

# **GASTON COUNTY NORTH CAROLINA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2019**

**PREPARED BY: FINANCE DEPARTMENT**



**GASTON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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## **INTRODUCTORY SECTION**

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# GASTON COUNTY FINANCE DEPARTMENT

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

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November 22, 2019

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

It is our pleasure to present the Comprehensive Annual Financial Report of Gaston County, North Carolina for the fiscal year ended June 30, 2019, with comparative numbers for the fiscal year ended June 30, 2018.

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, 2019, 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, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

#### ***Mission Statement***

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

The standards governing Single Audit engagement requires the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on the internal controls and legal requirements involving the administration of the federal and state awards. These reports are presented in a separately bound presentation.

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

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

## **GENERAL DESCRIPTION OF THE COUNTY**

Gaston County was created on December 21, 1846 by the North Carolina General Assembly. Located in the south central part of the Piedmont region of the State approximately 15 miles west of Charlotte, Gaston County encompasses an area of 364.5 square miles. The County is bound on the east by the Catawba River and Mecklenburg County, on the south by York County, South Carolina, on the west by Cleveland County and on the north by Lincoln County. The County's 2019 population was estimated at 223,671.

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

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

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

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Gastonia Municipal Airport is located south of the City of Gastonia and is owned and operated by the City of Gastonia. The facility has one lighted runway measuring 3,750 feet and one unlighted emergency runway measuring 2,500 feet. Charlotte-Douglas International Airport, west of the City of Charlotte, provides regularly scheduled airline passenger and freight service, on both a national and international schedule. Over 50 freight and trucking companies as well as a national bus line carrier serve the County.

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

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

## **LOCAL ECONOMY**

The County has traditionally been a center for textile goods production but after the economic downturn of the earlier years of this century, many of the textile jobs have been eliminated. The County has made significant advances in diversifying and expanding the local economy. Today, the County's economy is more diversified with a variety of industry, trade and tourism sectors. In 2018, approximately 21% of the workforce in the County was employed in the manufacturing, 16% in health care and social assistance, 13% in retail trade, 10% in accommodation and food services, 8% in education, and the remaining 31% in transportation, communication, entertainment, information, real estate, management, construction, professional services, public administration, utilities, wholesale trade, and other services.

Major business and institutional employers in the County includes Gaston County Schools, CaroMont Healthcare, Freightliner Corporation, Gaston County Government, Wal-Mart Stores, and Wix Filtration.

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

The County continues to emphasize the attraction of new and diverse industry, while providing support

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for the existing commercial and industrial community.

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

- Owens Corning, a company that develops and produces insulation, roofing and fiberglass composites has built an 180,000 square foot building in the Gastonia Technology Park with a \$135 million investment in 2013 and became operational in 2016.
- US Leisure, an Israeli company that manufactures outdoor resin furniture and storage products, expanded its facilities by 155,650 square feet in 2013 and invested \$10 million.
- Aichele, a German company that makes cutting equipment for the nonwovens and paper industries, invested over \$2 million in an 11,000 square foot building in the Gastonia Technology Park in 2014.
- Dalton Dynamics, a Brazilian industrial adhesive manufacturer, located to the County in 2014, making a \$2 million investment and creating 25 projected jobs.
- Faist Chemtec, a company that manufactures sound insulation and weight reduction products for automotive, appliance and construction industries expanded by 24,000 square feet.
- Tosaf, an Israeli company that produces polymers and compounds, announced a \$13.1 million investment in December of 2014 in the SouthRidge Business Park.
- Dixon Valve & Coupling announced a 70,000 square foot expansion and an investment of \$3 million in 2014. This is an expansion of its original investment of \$14 million in 2013.
- Lanxess, a German chemical company, announced a \$15 million expansion in 2014. The first phase was a \$22 million investment and employs about 40 people.
- Hanesbrands began a \$4.6 million expansion in February of 2015.
- Daimler announced the creation of 605 jobs at its Mt. Holly truck assembly facility in 2015.
- Modern Polymers announced 11 new jobs and an investment of \$4.6 million in 2015.
- Maistro Investments constructed a 50,000 square-foot speculative industrial building
- Firestone Fibers & Textiles is expanding their North American headquarters and advanced manufacturing plant in Kings Mountain, a total investment of \$19.7 million.
- Era Polymers Pty Ltd. will locate its newest polyurethane operation in the 139,678 square foot facility of the former DSM plant in Stanley. The company intends to invest \$9.2 million which includes the purchase of the building and machinery & equipment and creation of approximately 20 jobs.
- Sonic Automotive Inc. will locate its newest operations in Lowell. The facility will house marketing and advanced customer care operations and create approximately 500 jobs and invest \$11.2 million.
- Mt. Holly Hotel LLC and Marriott International will construct the Fairfield Inn and Suites. The \$13 million investment is the first phase in the development of the 21 acre site and will create 61 jobs.
- Advanced Drainage System intends to invest \$928,031 in facility improvements and \$2.5 million in machinery & equipment for a total investment of approximately \$3.4 million.

The County's estimated unemployment rate of 4.4% for 2019 was higher than the 2018 figure of 4.1%. The economic outlook is cautiously optimistic as consumer/investor confidence consistently improves.

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## **LONG-TERM FINANCIAL PLANNING**

Available fund balance in the general fund (14.93% of general fund expenditures and transfers-out) is a little higher than the policy guidelines set by the Board of Commissioners for budgetary and planning purposes (10% - 20% of general fund expenditures and transfers-out). The excess amount has proven valuable in light of today's economy. With the adoption of the fiscal year 2018/2019 budget the Board of Commissioners sought to align expenditures with revenues so that we will have a long term solution to the voter approved debt service, procurement of replacement vehicles for our aging fleet and funding increases in the health insurance premiums. These efforts continued with the adoption of the fiscal year 2019/2020 budget.

## **MAJOR INITIATIVES**

Fiscal year 2018/2019 has been a steady year, with some progress made on several broad initiatives and important services in Gaston County. All of these major initiatives will carry into fiscal year 2019/2020 and beyond.

## **EDUCATION**

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

## **JAIL EXPANSION**

The Gaston County Jail has been near capacity and has held off jail expansion through the use of alternative sentencing programs and the cooperation of all the major participants in the judicial system. However, at some point in the future, some form of jail expansion will likely be necessary, leading to increases in staffing and operating costs. Housing inmates from other jurisdictions will help offset increased costs in staffing, operating and debt payments for jail expansion. With any additional capacity beyond our immediate needs, we will have the availability to rent the unused space to the Federal Marshall's Office, and therefore lessen the initial impact on property taxes. Until recently, the County's work with the judicial system in developing strategies to reduce the number of inmates in our jail has paid off. With the rise of the opioid epidemic our jail population has begun to once again grow. A 72 bed infill project is currently underway.

## **ANIMAL CARE AND ENFORCEMENT**

Beginning in 2006, the State began to regulate public animal shelters. Upon inspection, major inadequacies were found in a facility built in 1968. After reviewing the cost to correct these inadequacies and the lack of space, it was determined that the County would pursue a new animal care facility. The project had been placed on hold due to the economy and funds were budgeted to

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temporarily improve the existing facility. During fiscal year 2015/2016 the Board of Commissioners set aside funds to renovate a facility for the use as an animal shelter. The County also rebranded the Animal Control to reflect a more accurate name for its mission. Animal Care and Enforcement (ACE) is the new name of our department. The renovation of the new ACE facility is under construction.

## **INTERNAL CONTROLS**

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

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

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

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

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

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

## **FUND BALANCE**

The County, as per the Local Government Commission (Department of State Treasurer) guidelines, must maintain, at a minimum, undesignated fund balance of 8.33% - an amount equal to one month of General Fund operations. It is the County's stated goal to respect the integrity of the fund balance and use it sparingly, maintaining a minimum available fund balance of at least 10-20% at the end of each fiscal year. Obviously where we fall within this general range depends upon a variety of factors

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including pending capital projects and economic conditions. The County's General Fund available fund balance at June 30, 2019 is \$38,147,858, 21.61% of total expenditures and transfers-out.

## **GRANTS**

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. The County's single audit for the fiscal year ended June 30, 2019 and the report, along with any areas of concern, are included in a separately bound presentation and available through the Finance Department.

## **DEBT**

Gaston County constantly assesses its capital needs and, where appropriate, addresses the need for long-term financing. The County strives to confine long-term borrowing to terms of 20 years or less, paying attention to the expected useful life of the project. Long-term debt will not be used as a source of funding for current operations. The County maintains a sound relationship with all bond rating agencies and lending institutions. For fiscal year 2018/2019, the County had an Aa2 bond rating with Moody's Investor Service and an AA+ bond rating with Standard & Poor's Corporation.

## **INDEPENDENT AUDIT**

North Carolina General Statutes require an annual independent audit of all local government units in the state. Martin Starnes & Associates, CPAs, P.A., a firm of independent certified public accountants, has audited the financial records of the County and its opinion has been included in this report. The firm's audit was made in accordance with generally accepted auditing standards and, included examining, on a test basis, evidence supporting the amounts and disclosures in Gaston County's basic financial statements as well as assessing the accounting principles used and significant estimates made by management. The firm's opinion indicates that the accompanying Gaston County's basic financial statements for the fiscal year ended June 30, 2019, have been prepared in conformity with GAAP.

## **OTHER RELEVANT INFORMATION**

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

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

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

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understandable.

