NC700707	1,035,803	-	-	-
Total U.S. Department of Agriculture			3,703,661	-		2,576,471
U. S. Department of Education						
Office of Elementary and Secondary Education						
Passed-through the N. C. Department of Public Instruction: Division of Federal Program Monitoring and Support:						
Twenty-First Century Community Learning Centers	84.287C	S287C200033	406,833			-
Total U.S. Department of Education			406,833			
U. S. Department of Health and Human Services						
Passed-through Centralina Council of Governments: Division of Aging and Adult Services:						
Aging Cluster:						
Special Programs for the Aging - TITLE III B Grants for Supportive Services and Senior Centers	93.044	23/24 AANCT3SS	287,041	545,323	-	
COVID-19 - Special Programs for the Aging - TITLE III B Grants for						
Supportive Services and Senior Centers ARPA Special Programs for the Aging - TITLE III C Nutrition Services	93.044 93.045	2101NCSSC6 23/24 AANC73HD	130,278 480,693	22,991 74,217	-	
COVID-19 - Special Programs for the Aging - TITLE III C Nutrition Services ARPA	93.045	2101NCHDC6	151,784	26,785	-	
Nutrition Services Incentive Program	93.053		42,653		-	
Total Aging Cluster			1,092,449	669,316		
National Family Caregiver Support - Title III Part E	93.052	23/24 AANCT3FC	74,983	4,999	-	-
Special Programs for the Aging - TITLE III D Disease Prevention and Health Promotion Services	93.043	23/24 AANCT3PH	3,400	200	-	
Administration for Children and Families Temporary Assistance to Needy Families:						
Division of Social Services:						
Temporary Assistance for Needy Families Division of Public Health:	93.558	2301NCTANF / 2401NCTANF	2,539,615	42,062	-	3,365,790
Temporary Assistance for Needy Families	93.558	2301NCTANF	34,500	-	-	-
Total TANF			2,574,115	42,062		3,365,790
Children's Advocacy Centers of North Carolina			2,014,110	42,002		0,000,700
Child Abuse and Neglect State Grants	93.669		400	-	-	-
Child Abuse and Neglect State Grants Total Children's Advocacy Centers of North Carolina	93.669		34,733 35,133			
Special Children Adoption Fund Cluster (Note 4):						
Mary Lee Allen Promoting Safe and Stable Families	93.556	2201NCFPSS / 2201NCFPSS	102,371	-	-	
Mary Lee Allen Promoting Safe and Stable Families Stephanie Tubbs Jones Child Welfare Services Program:	93.556 93.645	2101NCFPSS / 2201NCFPSS 2201NCCWSS/2301NCCWSS	4,631 58,074	-	-	
Total Special Children Adoption Fund Cluster			165,076		-	-
Child Support Enforcement - Administration	93.563	2201NCCES / 2301NCCES	2,550,859	-	-	1,317,183
Refugee and Entrant Assistance Cluster (Note 4):						
Refugee and Entrant Assistance State/Replacement Designee Administered Programs - Administration	93.566	2001NCRCMA / 2101NCRCMA	23,826			-
Total Refugee and Entrant Assistance Cluster			23,826			
Low-Income Home Energy Assistance: Administration	93.568	23B1NCLIEA/24B1NCLIEA	169,116			
Energy Assistance Payments	93.568	23B1NCLIEA/24B1NCLIEA	-	2,800	-	-
Crisis Intervention Program COVID-19 - LIHWAP ARP Admin	93.568 93.568	23B1NCLIEA/24B1NCLIEA 2101NCLWC6	120,332 1,950		-	
COVID-19 - LIHWAP ARP	93.568	2101NCLWC5	114,216		-	-
Total Low-Income Home Energy Assistance			405,614	2,800		
Subsidized Child Care / Child Care Development Fund Cluster (Note 4): Child Care Mandatory and Match Funds of the Child Care and Development Fund	93.596	G2201NCCCDF / G2301NCCCDF	449,931		-	
Total Subsidized Child Care / Child Care Development Fund Cluster			449,931		-	-
Foster Care, Adoption and Guardianship Assistance Cluster (Note 4):						
Foster Care Title IV-E - Administration Foster Care Title IV-E - Direct Benefit Payments	93.658 93.658	2201NCFOST / 2301NCFOST 2201NCFOST / 2301NCFOST	1,876,829 2,083,352	174,466 719,927	-	1,702,445 592,579
Adoption Assistance - Administration	93.659	2201NCADPT / 2301NCADPT	372,761	-	-	372,760
Adoption Assistance - Direct Benefit Payments Total Foster Care, Adoption and Guardianship Assistance Cluster	93.659	2201NCADPT / 2301NCADPT	4,167 4,337,109	2,083 896,476		1,430 2,669,214
Social Services Block Grant (SSBG) - Other Service and Training	93.667	2301NCSOSR & 2401NCSOSR	674,346	-		220,137
Division of Aging and Adult Services:						., .
Social Services Block Grant (SSBG) - State In Home Service Fund	93.667	2301NCSOSR & 2401NCSOSR	83,490	-		11,927
Social Services Block Grant (SSBG) - State Adult Day Care Elder Abuse Prevention Interventions Program	93.667 93.747	2301NCSOSR & 2401NCSOSR 2101NCAPC5	62,344 7,893	68,819	-	18,738
COVID-19 - Elder Abuse Prevention Interventions Program ARPA	93.747	2101NCAPC6	23,036		-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood (Administration)	93.674	2203NCCILP/2303NCCILP	59,590	14,897		-
John H. Chafee Foster Care Program for Successful Transition to Adulthood (Benefit Payment)	93.674	2203NCCILP/2303NCCILP	13,336	-		-
Passed-through the N. C. Department of Administration: Division of NC Council for Women:						
Familiy Violence Prevention and Services / Domestic Violence						
Shelter and Supportive Services Shelter and Supportive Services FVPSA ARP Supplemental	93.671 93.671	56-6000300 56-6000300	47,334 49,926		1	
Outreach Services for Prevention & Intervention of Family Violence	93.671	1000020926	12,905	-	-	9,684