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

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

## ACKNOWLEDGMENTS

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

Respectfully submitted,



Earl Mathers  
County Manager



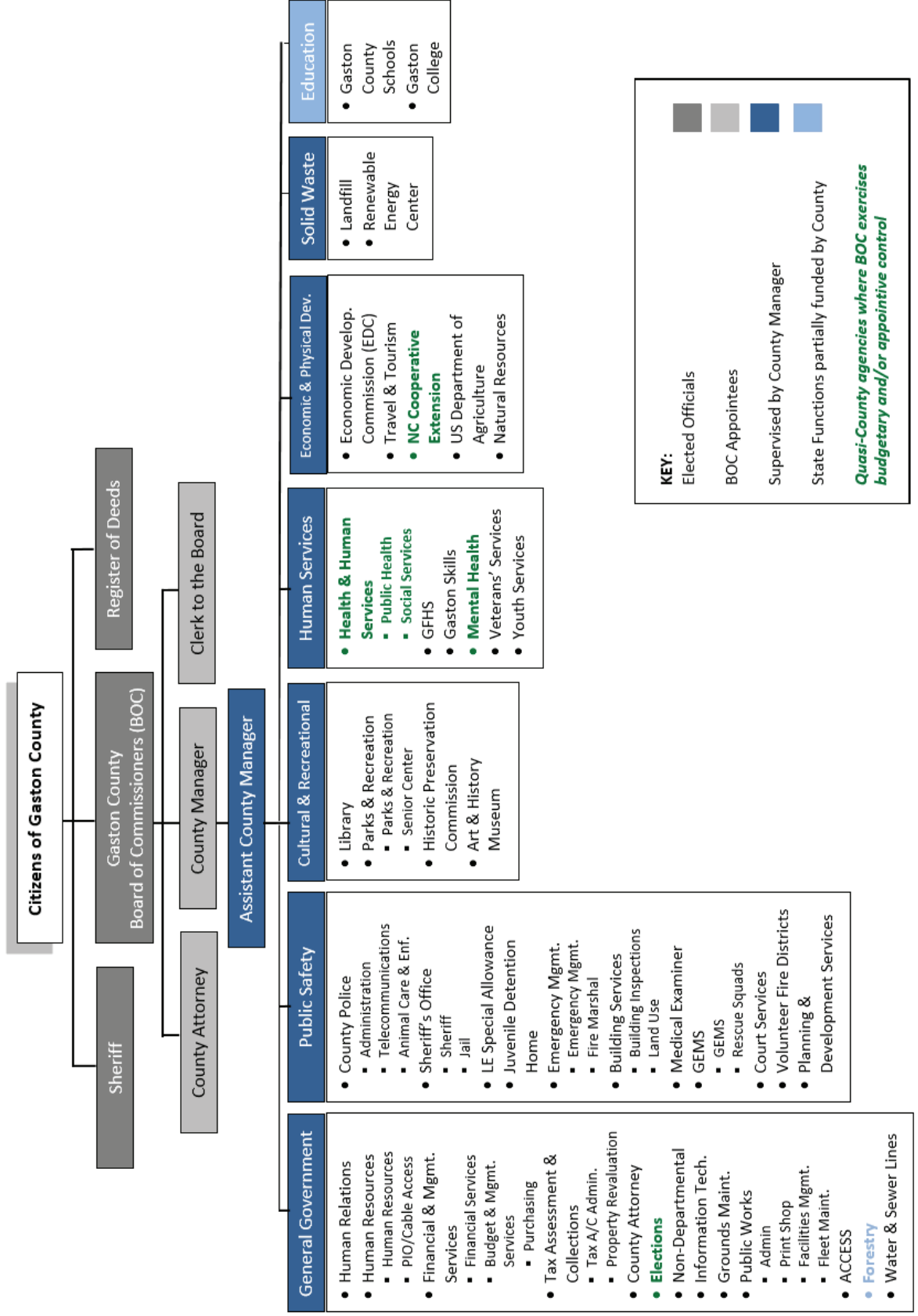
Tiffany Murray  
Finance Director

### *Mission Statement*

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



# Gaston County Organizational Chart



# **GASTON COUNTY, NORTH CAROLINA**

## **List of Principal Officials**

June 30, 2019

### **Board of Commissioners**

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

### **Principal Officials**

Earl Mathers, County Manger  
Matthew Rhoten, Assistant County Manager  
Pam Overcash, Assistant County Manager  
Donna Buff, Clerk to the Board of Commissioners  
Tiffany Murray, Finance Officer  
Charles Moore, County Attorney  
James Tanner, Tax Administration  
Luke Sisk, Tax Collector  
David Williams, Planning Director  
James Ragan, Chairman of Elections  
Susan Lockridge, Register of Deeds  
Ricky Johnson, Information Technology Director  
Ray Maxwell, Public Works/Solid Waste Director  
Alan Cloninger, Sheriff  
Mark Lamphiear, Emergency Medical Services Director  
Joe Ramey, Chief of Police  
Chris Dobbins, Health and Human Services Director



Government Finance Officers Association

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

Presented to

**Gaston County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrell*

Executive Director/CEO

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## **FINANCIAL SECTION**

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

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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Gaston County  
Gastonia, North Carolina

### Report On the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gaston County, North Carolina, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Public Assistance Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Other Post-Employment Benefits' Schedules of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gaston County's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary schedules, other schedules, statistical tables, and the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, on our consideration of Gaston County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gaston County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering Gaston County's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 22, 2019

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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, 2019. 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 (\$12,433,457) (net position).
- The County's net position of governmental activities increased by \$10,956,779, and business-type activities increased by \$3,044,913.
- As of June 30, 2019, Gaston County's governmental funds reported combined ending fund balances of \$213,774,012, after a net increase in fund balance of \$83,019,014. Approximately 67% of this total amount, or \$142,240,223, is restricted or non-spendable.
- At the end of the current fiscal year, available fund balance for the General Fund was \$38,153,258, or 14.9%, 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 \$82,288,614 during the current fiscal year.
- The County maintained the following bond ratings:

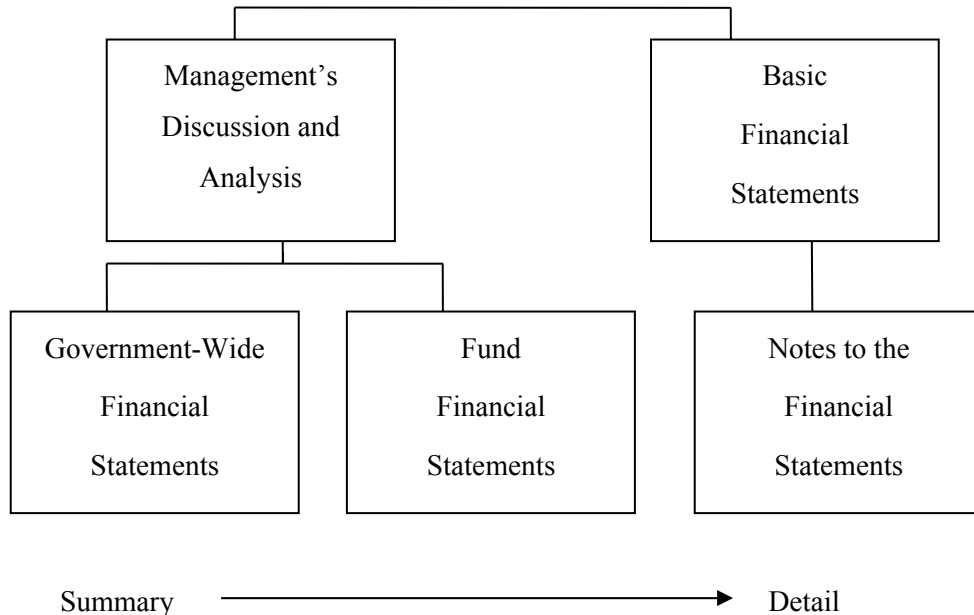
|                   |     |
|-------------------|-----|
| Moody's           | Aa3 |
| Standard & Poor's | AA+ |

### **Overview of the Financial Statements**

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

## Required Components of the Annual Financial Report

Figure 1



### Basic Financial Statements

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

The next statements (Exhibits C through K) are **fund financial statements**. These statements focus on the activities of the individual parts of Gaston County government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial statements: (1) the governmental funds statements, (2) the budgetary comparison statements, (3) the proprietary fund statements, and (4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about Gaston County's nonmajor governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

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

## **Government-Wide Financial Statements**

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

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

The government-wide statements are divided into two categories: (1) governmental activities and (2) business-type activities. The governmental activities include most of the County's basic services, such as public safety, health and social services, parks and recreation, and general administration. Property taxes and federal and state grants finance most of these activities. The business-type activities are those that the County charges customers to provide. In Gaston County, only landfill services are reported as a business-type activity.

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

## **Fund Financial Statements**

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

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

Gaston County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens and management of the County and the decisions of the Board of Commissioners about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the

legal budget document. The statement shows four columns: (1) the original budget as adopted by the Board; (2) the final budget as amended by the Board; (3) the actual resources, charges to appropriations and ending balances in the General Fund and Public Assistance Fund; and (4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds.** Gaston County has one kind of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Gaston County uses an enterprise fund to account for its solid waste services. This fund is the same as the function shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 28 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Gaston County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 77 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 (\$12,433,457) as of June 30, 2019. The County's net position increased by \$14,001,692 for the fiscal year ended June 30, 2019.

The largest portion of net position in the amount of \$90,645,159 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, \$77,311,495 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$180,390,111) 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, 2019 was \$218,818,310.



## Gaston County's Net Position

**Figure 2**

|   | <b>Governmental Activities</b> |                        | <b>Business-Type Activities</b> |                      | <b>Totals</b>          |                        |
|---|--------------------------------|------------------------|---------------------------------|----------------------|------------------------|------------------------|
|   | <b>2019</b>                    | <b>2018</b>            | <b>2019</b>                     | <b>2018</b>          | <b>2019</b>            | <b>2018</b>            |
| <b>Assets:</b>                            |                                |                        |                                 |                      |                        |                        |
| Current and other assets                  | \$ 253,419,995                 | \$ 164,319,422         | \$ 14,101,917                   | \$ 12,623,599        | \$ 267,521,912         | \$ 176,943,021         |
| Capital assets                            | 107,670,924                    | 96,077,823             | 24,639,770                      | 24,228,379           | 132,310,694            | 120,306,202            |
| Total assets                              | <u>361,090,919</u>             | <u>260,397,245</u>     | <u>38,741,687</u>               | <u>36,851,978</u>    | <u>399,832,606</u>     | <u>297,249,223</u>     |
| <b>Deferred Outflows<br/>of Resources</b> | <u>36,425,074</u>              | <u>25,930,255</u>      | <u>524,818</u>                  | <u>312,889</u>       | <u>36,949,892</u>      | <u>26,243,144</u>      |
| <b>Liabilities:</b>                       |                                |                        |                                 |                      |                        |                        |
| Long-term liabilities                     |                                |                        |                                 |                      |                        |                        |
| outstanding                               | 379,414,583                    | 286,721,861            | 12,533,426                      | 13,062,369           | 391,948,009            | 299,784,230            |
| Other liabilities                         | 48,667,881                     | 36,607,416             | 2,337,119                       | 2,754,399            | 51,005,000             | 39,361,815             |
| Total liabilities                         | <u>428,082,464</u>             | <u>323,329,277</u>     | <u>14,870,545</u>               | <u>15,816,768</u>    | <u>442,953,009</u>     | <u>339,146,045</u>     |
| <b>Deferred Inflows<br/>of Resources</b>  | <u>6,171,282</u>               | <u>5,915,221</u>       | <u>91,664</u>                   | <u>88,716</u>        | <u>6,262,946</u>       | <u>6,003,937</u>       |
| <b>Net Position:</b>                      |                                |                        |                                 |                      |                        |                        |
| Net investment in                         |                                |                        |                                 |                      |                        |                        |
| capital assets                            | 67,300,111                     | 72,946,461             | 23,345,048                      | 21,961,445           | 90,645,159             | 94,907,906             |
| Restricted                                | 77,311,495                     | 44,691,049             | -                               | -                    | 77,311,495             | 44,691,049             |
| Unrestricted                              | <u>(181,349,359)</u>           | <u>(160,554,508)</u>   | <u>959,248</u>                  | <u>(702,062)</u>     | <u>(180,390,111)</u>   | <u>(161,256,570)</u>   |
| Total net position                        | <u>\$ (36,737,753)</u>         | <u>\$ (42,916,998)</u> | <u>\$ 24,304,296</u>            | <u>\$ 21,259,383</u> | <u>\$ (12,433,457)</u> | <u>\$ (21,657,615)</u> |

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

- Increases to education operating funds for school resources officers, teacher supplements, and community college.
- Investment in public safety, facilities, and economic development.
- Continued investment in staff compensation in order to get closer to market.

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

## Gaston County Changes in Net Position

**Figure 3**

|   | <u>Governmental Activities</u> |                        | <u>Business-Type Activities</u> |                      | <u>Totals</u>          |                        |
|---|--------------------------------|------------------------|---------------------------------|----------------------|------------------------|------------------------|
|   | <u>2019</u>                    | <u>2018</u>            | <u>2019</u>                     | <u>2018</u>          | <u>2019</u>            | <u>2018</u>            |
| <b>Revenues:</b>                        |                                |                        |                                 |                      |                        |                        |
| Program revenues:                       |                                |                        |                                 |                      |                        |                        |
| Charges for services                    | \$ 42,663,074                  | \$ 37,575,796          | \$ 12,001,498                   | \$ 11,106,915        | \$ 54,664,572          | \$ 48,682,711          |
| Operating grants and contributions      | 21,485,233                     | 19,679,828             | -                               | -                    | 21,485,233             | 19,679,828             |
| Capital grants and contributions        | 9,243,139                      | 8,054,004              | -                               | -                    | 9,243,139              | 8,054,004              |
| General revenues:                       |                                |                        |                                 |                      |                        |                        |
| Property taxes                          | 151,938,625                    | 148,141,098            | -                               | -                    | 151,938,625            | 148,141,098            |
| Other taxes                             | 39,003,754                     | 37,084,145             | -                               | -                    | 39,003,754             | 37,084,145             |
| Other                                   | 10,883,484                     | 3,855,028              | 141,003                         | 131,598              | 11,024,487             | 3,986,626              |
| Total revenues                          | <u>275,217,309</u>             | <u>254,389,899</u>     | <u>12,142,501</u>               | <u>11,238,513</u>    | <u>287,359,810</u>     | <u>265,628,412</u>     |
| <b>Expenses:</b>                        |                                |                        |                                 |                      |                        |                        |
| General government                      | 24,163,717                     | 32,021,171             | -                               | -                    | 24,163,717             | 32,021,171             |
| Public safety                           | 79,215,465                     | 64,758,386             | -                               | -                    | 79,215,465             | 64,758,386             |
| Environmental protection                | 54,555                         | 80,459                 | -                               | -                    | 54,555                 | 80,459                 |
| Economic and physical development       | 21,773,076                     | 6,953,443              | -                               | -                    | 21,773,076             | 6,953,443              |
| Human services                          | 57,901,271                     | 56,430,359             | -                               | -                    | 57,901,271             | 56,430,359             |
| Cultural and recreational               | 5,214,468                      | 6,217,083              | -                               | -                    | 5,214,468              | 6,217,083              |
| Education                               | 69,334,401                     | 80,128,234             | -                               | -                    | 69,334,401             | 80,128,234             |
| Interest on long-term debt              | 6,603,577                      | 6,680,302              | -                               | -                    | 6,603,577              | 6,680,302              |
| Solid waste management                  | -                              | -                      | 9,097,588                       | 8,371,661            | 9,097,588              | 8,371,661              |
| Total expenses                          | <u>264,260,530</u>             | <u>253,269,437</u>     | <u>9,097,588</u>                | <u>8,371,661</u>     | <u>273,358,118</u>     | <u>261,641,098</u>     |
| Change in net position before transfers | 10,956,779                     | 1,120,462              | 3,044,913                       | 2,866,852            | 14,001,692             | 3,987,314              |
| Transfers                               | -                              | (462,698)              | -                               | 462,698              | -                      | -                      |
| Change in net position                  | <u>10,956,779</u>              | <u>657,764</u>         | <u>3,044,913</u>                | <u>3,329,550</u>     | <u>14,001,692</u>      | <u>3,987,314</u>       |
| <b>Net Position:</b>                    |                                |                        |                                 |                      |                        |                        |
| Beginning of year - July 1              | (42,916,998)                   | 9,050,864              | 21,259,383                      | 18,924,490           | (21,657,615)           | 27,975,354             |
| Restatement                             | (4,777,534)                    | (52,625,626)           | -                               | (994,657)            | (4,777,534)            | (53,620,283)           |
| Beginning of year - restated            | <u>(47,694,532)</u>            | <u>(43,574,762)</u>    | <u>21,259,383</u>               | <u>17,929,833</u>    | <u>(26,435,149)</u>    | <u>(25,644,929)</u>    |
| End of year - June 30                   | <u>\$ (36,737,753)</u>         | <u>\$ (42,916,998)</u> | <u>\$ 24,304,296</u>            | <u>\$ 21,259,383</u> | <u>\$ (12,433,457)</u> | <u>\$ (21,657,615)</u> |

**Governmental Activities.** Governmental activities increased the County's net position by \$10,956,779, thereby accounting for 78.25% of the total change in the net position of Gaston County. Key element in this change is as follows:

- The County overall expenses for education were lower due to decrease in the number of construction projects for schools in FY19.
- Property tax revenues and other general revenues collections continue to be wrong and were higher over FY18.
- Increase in Sales Tax Revenue due to approval of the additional half cent for education.

**Business-Type Activities.** Business-type activities increased the County's net position by \$3,044,913, which was 21.75% of the total change of the County's net position. Key elements in this change are as follows:

- Investments in capital assets.
- Increases in revenue for landfill operations.

### **Financial Analysis of the County's Funds**

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

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

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, Gaston County's fund balance available in the General Fund was \$38,153,258, while total fund balance decreased to \$55,202,897. The governing body of Gaston County has determined that the County should maintain an available fund balance of 10% to 20% of General Fund expenses in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 14.94% of General Fund expenses and transfers to other funds, while total fund balance represents 21.61% of the same amount. The County took a position to spend down excess fund balance in the years approaching revaluation knowing it would gain in the valuation and replenish fund balance. Additional appropriations were made from fund balance for public safety to address jail overcrowding and capital needs, for economic development for the purchase of apple creek corporate center property for future development and increase to community college operating.

The Public Assistance Fund, a major fund, had an increase in fund balance during the current year of \$2,012,343 to bring the year end fund balance to \$17,386,586. The increase in fund balance was mainly due to transfers from the General Fund.

The Capital Improvements Fund, a major fund, had an increase in fund balance during the current year of \$77,110,003 to bring the year end fund balance to \$124,607,370. The increase in fund balance was mainly due to issuance of new debt for schools, public safety, and economic development.

The Debt Service Fund, a major fund, had an increase in fund balance during the current year of \$5,723,970 to bring the year end fund balance to \$9,400,766. The increase in fund balance was mainly due to the debt service payments made during the year, and increase to sales tax revenue.

At June 30, 2019, the governmental funds of Gaston County reported a combined fund balance of \$213,774,012, a 63.49% increase over last year. The primary reason for the increase is the capital outlay, primarily for Gaston County schools, public safety, and economic development.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and (3) increases in appropriations that become necessary to maintain services. Various budget amendments accounted for a \$2,485,515 increase in the revenue estimates for the General Fund, the result of additional federal and state funding and increase in miscellaneous revenues. Other amendments appropriated a total of \$9,511,393 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 \$5,259,464 under budgeted expenditures. The Gaston County Health Department expenditures were \$3,962,597 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 \$959,248. The total increase in net position for that fund was \$3,044,913. 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, 2019 totals \$132,310,694 (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 Animal Care and Control Center, and recreation centers.
- Acquisition of new vehicles for the County's departments to replace aging models.
- Land acquisitions for the development of Apple Creek Industrial Park.
- Continued development and installation of enterprise resource planning (ERP) system to replace the 20 year-old accounting system.

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

**Figure 4**

|                                  | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |                      | <u>Totals</u>         |                       |
|----------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
|                                  | <u>2019</u>                    | <u>2018</u>          | <u>2019</u>                     | <u>2018</u>          | <u>2019</u>           | <u>2018</u>           |
| Land                             | \$ 25,449,929                  | \$ 19,713,831        | \$ 3,009,535                    | \$ 1,655,959         | \$ 28,459,464         | \$ 21,369,790         |
| Buildings and improvements       | 62,732,933                     | 62,695,216           | 18,348,681                      | 15,749,810           | 81,081,614            | 78,445,026            |
| Equipment                        | 2,788,573                      | 2,904,050            | 1,877,698                       | 1,666,980            | 4,666,271             | 4,571,030             |
| Vehicles and motorized equipment | 7,065,092                      | 5,648,786            | 685,694                         | 608,500              | 7,750,786             | 6,257,286             |
| Construction in progress         | 9,634,397                      | 5,115,940            | 718,162                         | 4,547,130            | 10,352,559            | 9,663,070             |
| Total                            | <u>\$ 107,670,924</u>          | <u>\$ 96,077,823</u> | <u>\$ 24,639,770</u>            | <u>\$ 24,228,379</u> | <u>\$ 132,310,694</u> | <u>\$ 120,306,202</u> |

Additional information on the County's capital assets can be found in Note 3.E of the basic financial statements.

**Long-Term Debt.** As of June 30, 2019, Gaston County had total bonded debt outstanding of \$246,915,000, all of which is debt backed by the full faith and credit of the County.

**Gaston County's Outstanding Debt**

**Figure 5**

|                          | <u>Governmental Activities</u> |                       | <u>Business-Type Activities</u> |                     | <u>Total</u>          |                       |
|--------------------------|--------------------------------|-----------------------|---------------------------------|---------------------|-----------------------|-----------------------|
|                          | <u>2019</u>                    | <u>2018</u>           | <u>2019</u>                     | <u>2018</u>         | <u>2019</u>           | <u>2018</u>           |
| General obligation bonds | \$ 220,130,000                 | \$ 176,574,000        | \$ -                            | \$ -                | \$ 220,130,000        | \$ 176,574,000        |
| Limited Obligation Bonds | 26,785,000                     | -                     | -                               | -                   | 26,785,000            | -                     |
| Capitalized leases       | 17,927,200                     | 4,641,266             | 284,004                         | 611,101             | 18,211,204            | 5,252,367             |
| Installment purchases    | 4,759,410                      | 5,125,518             | 1,010,718                       | 1,655,833           | 5,770,128             | 6,781,351             |
| Total                    | <u>\$ 269,601,610</u>          | <u>\$ 186,340,784</u> | <u>\$ 1,294,722</u>             | <u>\$ 2,266,934</u> | <u>\$ 270,896,332</u> | <u>\$ 188,607,718</u> |

Gaston County's total debt increased by \$82,288,614 during the past fiscal year due to the retirement of debt, primarily of general obligation bonds.