Schedule of Expenditures of Federal and State Awards

	For the Year Ended Jun	le 30, 2024				
	Federal	State /	Federal		Descend through	
Grantor/Pass-Through	Assistance	Pass-through Grantor's	(Direct & Pass-Through)	State	Passed-through to	Local
Grantor/Program Title	Listing Number	Number	Expenditures	Expenditures	Subrecipients	Expenditures
Centers for Disease Control and Prevention						
Direct Program: Environmental Public Health & Emergency Response	93.070	1UE2EH001343-01	99,829	-	-	2,149
Public Health Emergency Preparedness:						_,
Public Health Emergency Preparedness	93.069	5 NU90TP922002	60,520	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:						
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	6 NU52PS910218-03	21	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs Total Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116	6 NU52PS910218-04	<u>29</u>			
				-		
Immunization Cooperative Agreements: Immunization Cooperation Agreements	93.268	6NH23IP922624-05-01/6 NH23IP922624-05-00	58,084			
COVID 19 Immunization Cooperation Agreements	93.268	6NH23IP922624-03-00	30,305	-	-	-
Total Immunization Cooperative Agreements			88,389	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)						
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6NU50CK000530-01-04/6NU50CK000530-02-06	553,987	-	-	-
COVID-19 - Support for County Confinement Facilities	93.323	NCDHHS GCT1007	8,519			
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			562,506	-		. <u> </u>
Preventive Health and Health Services Block Grant	93.991	NB01OT009251	27,816	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5NU58DP006281-05	18,430	-	-	-
Centers for Disease Control and Prevention Collaboration w/ Academia to Strengthen PH	93.967	1 NE11OE000015-01-00	12,042	-		-
HIV Cluster:						
HIV Prevention Activities - Health Department Based	93.940	5NU62PS924527	28,000			
Total HIV Cluster			28,000	-	-	-
HIV Prevention Activites Health Department Based						
Passed-through the N. C. Department of Health and Human Services:						
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	5NH25PS005152	42	-	-	-
Centers for Medicare and Medicard Services						
Passed-through the N. C. Department of Health and Human Services: Division of Medical Assistance:						
Medicaid Cluster:						
Medical Assistance Program - Administration	93.778	XIX-MAP22 / XIX-MAP23	6,767,721	217,704	-	3,231,014
Total Medicaid Cluster			6,767,721	217,704	-	3,231,014
Division of Social Services:						
Children's Health Insurance Program - Administration	93.767	CHIP22 / CHIP23	496,808	6,448	-	144,541
Health Resources and Service Administration						
Passed-through the N. C. Department of Health and Human Services:						
Division of Public Health:						
Maternal and Child Health Federal Consolidated Programs:						
Maternal and Child Health Federal Consolidated Programs COVID-19- Public Health Emergency Response:	93.110	U7AMC33712-01	1,250	-	-	-
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	1X10MC43599-01-00	132,671			