Pursuant to the North Carolina General Statutes, the County's outstanding general obligation debt is subject to a legal limitation based on 8% of the total assessed valuation of taxable property located within the government's bounties. As of June 30, 2019, the County's legal debt limit was approximately \$1,348,000,000. The outstanding debt subject to this limit was \$269,601,610, leaving a net legal debt margin of approximately \$1,106,000,000.

Gaston County was upgraded to an "AA+" rating from Standard & Poor's and an "Aa3" rating from Moody's Investors Service for general obligation debt.

Additional information regarding the County's long-term debt can be found beginning on page 47 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

### **Economic Factors**

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

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

The County has an estimated population of 223,671, an increase of approximately 2,064 from last fiscal year. The County's unemployment rate was 4.4% in June 2019, compared to 4.1% in June 2018. Comparable rates for the State of North Carolina were 4.4% and 4.2%, respectively.

Construction within the County increased as indicated by the number of permits issued. In 2018/2019, the following permits were issued: 1,514 residential permits, 240 commercial permits, and 565 zoning permits. In addition to the overall increase in permits from 2017/2018, the number of inspections conducted also increased.

### **Budget Highlights for the Fiscal Year Ending June 30, 2020**

**Governmental Activities:** The Board of County Commissioners adopted the 2019/2020 budget with a decrease of 3 cent in the tax rate (84 cents per \$100) and appropriated \$7,735,619 of fund balance in the General Fund. Despite the decrease in tax rate, budgeted ad valorem taxes increased by \$19,811,022 due to the 2019 revaluation and resulting increase in total property valuation. Budgeted sales tax revenue also increased, indicating positive growth within the economy.

Budgeted expenditures and transfers-out in the General Fund are \$228,410,425. The largest component of those expenditures is the funding of the compensation and benefits of the County's employees. The County budgeted a 2% salary increase, with an additional 1% increase at mid-year, for its employees in 2019/2020. Health insurance premiums, co-pays, and cost of prescriptions remained flat. It is expected that future increases in health insurance costs will be shared by the County and employees. The County continued to prolong the lag time between personnel vacancies and the hiring of replacement personnel to help lessen the impact on the budget. The 2019/2020 budget included twelve additional full-time positions for the following departments: County Police (2), Animal Care and Enforcement (4), DHHS (4), Natural Resources (1), and the Economic Development Commission (1).

In the 2019/2020 budget, education funding for Gaston County Schools and Gaston College totaled \$87,152,454, an increase of \$7,853,893 from the previous fiscal year. The funding breakdown is as follows: \$57,934,522 for operating, \$26,293,713 for debt service, and \$2,924,219 for capital. The increase was driven by debt service resulting from the 2019 GO bond issuance for capital needs. In addition to the increased debt service, operating funding increased by over \$2 million and capital funding increased by \$1 million.

The County maintained approximately the same level of operating appropriations in most departments. The County purchased 36 new or replacement vehicles. Twenty-four of those vehicles were for the following Public Safety departments: County Police (17), Sheriff's Office (6), and Animal Care and Enforcement (1). The other 12 vehicles were for the following departments: Public Works (3), Building Services (3), Natural Resources (2), and DHHS (4).

The Building Services fund totaled \$2,484,270 in the 2019/2020 budget, a \$639,333 increase from 2018/2019. This is due to increased personnel, operating costs, and vehicle debt as a result of an increased demand. The Land Use division, formerly under Planning & Development Services, moved under Building Services and contributed to the increase.

The Building Services fee structure featured several changes in 2019/2020, including six new fees. Three fees are for the first review of commercial plans: \$300 (7,501-20,000 sq. ft.), \$450 (20,001-60,000 sq. ft.), and \$600 (60,001+ sq. ft.). Second commercial plan reviews are twice the original fee, and third commercial plan reviews are thrice the original fee. Finally, residential re-reviews are \$25. In addition to these new fees, there were increases in all zoning permit fees (with the exception manufactured home and remodeling), all commercial site plan reviews, board of adjustment fees, all residential conditional use permits, nuisance abatement charge, day care license inspection, certificate of occupancy, ABC permit, and all re-inspection fees. Five fees related to manufactured home inspections were removed, in addition to a remodeling zoning permit fee.

Business-Type Activities: The County's landfill fee structure included two increases for 2019/2020: a \$2 increase in the cost per ton for construction and demolition debris (\$30 total) and a \$2 increase in the cost per ton for shingles (\$30 total).

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Gaston County Director of Financial Services, P.O. Box 1578, Gastonia, North Carolina 28053-1578.

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## **BASIC FINANCIAL STATEMENTS**

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## GASTON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2019

|   | Governmental<br>Activities | Business-Type<br>Activities | Total<br>Primary<br>Government |
|---|----------------------------|-----------------------------|--------------------------------|
| <b>Assets:</b>  |                            |                             |                                |
| Current assets:                                       |                            |                             |                                |
| Cash and cash equivalents                             | \$ 159,476,211             | \$ 12,918,228               | \$ 172,394,439                 |
| Ad valorem taxes receivable, net                      | 1,181,766                  | -                           | 1,181,766                      |
| Accounts receivable, net                              | 27,162,513                 | 1,157,195                   | 28,319,708                     |
| Inventories   | 299,867                    | 26,494                      | 326,361                        |
| Prepaid items   | 263,825                    | -                           | 263,825                        |
| Restricted cash and cash equivalents                  | 64,905,765                 | -                           | 64,905,765                     |
| Total current assets                                  | 253,289,947                | 14,101,917                  | 267,391,864                    |
| Non-current assets:                                   |                            |                             |                                |
| Net pension asset - ROD                               | 130,048                    | -                           | 130,048                        |
| Capital assets:                                       |                            |                             |                                |
| Land, improvements, and construction in progress      | 35,084,326                 | 3,727,697                   | 38,812,023                     |
| Other capital assets, net of accumulated depreciation | 72,586,598                 | 20,912,073                  | 93,498,671                     |
| Total capital assets                                  | 107,670,924                | 24,639,770                  | 132,310,694                    |
| Total non-current assets                              | 107,800,972                | 24,639,770                  | 132,440,742                    |
| Total assets  | 361,090,919                | 38,741,687                  | 399,832,606                    |
| <b>Deferred Outflows of Resources:</b>                |                            |                             |                                |
| OPEB deferrals  | 5,457,573                  | 100,603                     | 5,558,176                      |
| Pension deferrals                                     | 23,035,869                 | 424,215                     | 23,460,084                     |
| Deferred charge on refunding                          | 7,931,632                  | -                           | 7,931,632                      |
| Total deferred outflows of resources                  | 36,425,074                 | 524,818                     | 36,949,892                     |
| <b>Liabilities:</b>                                   |                            |                             |                                |
| Current liabilities:                                  |                            |                             |                                |
| Accounts payable and accrued liabilities              | 18,154,455                 | 548,034                     | 18,702,489                     |
| Liabilities payable from restricted assets            | 26,751                     | -                           | 26,751                         |
| Prepaid fees  | 1,332,639                  | -                           | 1,332,639                      |
| Due in less than one year                             | 29,154,036                 | 1,789,085                   | 30,943,121                     |
| Total current liabilities                             | 48,667,881                 | 2,337,119                   | 51,005,000                     |
| Long-term liabilities:                                |                            |                             |                                |
| Net pension liability - LGERS                         | 25,906,358                 | 543,832                     | 26,450,190                     |
| Total pension liability - LEOSSA                      | 12,312,206                 | -                           | 12,312,206                     |
| Total OPEB liability                                  | 75,035,154                 | 1,385,774                   | 76,420,928                     |
| Due in more than one year                             | 266,160,865                | 10,603,820                  | 276,764,685                    |
| Total long-term liabilities                           | 379,414,583                | 12,533,426                  | 391,948,009                    |
| Total liabilities                                     | 428,082,464                | 14,870,545                  | 442,953,009                    |
| <b>Deferred Inflows of Resources:</b>                 |                            |                             |                                |
| OPEB deferrals  | 4,636,659                  | 85,470                      | 4,722,129                      |
| Pension deferrals                                     | 781,399                    | 6,194                       | 787,593                        |
| Prepaid taxes   | 753,224                    | -                           | 753,224                        |
| Total deferred inflows of resources                   | 6,171,282                  | 91,664                      | 6,262,946                      |
| <b>Net Position:</b>                                  |                            |                             |                                |
| Net investment in capital assets                      | 67,300,111                 | 23,345,048                  | 90,645,159                     |
| Restricted for:                                       |                            |                             |                                |
| Stabilization for state statute                       | 57,501,659                 | -                           | 57,501,659                     |
| Medicaid maximization                                 | 14,128,501                 | -                           | 14,128,501                     |
| Fire protection                                       | 1,073,861                  | -                           | 1,073,861                      |
| Public safety protection                              | 1,116,964                  | -                           | 1,116,964                      |
| Emergency telephone                                   | 1,986,459                  | -                           | 1,986,459                      |
| Register of Deeds                                     | 1,202,466                  | -                           | 1,202,466                      |
| Register of Deeds - pension plan                      | 301,585                    | -                           | 301,585                        |
| Unrestricted net position                             | (181,349,359)              | 959,248                     | (180,390,111)                  |
| Total net position                                    | \$ (36,737,753)            | \$ 24,304,296               | \$ (12,433,457)                |

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

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

|                                   |                       | Program Revenues     |                      |                     |
|-----------------------------------|-----------------------|----------------------|----------------------|---------------------|
|                                   |                       | Charges for          | Operating            | Capital             |
|                                   | Expenses              | Services             | Grants and           | Grants and          |
|                                   |                       |                      | Contributions        | Contributions       |
| <b>Functions/Programs:</b>        |                       |                      |                      |                     |
| <b>Primary Government:</b>        |                       |                      |                      |                     |
| <b>Governmental Activities:</b>   |                       |                      |                      |                     |
| General government                | \$ 24,163,717         | \$ 11,475,456        | \$ -                 | \$ 516,253          |
| Public safety                     | 79,215,465            | 18,847,526           | 81,807               | -                   |
| Environmental protection          | 54,555                | 3,189,152            | -                    | -                   |
| Economic and physical development | 21,773,076            | 1,824                | -                    | 624,881             |
| Human services                    | 57,901,271            | 8,917,862            | 21,403,426           | 5,859,347           |
| Cultural and recreational         | 5,214,468             | 231,254              | -                    | -                   |
| Education                         | 69,334,401            | -                    | -                    | 2,242,658           |
| Interest expense and fees         | 6,603,577             | -                    | -                    | -                   |
| Total governmental activities     | <u>264,260,530</u>    | <u>42,663,074</u>    | <u>21,485,233</u>    | <u>9,243,139</u>    |
| <b>Business-Type Activities:</b>  |                       |                      |                      |                     |
| Solid waste                       | <u>9,097,588</u>      | <u>12,001,498</u>    | <u>-</u>             | <u>-</u>            |
| Total primary government          | <u>\$ 273,358,118</u> | <u>\$ 54,664,572</u> | <u>\$ 21,485,233</u> | <u>\$ 9,243,139</u> |