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	1 X10MC397050100	330,558	-		
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X11MC41930-01-00	5,330	-	-	-
Maternal, Infant and Early Childhood Home Visiting Grant Total Maternal, Infant and Early Childhood Homevisiting Grant Program	93.870	1X11MC45295-01-00	28,640 497,199	-		
						·
Maternal and Child Health Services Block Grant to the States Maternal and Child Health Services Block Grant to the States	93.994 93.994	B04MC45234 B04MC47436	25,940 36,483	19,457	-	-
Maternal and Child Health Services Block Grant to the States	93.994	6 B04MC52943-01-01	30,463 12,108	-		-
Total Maternal and Child Health Service s Block Grant to the States			74,531	19,457		
Substance Abuse and Mental Health Services Administration						
COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08TI083959	122,547	-	-	-
Office of the Secretary of Health and Human Services:						
Passed-through the N. C. Department of Health and Human Services:						
Family Planning Services	93.217	6 FPHPA006555-01-01	137,624	-		
Passed-through Wake Forest University Health Sciences:						
National Bioterrorism Hospital Preparedness Program	93.889	2122-45501-11000002161	5,500	-		-
Total U. S. Department of Health and Human Services			21,747,499	1,943,178	-	10,990,377
U. S. Department of Homeland Security						
Passed-through the N. C. Department of Public Safety:						
Emergency Management:						
Emergency Management Performance Grant	97.042	EMPG-2020-00009-2020035	81,573	-	-	-
Homeland Security Grant Program	97.067 97.067	EMW-2022-SS-00018 EMW-2021-SS-00039	65,000 2 443	-	-	-
Homeland Security Grant Program	97.067	EMW-2021-SS-00039		-		· · · ·
Total U. S. Department of Homeland Security			149,016	-		
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 and Non-Entitlement Grants in Hawaii	14.228	18-C-3073	531,928	-	-	
Passed-through the N. C. Housing Finance Agency:						
Home Investment Partnerships Program	14.239	M15-SG370100	13,253	-		-
Total U. S. Department of Housing and Urban Development			545,181	-		
U. S. Department of Justice Direct Program:						
Direct Program: Equitable Sharing Program	16.922		149,866	-	-	_
Bureau of Justice Assistance	10.322		149,000	-	-	-
State Criminal Alien Assistance Program	16.606	15PBJA-22-RR-05030-SCAA	29,242	-	-	-
Office of Community Oriented Policing Services						
Direct Program: Public Safety Partnership and Community Policing Grants	16.710	2020UMW X0123	216,936	-	-	114,867
	10.7.10		210,000	-	-	,
Office of Justice Programs						
Direct Program:						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01644-JAGX	12,416	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02333-JAGX	59,735	-	-	-
Comprehesive Opioid, Stimulant, and other Substances Use Program	16.838	15PBJA-21-GG-04492-COAP	354,931	-	-	
Comprehesive Opioid, Stimulant, and other Substances Use Program Veterans Treatment Court Discretionary Grant Program	16.838 16.043	15PBJA-22-GG-04462-COAP 15PBJA-23-GG-05272-VTCX	289,305 18,273	-	-	-
votorano meatment court discretionary grant Mogram	10.043	10FDJA-23-00-00272-V10A	10,273	-	-	-