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

GASTON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

|                                   | Net (Expense) Revenue and Changes in Net Position |                          |                 |
|-----------------------------------|---|--------------------------|-----------------|
|                                   | Primary Government                                |                          |                 |
|                                   | Governmental Activities                           | Business-Type Activities | Total           |
| <b>Functions/Programs:</b>        |   |                          |                 |
| <b>Primary Government:</b>        |   |                          |                 |
| <b>Governmental Activities:</b>   |   |                          |                 |
| General government                | \$ (12,172,008)                                   | \$ -                     | \$ (12,172,008) |
| Public safety                     | (60,286,132)                                      | -                        | (60,286,132)    |
| Environmental protection          | 3,134,597   | -                        | 3,134,597       |
| Economic and physical development | (21,146,371)                                      | -                        | (21,146,371)    |
| Human services                    | (21,720,636)                                      | -                        | (21,720,636)    |
| Cultural and recreational         | (4,983,214)                                       | -                        | (4,983,214)     |
| Education                         | (67,091,743)                                      | -                        | (67,091,743)    |
| Interest expense and fees         | (6,603,577)                                       | -                        | (6,603,577)     |
| Total governmental activities     | (190,869,084)                                     | -                        | (190,869,084)   |
| <b>Business-Type Activities:</b>  |   |                          |                 |
| Solid waste                       | -   | 2,903,910                | 2,903,910       |
| Total primary government          | (190,869,084)                                     | 2,903,910                | (187,965,174)   |
| <b>General Revenues:</b>          |   |                          |                 |
| Taxes:                            |   |                          |                 |
| Ad valorem taxes                  | 151,938,625                                       | -                        | 151,938,625     |
| Sales tax                         | 39,003,754  | -                        | 39,003,754      |
| Real estate transfer taxes        | 7,544,708   | -                        | 7,544,708       |
| Investment earnings               | 3,338,776   | 141,003                  | 3,479,779       |
| Total general revenues            | 201,825,863                                       | 141,003                  | 201,966,866     |
| Change in net position            | 10,956,779  | 3,044,913                | 14,001,692      |
| <b>Net Position:</b>              |   |                          |                 |
| Beginning of year - July 1        | (42,916,998)                                      | 21,259,383               | (21,657,615)    |
| Restatement                       | (4,777,534)                                       | -                        | (4,777,534)     |
| Beginning of year - restated      | (47,694,532)                                      | 21,259,383               | (26,435,149)    |
| End of year - June 30             | \$ (36,737,753)                                   | \$ 24,304,296            | \$ (12,433,457) |

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

## GASTON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2019

|   | Major                |                        |                           |                     | Nonmajor                 |                          |
|---|----------------------|------------------------|---------------------------|---------------------|--------------------------|--------------------------|
|   | General Fund         | Public Assistance Fund | Capital Improvements Fund | Debt Service Fund   | Other Governmental Funds | Total Governmental Funds |
| <b>Assets:</b>  |                      |                        |                           |                     |                          |                          |
| Cash and cash equivalents   | \$ 50,867,813        | \$ 15,926,084          | \$ 57,726,557             | \$ 7,366,552        | \$ 6,885,671             | \$ 138,772,677           |
| Ad valorem taxes receivable, net                                      | 1,100,032            | -                      | -                         | -                   | 81,734                   | 1,181,766                |
| Accounts receivable   | 14,694,867           | 2,926,548              | 7,191,493                 | 2,034,214           | 305,622                  | 27,152,744               |
| Inventories   | 287,843              | 12,024                 | -                         | -                   | -                        | 299,867                  |
| Prepaid items   | 259,486              | 4,339                  | -                         | -                   | -                        | 263,825                  |
| Restricted cash and cash equivalents                                  | -                    | -                      | 64,666,621                | -                   | 239,144                  | 64,905,765               |
| Total assets  | <u>\$ 67,210,041</u> | <u>\$ 18,868,995</u>   | <u>\$ 129,584,671</u>     | <u>\$ 9,400,766</u> | <u>\$ 7,512,171</u>      | <u>\$ 232,576,644</u>    |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b> |                      |                        |                           |                     |                          |                          |
| <b>Liabilities:</b>   |                      |                        |                           |                     |                          |                          |
| Accounts payable and accrued liabilities                              | \$ 7,915,975         | \$ 1,482,409           | \$ 4,977,301              | \$ -                | \$ 227,293               | \$ 14,602,978            |
| Liabilities payable from restricted assets                            | -                    | -                      | -                         | -                   | 26,751                   | 26,751                   |
| Prepaid fees  | 1,332,639            | -                      | -                         | -                   | -                        | 1,332,639                |
| Total liabilities   | <u>9,248,614</u>     | <u>1,482,409</u>       | <u>4,977,301</u>          | <u>-</u>            | <u>254,044</u>           | <u>15,962,368</u>        |
| <b>Deferred Inflows of Resources:</b>                                 |                      |                        |                           |                     |                          |                          |
| Prepaid taxes   | 753,224              | -                      | -                         | -                   | -                        | 753,224                  |
| Unavailable taxes   | 1,100,032            | -                      | -                         | -                   | 81,734                   | 1,181,766                |
| Unavailable revenue   | 905,274              | -                      | -                         | -                   | -                        | 905,274                  |
| Total deferred inflows of resources                                   | <u>2,758,530</u>     | <u>-</u>               | <u>-</u>                  | <u>-</u>            | <u>81,734</u>            | <u>2,840,264</u>         |
| <b>Fund Balances:</b>   |                      |                        |                           |                     |                          |                          |
| <b>Non-Spendable:</b>   |                      |                        |                           |                     |                          |                          |
| Inventories   | 287,843              | 12,024                 | -                         | -                   | -                        | 299,867                  |
| Prepays   | 259,486              | 4,339                  | -                         | -                   | -                        | 263,825                  |
| <b>Restricted:</b>  |                      |                        |                           |                     |                          |                          |
| Stabilization by state statute  | 16,502,310           | 3,010,075              | 35,649,361                | 2,034,214           | 305,699                  | 57,501,659               |
| Restricted for Medicaid maximization                                  | 14,128,501           | -                      | -                         | -                   | -                        | 14,128,501               |
| Education   | -                    | -                      | 64,666,621                | -                   | -                        | 64,666,621               |
| Fire protection   | -                    | -                      | -                         | -                   | 1,073,861                | 1,073,861                |
| Sheriff protection  | 1,116,964            | -                      | -                         | -                   | -                        | 1,116,964                |
| Emergency telephone   | -                    | -                      | -                         | -                   | 1,986,459                | 1,986,459                |
| Register of Deeds   | 1,202,466            | -                      | -                         | -                   | -                        | 1,202,466                |
| <b>Committed:</b>   |                      |                        |                           |                     |                          |                          |
| Future capital projects   | -                    | -                      | 3,087,144                 | -                   | -                        | 3,087,144                |
| Tax revaluation   | -                    | -                      | -                         | -                   | 212,393                  | 212,393                  |
| <b>Assigned:</b>  |                      |                        |                           |                     |                          |                          |
| Insurance reserves  | 4,258,523            | -                      | -                         | -                   | -                        | 4,258,523                |
| Subsequent year's expenditures  | 12,372,092           | -                      | 21,204,244                | -                   | -                        | 33,576,336               |
| Gaston County tap fees  | 184,977              | -                      | -                         | -                   | -                        | 184,977                  |
| Public assistance   | -                    | 14,360,148             | -                         | -                   | -                        | 14,360,148               |
| Parking   | -                    | -                      | -                         | -                   | 1,190,209                | 1,190,209                |
| Travel and tourism  | -                    | -                      | -                         | -                   | 1,121,680                | 1,121,680                |
| Public safety   | -                    | -                      | -                         | -                   | 1,286,092                | 1,286,092                |
| Debt service  | -                    | -                      | -                         | 7,366,552           | -                        | 7,366,552                |
| Unassigned  | 4,889,735            | -                      | -                         | -                   | -                        | 4,889,735                |
| Total fund balances   | <u>55,202,897</u>    | <u>17,386,586</u>      | <u>124,607,370</u>        | <u>9,400,766</u>    | <u>7,176,393</u>         | <u>213,774,012</u>       |
| Total liabilities, deferred inflows of resources, and fund balances   | <u>\$ 67,210,041</u> | <u>\$ 18,868,995</u>   | <u>\$ 129,584,671</u>     | <u>\$ 9,400,766</u> | <u>\$ 7,512,171</u>      | <u>\$ 232,576,644</u>    |

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

**GASTON COUNTY, NORTH CAROLINA****RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

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

|   |                        |
|---|------------------------|
| Total fund balances, per Exhibit C  | \$ 213,774,012         |
| Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.   | 107,670,924            |
| Net pension asset - ROD   | 130,048                |
| Net pension liability - LGERS   | (25,906,358)           |
| Total pension liability - LEOSSA  | (12,312,206)           |
| Total OPEB liability  | (75,035,154)           |
| Assets and liabilities of the Self-Insurance Internal Service Fund used by management to account for certain insurance costs are included in governmental activities in the Statement of Net Position.                                      | 17,161,826             |
| Deferred inflows of resources in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position. | 2,087,040              |
| Charges related to refundings issued  | 7,931,632              |
| Pension related deferrals   | 22,254,470             |
| OPEB related deferrals  | 820,914                |
| Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.   | <u>(295,314,901)</u>   |
| Net position of governmental activities, per Exhibit A  | <u>\$ (36,737,753)</u> |

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

## GASTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

|  | Major                |                      |                       |                     | Nonmajor            | Total                 |
|--|----------------------|----------------------|-----------------------|---------------------|---------------------|-----------------------|
|  | General              | Public               | Capital               | Debt                | Other               | Total                 |
|  | Fund                 | Assistance           | Improvements          | Service             | Governmental        | Governmental          |
|  | Fund                 | Fund                 | Fund                  | Fund                | Funds               | Funds                 |
| <b>Revenues:</b>                       |                      |                      |                       |                     |                     |                       |
| Ad valorem taxes                       | \$ 147,550,574       | \$ -                 | \$ -                  | \$ -                | \$ 4,951,921        | \$ 152,502,495        |
| Other taxes and licenses               | 32,242,406           | -                    | 8,055,127             | 5,342,031           | 908,898             | 46,548,462            |
| Restricted intergovernmental revenues  | 7,793,812            | 21,403,426           | 624,881               | 2,242,658           | 81,807              | 32,146,584            |
| Fees, licenses, and permits            | 6,526,808            | -                    | -                     | -                   | -                   | 6,526,808             |
| Sales and services                     | 23,283,237           | -                    | -                     | -                   | -                   | 23,283,237            |
| E911 surcharge                         | -                    | -                    | -                     | -                   | 760,575             | 760,575               |
| Investment earnings                    | 598,834              | 173,866              | 2,144,664             | 80,416              | 114,590             | 3,112,370             |
| Miscellaneous revenues                 | 1,720,043            | 354,448              | 1,824                 | -                   | 251,728             | 2,328,043             |
| Total revenues                         | <u>219,715,714</u>   | <u>21,931,740</u>    | <u>10,826,496</u>     | <u>7,665,105</u>    | <u>7,069,519</u>    | <u>267,208,574</u>    |
| <b>Expenditures:</b>                   |                      |                      |                       |                     |                     |                       |
| Current:                               |                      |                      |                       |                     |                     |                       |
| General government                     | 31,438,903           | -                    | -                     | -                   | 287,936             | 31,726,839            |
| Public safety                          | 78,694,204           | -                    | -                     | -                   | 5,582,002           | 84,276,206            |
| Environmental protection               | 65,385               | -                    | -                     | -                   | -                   | 65,385                |
| Economic and physical development      | 3,529,163            | -                    | -                     | -                   | 967,820             | 4,496,983             |
| Human services                         | 19,806,191           | 37,966,463           | -                     | -                   | -                   | 57,772,654            |
| Cultural and recreational              | 5,902,072            | -                    | -                     | -                   | -                   | 5,902,072             |
| Education                              | 55,485,329           | -                    | -                     | -                   | -                   | 55,485,329            |
| Capital outlay                         | -                    | -                    | 31,036,309            | -                   | -                   | 31,036,309            |
| Debt service:                          |                      |                      |                       |                     |                     |                       |
| Principal retirement                   | 2,554,226            | 46,393               | -                     | 16,810,108          | -                   | 19,410,727            |
| Interest and fees                      | 84,707               | 1,654                | 204,494               | 6,512,512           | -                   | 6,803,367             |
| Total expenditures                     | <u>197,560,180</u>   | <u>38,014,510</u>    | <u>31,240,803</u>     | <u>23,322,620</u>   | <u>6,837,758</u>    | <u>296,975,871</u>    |
| Revenues over (under) expenditures     | <u>22,155,534</u>    | <u>(16,082,770)</u>  | <u>(20,414,307)</u>   | <u>(15,657,515)</u> | <u>231,761</u>      | <u>(29,767,297)</u>   |
| <b>Other Financing Sources (Uses):</b> |                      |                      |                       |                     |                     |                       |
| Debt issued                            | 15,886,553           | -                    | 86,785,000            | -                   | -                   | 102,671,553           |
| Premium from issuance of bond          | -                    | -                    | 8,506,758             | -                   | -                   | 8,506,758             |
| Transfers in                           | 1,608,000            | 18,095,113           | 2,232,552             | 21,381,485          | 300,149             | 43,617,299            |
| Transfers out                          | (42,009,299)         | -                    | -                     | -                   | -                   | (42,009,299)          |
| Total other financing sources (uses)   | <u>(24,514,746)</u>  | <u>18,095,113</u>    | <u>97,524,310</u>     | <u>21,381,485</u>   | <u>300,149</u>      | <u>112,786,311</u>    |
| Net change in fund balances            | (2,359,212)          | 2,012,343            | 77,110,003            | 5,723,970           | 531,910             | 83,019,014            |
| <b>Fund Balances:</b>                  |                      |                      |                       |                     |                     |                       |
| Beginning of year - July 1             | <u>57,562,109</u>    | <u>15,374,243</u>    | <u>47,497,367</u>     | <u>3,676,796</u>    | <u>6,644,483</u>    | <u>130,754,998</u>    |
| End of year - June 30                  | <u>\$ 55,202,897</u> | <u>\$ 17,386,586</u> | <u>\$ 124,607,370</u> | <u>\$ 9,400,766</u> | <u>\$ 7,176,393</u> | <u>\$ 213,774,012</u> |

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



**GASTON COUNTY, NORTH CAROLINA****RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

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

|  |                      |
|--|----------------------|
| Net change in fund balances - total governmental funds (Exhibit E)   | \$ 83,019,014        |
| Capital outlays are reported as expenditures in the governmental funds statement.<br>However, in the Statement of Activities, capital outlay is not an expense, rather it<br>is an increase in capital assets.   | 18,417,945           |
| Depreciation expense allocates the costs of capital assets over their useful lives.<br>It is not reported as an expenditure in the governmental funds statement.   | (6,777,835)          |
| The sale/disposal of capital assets is reported as a revenue in the governmental<br>funds statement without subtracting the net book value of the capital assets sold.   | (47,009)             |
| Exhibit E reports revenues using a current financial resources basis, which generally<br>means revenue is recognized when collected, or is expected to be collected, within 90<br>days of year-end. Exhibit B reports revenues when the earning process is complete,<br>regardless of when it is collected. This measurement difference causes timing of<br>revenue recognition differences for the following revenue types: |                      |
| Property taxes   | (563,870)            |
| Sales and services   | 386,822              |
| Expenses related to compensated absences and Law Enforcement Officers' Separation<br>Allowance and total pension liability and net pension liability that do not require current<br>financial resources are not reported as expenditures in the governmental funds statement.  | (247,123)            |
| Pension expense - LEOSSA   | (110,511)            |
| Pension expense - LGERS  | (1,358,255)          |
| Pension expense - ROD  | 44,967               |
| OPEB plan expense  | 3,182,645            |
| Proceeds from issuance of debt are reported as revenues in the governmental funds statement.<br>However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities.   | (102,671,553)        |
| Principal repayments are reported as expenditures in the governmental funds statement.<br>However, in the Statement of Activities, these transactions are not an expense, rather<br>they are a decrease in liabilities. (This line includes debt refunding transactions).  | 19,410,727           |
| Changes in premium related to bonds and changes in deferred charge on refunding  | (8,306,968)          |
| Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type   | <u>6,577,783</u>     |
| Change in net position of governmental activities - Exhibit B  | <u>\$ 10,956,779</u> |

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

**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND AND ANNUALLY BUDGETED SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

|  | <b>General Fund</b>        |                         |                      |                                |
|--|----------------------------|-------------------------|----------------------|--------------------------------|
|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>        | <b>Variance<br/>Over/Under</b> |
| <b>Revenues:</b>                       |                            |                         |                      |                                |
| Ad valorem taxes                       | \$ 146,079,500             | \$ 146,079,500          | \$ 147,550,574       | \$ 1,471,074                   |
| Other taxes and licenses               | 32,007,664                 | 32,007,664              | 32,242,406           | 234,742                        |
| Restricted intergovernmental revenues  | 6,708,076                  | 8,937,506               | 7,793,812            | (1,143,694)                    |
| Permits and fees                       | 4,147,724                  | 4,164,620               | 6,526,808            | 2,362,188                      |
| Sales and services                     | 19,066,004                 | 19,068,994              | 23,283,237           | 4,214,243                      |
| Investment earnings                    | 750,000                    | 750,541                 | 598,834              | (151,707)                      |
| Miscellaneous                          | 966,275                    | 1,201,933               | 1,720,043            | 518,110                        |
| Total revenues                         | <u>209,725,243</u>         | <u>212,210,758</u>      | <u>219,715,714</u>   | <u>7,504,956</u>               |
| <b>Expenditures:</b>                   |                            |                         |                      |                                |
| General government                     | 35,386,875                 | 38,067,155              | 31,438,903           | 6,628,252                      |
| Public safety                          | 63,822,704                 | 71,574,504              | 78,694,204           | (7,119,700)                    |
| Environmental protection               | 86,149                     | 88,649                  | 65,385               | 23,264                         |
| Economic and physical development      | 3,798,359                  | 4,034,723               | 3,529,163            | 505,560                        |
| Human services                         | 21,029,935                 | 23,798,897              | 19,806,191           | 3,992,706                      |
| Cultural and recreational              | 6,019,751                  | 6,576,235               | 5,902,072            | 674,163                        |
| Education                              | 55,658,948                 | 55,658,948              | 55,485,329           | 173,619                        |
| Principal retirement                   | 2,895,288                  | 2,899,399               | 2,554,226            | 345,173                        |
| Interest and fees                      | 125,245                    | 121,134                 | 84,707               | 36,427                         |
| Total expenditures                     | <u>188,823,254</u>         | <u>202,819,644</u>      | <u>197,560,180</u>   | <u>5,259,464</u>               |
| Revenues over (under) expenditures     | <u>20,901,989</u>          | <u>9,391,114</u>        | <u>22,155,534</u>    | <u>12,764,420</u>              |
| <b>Other Financing Sources (Uses):</b> |                            |                         |                      |                                |
| Appropriated fund balance              | 19,224,072                 | 28,736,960              | -                    | (28,736,960)                   |
| Installment purchase contracts issued  | -                          | 2,273,225               | 15,886,553           | 13,613,328                     |
| Transfers in                           | 1,608,000                  | 1,608,000               | 1,608,000            | -                              |
| Transfers (out)                        | (41,734,061)               | (42,009,299)            | (42,009,299)         | -                              |
| Total other financing sources (uses)   | <u>(20,901,989)</u>        | <u>(9,391,114)</u>      | <u>(24,514,746)</u>  | <u>(15,123,632)</u>            |
| Net change in fund balances            | <u>\$ -</u>                | <u>\$ -</u>             | <u>(2,359,212)</u>   | <u>\$ (2,359,212)</u>          |
| <b>Fund Balances:</b>                  |                            |                         |                      |                                |
| Beginning of year - July 1             |                            |                         | <u>57,562,109</u>    |                                |
| End of year - June 30                  |                            |                         | <u>\$ 55,202,897</u> |                                |