Schedule of Expenditures of Federal and State Awards

	For the Year Ended June 30	, 2024				
		State /	Federal			
	Federal	Pass-through	(Direct &	State	Passed-through	
Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor's Number	Pass-Through) Expenditures	State Expenditures	to Subrecipients	Local Expenditures
Passed-through the N. C. Department of Public Safety:	Libring Humbon	Hambo	Exponditario	Experiatoree	Cabroopionito	Experiatore
Division of Governor's Crime Commission:						
Crime Victim Assistance	16.575	2020-V2-GX-0057	12,173	-	-	-
Crime Victim Assistance Crime Victim Assistance	16.575 16.575	2000071168	7,864	-	-	-
Crime Victim Assistance Crime Victim Assistance	16.575	15POVC-21-GG-00583-ASSI 15POVC-21-GG-00583-ASSI	3,895 43,120			
Crime Victim Assistance	16.575	15POVC-21-GG-00583-ASSI	43,120	-		
Crime Victim Assistance	16.575	15POVC-23-GG-00451-ASSI	3,635	-		
Crime Victim Assistance	16.575	2000071022	93,692	-		-
Crime Victim Assistance	16.575	15POVC-22-GG-00774-ASSI	118,482	-		
Crime Victim Assistance	16.575	15POVC-22-GG-00774-ASSI	102,297	-	-	-
Crime Victim Assistance	16.575	15POVC-22-GG-00774-ASSI	23,929	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-00633-JAGX	9,993	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-00633-JAGX	22,416	-	-	-
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	140,666	-	140,666	-
Passed-through the N. C. Department of Public Safety:						
Division of Governor's Crime Commission:						
Violence Against Women Formula Grants	16.588	15JOV2-22-GG-004360STOP	5,170	-	-	-
Violence Against Women Formula Grants	16.588	2000071015	122,861	-	-	33,549
Violence Against Women Formula Grants	16.588	15JOV2-22-GG-004360STOP	57,637	-	-	-
Violence Against Women Formula Grants	16.588	2000071074	74,760		· · · · ·	· · · ·
Total U. S. Department of Justice			1,992,139	-	140,666	148,416
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 (Note 4):						
WIOA Adult Program:	17.258					
Administration		23A55AY000007-01-00	48,847	-	-	-
Program Costs		23A55AY000007-01-00	369,403	-	-	-
WIOA Youth Activities: Administration	17.259	AA-38547-22-55-A-37	04.075			
Administration Program Costs		AA-38547-22-55-A-37 AA-38547-22-55-A-37	21,075 147,671	-	-	-
Administration		23A55AY000007-01-00	27,305			-
Program Costs		23A55AY000007-01-00	247,413	-		-
WIOA Dislocated Worker Formula Grants:	17.278					
Administration		AA-38547-22-55-A-37	16,871	-	-	-
Program Costs		AA-38547-22-55-A-37	22,291	-	-	-
Administration		23A55AY000007-01-00 23A55AY000007-01-00	20,757 252,398	-	-	-
Program Costs WIOA Youth Activities Industry Sector Partnership:	17.259	23A55A1000007-01-00	252,396	-	-	-
Program Costs	11.200	23A55AY000007-01-00	1,024	-		-
WIOA Youth Activities Virtural Reality Grant:	17.259		.,			
Program Costs		23A55AY000007-01-00	5,000	-	-	-
Total Workforce Innovation and Opportunity Act Cluster			1,180,055	-	-	-
Employment Service Cluster (Note 4):						
Employment Service/Wagner-Peyser Funded Activities	17.207					
Program Costs		aA-38547-22-55-A-37	17,609	-	-	-
Total Employment Service Cluster			17,609			<u> </u>
Total U.S. Department of Labor			1,197,664	-		-
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U. S. Department of Transportation						
Federal Transit Administration						
Passed-through the N. C. Department of Transportation						
Transportation Planning Branch: Highway Planning, Research, and Construction Cluster						
Highway Planning and Construction	20.205	CMAC-000S(899)	24,459			6,115
Highway Planning and Construction	20.205	CMAC-000S(911)	40,826	-		10,206
Highway Planning and Construction	20.205	CMAQ-0114(003)	39,563	-	-	9,891
Total Highway Planning, Research, and Construction Cluster			104,848	-	-	26,212
Public Transportation Division:						
Formula Grants for Rural Areas and Tribal Transit Program:						
5311 Coronavirus Aid, Relief and Economic Security	20.509	NC-220-011-00 / 24-CT-008	167,892	10,491	-	-
Total U. S. Department of Transportation			272,740	10,491		26,212
					·	
U. S. Department of the Treasury						
Department of the Treasury						
Direct Program:	21.016		166,307			
Equitable Sharing Program COVID-19 Emergency Rental Assistance Program	21.010		1,160,293			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		8,772,298	-	-	-
Division of Public Health:						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP0129	7,933	-	-	-
Pass-through N. C. Pandemic Recovery Office:						
COVID-19 Emergency Rental Assistance Program	21.023		4,094,868	-	-	-
Pass-through N.C. Human Trafficking Commission						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds						
COVID-19 N.C. Human Trafficking Commission Funding for Victims of Domestic Violence	21.027		57,738			1,112
COVID-19 N.C. Human Trafficking Commission Funding for Victims of Sexual Assault	21.027		50,574		·	1,256
			108,312	-	-	2,368
Total U. S. Department of the Treasury			14,310,011	-	-	2,368
Total C. C. Deparation: or the Headelly			19,010,011			2,000
U. S. Institute of Museum and Library Services						
Passed-through the N. C. Department of Cultural Resources:						
Library Services and Technology Act (LSTA) State Grant - Grants to States	45.310	LS-253645-OLS-23	8,000	-	-	-
Total U. S. Institute of Museum and Library Services			8,000			
					·	·
Total Federal Awards			44,332,744	1,953,669	140,666	13,743,844

Schedule of Expenditures of Federal and State Awards

	Federal	State / Pass-through	Federal (Direct &		Passed-through	
Grantor/Pass-Through	Assistance	Grantor's	Pass-Through)	State	to	Local
Grantor/Program Title	Listing Number	Number	Expenditures	Expenditures	Subrecipients	Expenditures
TATE AWARDS.						
N. C. Administration Office of the Courts						
Innovative Court Program Total N.C. Administration Office of the Courts				21,878 21,878		-
				21,010		
N. C. Department of Administration						
NC Council for Women and Domestic Violence Commission: Displaced Homemaker Grant		1000018498		19,000	-	-
Domestic Violence Program		1000018498		57,196	-	12,195
Marriage License Grant		1000018498		20,078	-	-
Sexual Assault		1000018498		32,462 128,736		6,541 18,736
Office of Fiscal Management:				,		
Veterans Services State Matching Funds			_	2,174	-	-
Total N. C. Department of Administration			-	130,910	-	18,736
N. C. Department of Agriculture and Consumer Services						
Division of Soil and Water Conservation:						
N. C. Agriculture Cost Share - Technical Assistance		21-035-4010		23,245	-	-
Gaston County Natural Resources Conservation District - Matching Funds		21-035-4010		3,600		
Total N. C. Department of Agriculture and Consumer Services		21-033-4010	-	26,845		<u> </u>
N. C. Department of Commerce Division of Rural Economic Development						
One NC Fund Grant		2021-27987		50,000	-	25,000
Total N.C. Department of Commerce			-	50,000		25,000
N. C. Department of Cultural and Natural Resources						
N. C. Department of Cultural and Natural Resources State Library of North Carolina:						
State Aid to Public Libraries				291,570	-	-
Total N. C. Department of Cultural Resources				291,570	-	-
N. C. Department of Health and Human Services						
Children's Advocacy Centers of North Carolina:						
Children's Advocacy Centers Grant		NCDHHS GCT 1007	-	118,553	-	-
Total Children's Advocacy Centers of North Carolina				118,553		-
Division of Aging and Adult Services:						
Senior Center General Purpose Total Division of Aging and Adult Services			-	<u>11,093</u> 11,093		903
				11,093		503
Division of Public Health: Other Reciepts / State Supported Expenditures:						
Breast and Cervical Cancer Control	1	33300 2B05599 2000000000		13,245	-	-
Child Health		32105 2D05745 200000000		12,534	-	-
DPH General Aid to Counties Family Planning - State		31204 2B14110 200000000 33000 2B25735 2000000000		156,877 13,521	-	-
Food and Lodging Fees		31106 2B04752 200SZ00000		39,831	-	-
General Communicable Disease Control		31304 2B14510 200000000		28,152	-	-
Healthy Beginnings		33000 2B35116 200000000		80,000	-	-
Healthy Communities High Risk Maternity Clinics		32001 2B15503 200000000 33000 2B15746 200000000		3,747 100,387		
HIV / STD - State		20G0169002/133200 2B04541 20G0169002		125,767	-	-
Maternal Health		33000 2B15740 200000000		100,476	-	-
Nurse Family Partnership Public Health Pest Management		32105 2D05020 200000000 31304 2B14801 2000000000		1,753 3,856	-	-
School Nurse Funding Initiative		33406 2D05358 200000000		100,000		
State Fiscal Recovery Funds	2	30329 2B0249N 200TT00000		187,195	-	-
Supporting Women Health Services		33000 2B15110 200000000		33,498	-	-
TPPI - Adolescent Pregancy Prevention Program Women Health Service Fund		33403 2B25150 20G060002 33000 2B26021 20G0079004		180,780 22,082	-	-
Tuberculosis Control	1	34600 2B24551 200000000		31,362	-	-
Total Division of Public Health			-	1,235,063	-	-
Division of Social Services:						
Adoption / Foster Care AFDC Incentive Payments		WC 302 WC 302	-	146,571 1,023	-	-
Child Protective Services - State		WC 302 WC 302		96,499	-	-
Child Welfare In-Home Expansion		WC 302		176,935	-	-
Non IV-E Foster Care Extended		WC 302		81,125	-	-
Smart Start - Administration State Foster Care - Direct Benefits Program:		WC 302		157,056	-	-
State Foster Care		WC 302		340,843	-	288,928
State Foster Care Maximization		WC 302		316,630	-	248,532
Foster Care At Risk Foster Care At Risk Maximization		WC 302 WC 302		7,784 2,253	-	- 1,068