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

**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND AND ANNUALLY BUDGETED SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

|  | <b>Public Assistance Fund</b> |                         |                      |                                |
|--|-------------------------------|-------------------------|----------------------|--------------------------------|
|  | <b>Original<br/>Budget</b>    | <b>Final<br/>Budget</b> | <b>Actual</b>        | <b>Variance<br/>Over/Under</b> |
| <b>Revenues:</b>                       |                               |                         |                      |                                |
| Ad valorem taxes                       | \$ -                          | \$ -                    | \$ -                 | \$ -                           |
| Other taxes and licenses               | -                             | -                       | -                    | -                              |
| Restricted intergovernmental revenues  | 24,212,694                    | 25,191,582              | 21,403,426           | (3,788,156)                    |
| Permits and fees                       | -                             | -                       | -                    | -                              |
| Sales and services                     | -                             | -                       | -                    | -                              |
| Investment earnings                    | -                             | -                       | 173,866              | 173,866                        |
| Miscellaneous                          | 187,730                       | 288,901                 | 354,448              | 65,547                         |
| Total revenues                         | <u>24,400,424</u>             | <u>25,480,483</u>       | <u>21,931,740</u>    | <u>(3,548,743)</u>             |
| <b>Expenditures:</b>                   |                               |                         |                      |                                |
| General government                     | -                             | -                       | -                    | -                              |
| Public safety                          | -                             | -                       | -                    | -                              |
| Environmental protection               | -                             | -                       | -                    | -                              |
| Economic and physical development      | -                             | -                       | -                    | -                              |
| Human services                         | 42,407,295                    | 44,465,661              | 37,966,463           | 6,499,198                      |
| Cultural and recreational              | -                             | -                       | -                    | -                              |
| Education                              | -                             | -                       | -                    | -                              |
| Principal retirement                   | 59,406                        | 59,406                  | 46,393               | 13,013                         |
| Interest and fees                      | 2,080                         | 2,080                   | 1,654                | 426                            |
| Total expenditures                     | <u>42,468,781</u>             | <u>44,527,147</u>       | <u>38,014,510</u>    | <u>6,512,637</u>               |
| Revenues over (under) expenditures     | <u>(18,068,357)</u>           | <u>(19,046,664)</u>     | <u>(16,082,770)</u>  | <u>2,963,894</u>               |
| <b>Other Financing Sources (Uses):</b> |                               |                         |                      |                                |
| Appropriated fund balance              | -                             | 951,551                 | -                    | (951,551)                      |
| Installment purchase contracts issued  | -                             | -                       | -                    | -                              |
| Transfers in                           | 18,068,357                    | 18,095,113              | 18,095,113           | -                              |
| Transfers (out)                        | -                             | -                       | -                    | -                              |
| Total other financing sources (uses)   | <u>18,068,357</u>             | <u>19,046,664</u>       | <u>18,095,113</u>    | <u>(951,551)</u>               |
| Net change in fund balances            | <u>\$ -</u>                   | <u>\$ -</u>             | <u>2,012,343</u>     | <u>\$ 2,012,343</u>            |
| <b>Fund Balances:</b>                  |                               |                         |                      |                                |
| Beginning of year - July 1             |                               |                         | <u>15,374,243</u>    |                                |
| End of year - June 30                  |                               |                         | <u>\$ 17,386,586</u> |                                |

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

## GASTON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019

|   | Business-Type<br>Activities       | Governmental<br>Activities  |
|---|-----------------------------------|-----------------------------|
|   | Enterprise<br>Solid Waste<br>Fund | Internal<br>Service<br>Fund |
| <b>Assets:</b>                                      |                                   |                             |
| Current assets:                                     |                                   |                             |
| Cash and cash equivalents                           | \$ 12,918,228                     | \$ 20,703,534               |
| Accounts receivable, net                            | 1,157,195                         | 9,769                       |
| Inventories   | 26,494                            | -                           |
| Total current assets                                | 14,101,917                        | 20,713,303                  |
| Non-current assets:                                 |                                   |                             |
| Land, improvements, and construction in progress    | 3,727,697                         | -                           |
| Capital assets, net                                 | 41,512,739                        | -                           |
| Accumulated depreciation                            | (20,600,666)                      | -                           |
| Total non-current assets                            | 24,639,770                        | -                           |
| Total assets  | 38,741,687                        | 20,713,303                  |
| <b>Deferred Outflows of Resources:</b>              |                                   |                             |
| OPEB deferrals                                      | 100,603                           | -                           |
| Pension deferrals                                   | 424,215                           | -                           |
| Total deferred outflows of resources                | 524,818                           | -                           |
| <b>Liabilities:</b>                                 |                                   |                             |
| Current liabilities:                                |                                   |                             |
| Accounts payable and accrued liabilities            | 548,034                           | 3,551,477                   |
| Compensated absences                                | 38,879                            | -                           |
| Current portion of notes payable and capital leases | 874,793                           | -                           |
| Current portion of closure and post-closure care    | 875,413                           | -                           |
| Total current liabilities                           | 2,337,119                         | 3,551,477                   |
| Non-current liabilities:                            |                                   |                             |
| Net pension liability                               | 543,832                           | -                           |
| Compensated absences                                | 116,637                           | -                           |
| Capital leases and notes payable                    | 419,929                           | -                           |
| Total OPEB liability                                | 1,385,774                         | -                           |
| Landfill closure and post-closure care              | 10,067,254                        | -                           |
| Total non-current liabilities                       | 12,533,426                        | -                           |
| Total liabilities                                   | 14,870,545                        | 3,551,477                   |
| <b>Deferred Inflows of Resources:</b>               |                                   |                             |
| OPEB deferrals                                      | 85,470                            | -                           |
| Pension deferrals                                   | 6,194                             | -                           |
| Total deferred inflows of resources                 | 91,664                            | -                           |
| <b>Net Position:</b>                                |                                   |                             |
| Net investment in capital assets                    | 23,345,048                        | -                           |
| Unrestricted net position                           | 959,248                           | 17,161,826                  |
| Total net position                                  | \$ 24,304,296                     | \$ 17,161,826               |

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

## GASTON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

|   | <b>Business-Type<br/>Activities</b>        | <b>Governmental<br/>Activities</b>   |
|---|--|--------------------------------------|
|   | <b>Enterprise<br/>Solid Waste<br/>Fund</b> | <b>Internal<br/>Service<br/>Fund</b> |
| <b>Operating Revenues:</b>                |  |                                      |
| Charges for services                      | \$ 8,725,865                               | \$ 23,320,409                        |
| Energy charges                            | 2,548,181                                  | -                                    |
| Other operating revenues                  | 727,452                                    | -                                    |
| Total operating revenues                  | <u>12,001,498</u>                          | <u>23,320,409</u>                    |
| <b>Operating Expenses:</b>                |  |                                      |
| Operating expenses                        | 5,892,778                                  | 15,361,032                           |
| Renewable energy department               | 1,198,751                                  | -                                    |
| Depreciation                              | 1,940,095                                  | -                                    |
| Total operating expenses                  | <u>9,031,624</u>                           | <u>15,361,032</u>                    |
| Operating income (loss)                   | <u>2,969,874</u>                           | <u>7,959,377</u>                     |
| <b>Non-Operating Revenues (Expenses):</b> |  |                                      |
| Interest expense                          | (65,964)                                   | -                                    |
| Investment earnings                       | 141,003                                    | 226,406                              |
| Total non-operating revenues (expenses)   | <u>75,039</u>                              | <u>226,406</u>                       |
| <b>Other Financing Sources (Uses):</b>    |  |                                      |
| Transfers out                             | <u>-</u>                                   | <u>(1,608,000)</u>                   |
| Change in net position                    | <u>3,044,913</u>                           | <u>6,577,783</u>                     |
| <b>Net Position:</b>                      |  |                                      |
| Beginning of year - July 1                | 21,259,383                                 | 15,361,577                           |
| Restatement                               | -  | (4,777,534)                          |
| Beginning of year, restated               | <u>21,259,383</u>                          | <u>10,584,043</u>                    |
| End of year - June 30                     | <u>\$ 24,304,296</u>                       | <u>\$ 17,161,826</u>                 |

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

## GASTON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

|  | <b>Business-Type<br/>Activities</b>        | <b>Governmental<br/>Activities</b>   |
|--|--|--------------------------------------|
|  | <b>Enterprise<br/>Solid Waste<br/>Fund</b> | <b>Internal<br/>Service<br/>Fund</b> |
| <b>Cash Flows from Operating Activities:</b>   |  |                                      |
| Cash received from customers   | \$ 11,153,359                              | \$ 2,552,597                         |
| Receipts from interfund charges for insurance programs   | -  | 20,760,173                           |
| Other operating receipts   | 727,452                                    | -                                    |
| Cash paid to employees for services  | (2,105,919)                                | -                                    |
| Cash paid for goods and services   | (5,168,435)                                | (19,288,092)                         |
| Net cash provided (used) by operating activities   | <u>4,606,457</u>                           | <u>4,024,678</u>                     |
| <b>Cash Flows From Non-Capital Financing Activities:</b>   |  |                                      |
| Transfer in (out)  | <u>-</u>                                   | <u>(1,608,000)</u>                   |
| <b>Cash Flows from Capital and Related Financing Activities:</b>   |  |                                      |
| Principal payments   | (972,212)                                  | -                                    |
| Acquisition of capital assets  | (2,351,486)                                | -                                    |
| Interest expense   | (65,964)                                   | -                                    |
| Net cash provided (used) by capital and related financing activities   | <u>(3,389,662)</u>                         | <u>-</u>                             |
| <b>Cash Flows from Investing Activities:</b>   |  |                                      |
| Interest income (loss)   | <u>141,003</u>                             | <u>226,406</u>                       |
| Net increase (decrease) in cash and cash equivalents   | 1,357,798                                  | 2,643,084                            |
| <b>Cash and Cash Equivalents:</b>  |  |                                      |
| Beginning of year - July 1   | <u>11,560,430</u>                          | <u>18,060,450</u>                    |
| End of year - June 30  | <u>\$ 12,918,228</u>                       | <u>\$ 20,703,534</u>                 |
| <b>Reconciliation of Operating Income (Loss) to Net<br/>Cash Provided (Used) by Operating Activities:</b>        |  |                                      |
| Operating income (loss)  | \$ 2,969,874                               | \$ 7,959,377                         |
| <b>Adjustments to Reconcile Operating Income (Loss)<br/>to Net Cash Provided (Used) by Operating Activities:</b> |  |                                      |
| Depreciation and amortization  | 1,940,095                                  | -                                    |
| Landfill closure and post-closure care cost  | 176,992                                    | -                                    |
| <b>Changes in Assets and Liabilities:</b>  |  |                                      |
| Increase (decrease) in net pension liability   | 201,417                                    | -                                    |
| (Increase) decrease in deferred outflows of resources for pensions   | (164,960)                                  | -                                    |
| (Increase) decrease in deferred outflows of resources for OPEB   | (46,969)                                   | -                                    |
| Increase (decrease) in deferred inflows of resources for pensions  | (8,738)                                    | -                                    |
| Increase (decrease) in deferred inflows of resources for OPEB  | 11,686                                     | -                                    |
| Increase (decrease) in OPEB liability  | (23,569)                                   | -                                    |
| (Increase) decrease in accounts receivable   | (120,687)                                  | (7,639)                              |
| (Increase) decrease in inventories and prepaid expenses  | 167  | -                                    |
| Increase (decrease) in accounts payable  | (335,743)                                  | (3,927,060)                          |
| Increase (decrease) in accrued payroll and other liabilities   | <u>6,892</u>                               | <u>-</u>                             |
| Net cash provided (used) by operating activities   | <u>\$ 4,606,457</u>                        | <u>\$ 4,024,678</u>                  |