Foster Care Kinship		WC 302		37,647		37,647
Total Division of Social Services			-	1,364,366	-	576,175
Total N. C. Department of Health and Human Services			-	2,729,075	-	577,078
N.C. Department of Information Technology Board & Commissions						
N.C. 911 Board		PR2024-57		6,090	-	-
Total N.C. Department of Information Technology				6,090	-	-
N.C. Human Trafficking Commission						
N.C. Human Trafficking Commission Funding for Facility Improvements				17,406	-	-
Total N. C. Human Trafficking Commission				17,406	-	-
				2,150,289		2,904,711
N. C. Department of Public Instruction Public School Building Canital Fund . Lattery Proceeds						2,001,711
Public School Building Capital Fund - Lottery Proceeds						2 004 714
				2,150,289	-	2,904,711
Public School Building Capital Fund - Lottery Proceeds Total N. C. Department of Public Instruction N. C. Department of Public Safety:					-	2,904,711
Public School Building Capital Fund - Lottery Proceeds Total N. C. Department of Public Instruction <u>N. C. Department of Public Safety:</u> Division of Adult Correction and Juvenile Justice:				2,150,289	-	
Public School Building Capital Fund - Lottery Proceeds Total N. C. Department of Public Instruction <u>N. C. Department of Public Safety:</u> Division of Adult Correction and Juvenile Justice: Juvenile Crime Prevention Programs				2,150,289	679,265	133,193
Public School Building Capital Fund - Lottery Proceeds Total N. C. Department of Public Instruction N. C. Department of Public Safety: Division of Adult Correction and Juvenile Justice:				2,150,289	679,265 679,265	
Public School Building Capital Fund - Lottery Proceeds Total N. C. Department of Public Instruction <u>N. C. Department of Public Safety:</u> Division of Adult Correction and Juvenile Justice: Juvenile Crime Prevention Programs Total N. C. Department of Public Safety				2,150,289		133,193
Public School Building Capital Fund - Lottery Proceeds Total N. C. Department of Public Instruction <u>N. C. Department of Public Stafety</u> Division of Adult Correction and Juvenile Justice: Juvenile Crime Prevention Programs Total N. C. Department of Public Safety <u>N. C. Department of Transportation</u> DOT Cluster:				2,150,289		133,193
Public School Building Capital Fund - Lottery Proceeds Total N. C. Department of Public Instruction N. C. Department of Public Safety: Division of Adult Correction and Juvenile Justice: Juvenile Crime Prevention Programs Total N. C. Department of Public Safety N. C. Department of Transportation DOT Cluster: ROAP Elderly and Disabled Transportation Assistance				2,150,289 679,265 679,265		133,193
Public School Building Capital Fund - Lottery Proceeds Total N. C. Department of Public Instruction <u>N. C. Department of Public Safety</u> Division of Adult Correction and Juvenile Justice: Juvenile Crime Prevention Programs Total N. C. Department of Public Safety <u>N. C. Department of Transportation</u> DOT Cluster: RQAP Elderty and Disabled Transportation Assistance Program (EADTAP)		DOT-16CL		2,150,289 679,265 679,265 120,921		133,193
Public School Building Capital Fund - Lottery Proceeds Total N. C. Department of Public Instruction N. C. Department of Public Safety Division of Adult Correction and Juvenile Justice: Juvenile Crime Prevention Programs Total N. C. Department of Public Safety N. C. Department of Transportation DOT Cluster: ROAP Elderly and Disabled Transportation Assistance		DOT-16CL DOT-16CL DOT-16CL		2,150,289 679,265 679,265		133,193
Public School Building Capital Fund - Lottery Proceeds Total N. C. Department of Public Instruction N. C. Department of Public Safety: Division of Adult Correction and Juvenile Justice: Juvenile Crime Prevention Programs Total N. C. Department of Public Safety N. C. Department of Transportation DOT Cluster: ROAP Elderly and Disabled Transportation Assistance Program (EADTAP) ROAP Employment Transportation Program (EMPL)		DOT-16CL		2,150,289 679,265 679,265 120,921 66		133,193

Schedule of Expenditures of Federal and State Awards

#### For the Year Ended June 30, 2024

Grantor/Pass-T Grantor/Progra	Through Ass	State / ederal Pass-thro sistance Grantor g Number Numbe	s Pass-Through)	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<u>N. C. Housing Trust Fund</u> NC Housing Finance Agency: Urgent Repair Program Urgent Repair Program Total N. C. Housing Trust Fund		URP231 URP220		67,585 54,950 122,535	-	4,218
<u>N. C. Partnership for Children</u> Smarl Start: Child Care Health Consultant Triple P Parenting Program Total N. C. Partnership for Children		3-90-5-16- 3-90-5-16-		109,934 61,175 171,109		- 
N. C. Office of State Budget and Management State Directed Grant State Directed Grant State Directed Grant Total N.C. Office of State Budget and Manager	ment	20852 20851 20853		651,725 453,950 		232,554 32,239 - - 264,793
Total State Awards				7,730,211	679,265	3,927,729
OTHER AWARDS: <u>N. C. Department of Justice</u> Opicid Settlement Fund (Note 5) Total N.C. Department of Justice				<u>678,814</u> 678,814	-	
Total Federal and State Awards			\$ 44,332,744	\$ 10,362,694	\$ 819,931	\$ 17,671,573

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, 2024. The information in this SEFSA is presented in accordance with the requirements for Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, 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 Gastion 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:

Special Children Adoption Fund, Refugee and Entrant Assistance, Foster Care, Adoption Assistance and Guardianship Assistance Cluster, Workforce Innovation and Opportunity Act Clusters, Subsidized Childcare Cluster, Highway Planning, Research and Construction Cluster, and HIV Cluster

#### 5 Opioid Settlement Fund

The N.C. Department of Justice does not consider Opioid Settlement Funds either Federal or State financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Awards" on the SEFSA, and considered State Awards for State single audit requirements. This page left blank intentionally.