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

**GASTON COUNTY, NORTH CAROLINA****STATEMENT OF FIDUCIARY NET POSITION****FIDUCIARY FUNDS****JUNE 30, 2019**

|                               | <b>Agency<br/>Funds</b> |
|-------------------------------|-------------------------|
|                               | <hr/>                   |
| <b>Assets:</b>                |                         |
| Cash and cash equivalents     | \$ 625,130              |
| Total assets                  | <hr/> <u>\$ 625,130</u> |
| <b>Liabilities:</b>           |                         |
| Fiduciary depository accounts | \$ 625,130              |
| Total liabilities             | <hr/> <u>\$ 625,130</u> |

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

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# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 1. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

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

#### Blended Component Unit

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

#### B. Basis of Presentation

*Government-Wide Statements.* The Statement of Net Position and the Statement of Activities display information about the primary government net position. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

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

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

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

The County reports the following major governmental funds:

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

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

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

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

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Fiduciary funds include the following fund type:

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

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

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

### C. Measurement Focus and Basis of Accounting

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

*Government-Wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus, and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

# **GASTON COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Sales taxes collected and held by the state at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

# **GASTON COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

### **D. Budgetary Data**

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

Budgetary control is exercised in all funds except the agency funds. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The County Manager and/or the Finance Director may make transfers of appropriations between and within a department. The budget amounts presented in the financial statements are the final amounts budgeted as of June 30, 2019. The budget was prepared on the modified accrual basis of accounting as required by North Carolina General Statutes. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

#### **Deposits and Investments**

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

State law [G.S. 159-30(c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT).

The County's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Government Portfolio, a SEC-registered 2a-7 government money market fund, and the NCCMT Term Portfolio's securities are valued at fair value.

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### Cash and Cash Equivalents

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

### Restricted Assets

Unspent bond proceeds in the Capital Improvements Fund are classified as restricted assets because their use is restricted to the purpose for which the bonds were originally issued. Money in the Property Revaluation Fund is classified as restricted assets, because its use is restricted per North Carolina General Statute 153A-150.

#### Governmental Activities:

Capital Improvements Fund - Major:

Unspent bond proceeds \$ 64,666,621

Nonmajor other governmental funds:

Tax revaluation 239,144

Total restricted cash \$ 64,905,765

### 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, 2018.

### Allowances for Doubtful Accounts

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

|                                   | General             | Nonmajor<br>Special<br>Revenue | Solid Waste      |
|-----------------------------------|---------------------|--------------------------------|------------------|
|                                   | Fund                | Fund                           | Fund             |
| Taxes receivable                  | \$ 4,000,000        | \$ 125,000                     | \$ -             |
| Emergency Medical Services (GEMS) | 2,426,909           | -                              | -                |
| Health department                 | 39,032              | -                              | -                |
| Accounts receivable               | -                   | -                              | 10,000           |
| Total                             | <u>\$ 6,465,941</u> | <u>\$ 125,000</u>              | <u>\$ 10,000</u> |

# **GASTON COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

### **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.

### **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 County has elected not to capitalize those interest costs, which are incurred during the construction period of capital assets. 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><u>Assets</u></b>       | <b><u>Estimated<br/>Useful Lives</u></b> |
|----------------------------|--|
| Buildings and improvements | 20-30 years                              |
| Vehicles                   | 5 years                                  |
| Equipment                  | 7-15 years                               |

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

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

# **GASTON COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criteria – a deferred charge on refunding, pension and OPEB related deferrals. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criteria for this category – prepaid taxes, unavailable revenue and unavailable taxes, and pension and OPEB related deferrals.

### **Long-Term Obligations**

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

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

### **Compensated Absences**

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

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

### **Net Position/Fund Balances**

#### **Net Position**

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



# **GASTON COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

### **Non-Spendable Fund Balance**

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

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

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

### **Restricted Fund Balance**

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

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

*Restricted for Education* – portion of fund balance that can only be used for school capital per G.S. 159-18-22. The Capital Improvements Fund had \$64,666,621 in unspent bond proceeds at June 30, 2019.

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

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

## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

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

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

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

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent bond proceeds of \$64,666,621 and Register of Deeds pension plan of \$301,585 at June 30, 2019.

#### **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 capital expenditures/projects.

#### **Assigned Fund Balance**

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

*Subsequent Year's Expenditures* – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager to make certain modifications utilizing a contingency line item without requiring Board approval.

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

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

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

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

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

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

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

### **Unassigned Fund Balance**

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

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

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

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

|  |                      |
|--|----------------------|
| Total fund balance - General Fund        | \$ 55,202,897        |
| <b>Less:</b>                             |                      |
| Inventories                              | 287,843              |
| Prepays                                  | 259,486              |
| Stabilization by state statute           | 16,502,310           |
| Fund balance available for appropriation | <u>\$ 38,153,258</u> |

## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

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

|              | <b>General<br/>Fund</b> | <b>Public<br/>Assistance<br/>Fund</b> | <b>Capital<br/>Improvements<br/>Fund</b> | <b>Nonmajor<br/>Funds</b> |
|--------------|-------------------------|---------------------------------------|--|---------------------------|
| Encumbrances | <u>\$ 2,712,717</u>     | <u>\$ 83,527</u>                      | <u>\$ 28,457,868</u>                     | <u>\$ 77</u>              |

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

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

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

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

#### **H. Other Resources**

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

# **GASTON COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

### **2. Stewardship, Compliance, and Accountability**

#### **Excess of Expenditures Over Appropriations**

For the fiscal year ended June 30, 2019, the expenditures made in the General Fund exceeded the authorized appropriations made by the governing board for the Public Safety Department. The excess of expenditures occurred because of the addition of a capital lease. Management and the Board will more closely review the budget reports to ensure compliance in future years.

### **3. 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 for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral provided for the County under the Pooling Method, the potential exists for under collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County has no formal policy regarding custodial risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2019, the carrying amount of the County's deposits was \$69,035,880, and the related bank balance was \$71,485,258. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$70,985,258 in deposits were covered by collateral held under the Pooling Method. The County had \$11,075 cash on hand.

#### **B. Investments**

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

North Carolina General Statute 159-30(c) authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 Exhibit 13 53 commercial paper and banker's acceptance; and the North Carolina Capital Management Trust, a SEC-registered (2a-7) government money market fund.

At June 30, 2019, the County had the following investments and maturities:

| Investment Type                                       | Valuation<br>Measurement | Book Value            | Within<br>12 Months   | 1-3<br>Years        | Over<br>3 Years |
|---|--------------------------|-----------------------|-----------------------|---------------------|-----------------|
|   | Method                   |                       |                       |                     |                 |
| US government agencies                                | Fair Value Level 2       | \$ 3,033,321          | \$ -                  | \$ 3,033,321        | \$ -            |
| NC Capital Management Trust -<br>Term Portfolio*      | Fair Value Level 1       | 104,927,989           | 104,927,989           | -                   | -               |
| NC Capital Management Trust -<br>Government Portfolio | Fair Value Level 1       | 60,917,069            | N/A                   | N/A                 | -               |
| Total   |                          | <u>\$ 168,878,379</u> | <u>\$ 104,927,989</u> | <u>\$ 3,033,321</u> | <u>\$ -</u>     |

\*Because the NC Capital Management Trust Term Portfolio had a duration of 0.11 years, it was presented as an investment with a maturity of less than 6 months.

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

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

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

*Credit Risk.* State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2019. The County's investments in the NC Capital Management Trust Term Portfolio are unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US agencies (Federal Home Loan Bank) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

*Concentration of Credit Risk.* The County does not have a policy that places a limit on the

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

amount that the County may invest in any one issuer. More than 5% of the County's investments are in interest-bearing Federal Farm Credit Bank. These investments are 100%, respectively, of the County's total investments in U.S. government agencies.

### C. Property Tax Use-Value Assessment on Certain Lands

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

| <u>Year Levied</u> | <u>Tax</u>          | <u>Interest</u>   | <u>Total</u>        |
|--------------------|---------------------|-------------------|---------------------|
| 2016               | \$ 1,169,768        | \$ 383,145        | \$ 1,552,913        |
| 2017               | 1,178,738           | 279,984           | 1,458,722           |
| 2018               | 1,185,304           | 174,853           | 1,360,157           |
| 2019               | 1,199,376           | 68,973            | 1,268,349           |
| Total              | <u>\$ 4,733,186</u> | <u>\$ 906,955</u> | <u>\$ 5,640,141</u> |

### D. Accounts Receivable

Accounts receivable at the government-wide level at June 30, 2019 were as follows:

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |
|--|------------------------------------|-------------------------------------|
| Emergency Medical Services (GEMS), net           | \$ 3,677,404                       | \$ -                                |
| Landfill fees, net                               | -                                  | 1,157,195                           |
| Health department fees, net                      | 183,391                            | -                                   |
| Accrued sales tax distribution                   | 3,343,925                          | -                                   |
| Due from other governments, public assistance    | 2,926,548                          | -                                   |
| Due from other governments, capital improvement  | 7,191,493                          | -                                   |
| Due from other governments, Special Revenue Fund | 305,593                            | -                                   |
| Internal Service Fund                            | 9,769                              | -                                   |
| Sales tax paid                                   | 1,046,115                          | -                                   |
| Other  | 8,478,275                          | -                                   |
| Accounts receivable                              | <u>\$ 27,162,513</u>               | <u>\$ 1,157,195</u>                 |

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### E. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

|  | <u>Balance</u><br><u>July 1, 2018</u> | <u>Increases</u>    | <u>Decreases</u>      | <u>Transfers</u>   | <u>Balance</u><br><u>June 30, 2019</u> |
|--|---------------------------------------|---------------------|-----------------------|--------------------|--|
| <b>Governmental Activities:</b>        |                                       |                     |                       |                    |  |
| <b>Non-Depreciable Capital Assets:</b> |                                       |                     |                       |                    |  |
| Land                                   | \$ 19,713,831                         | \$ 8,844,205        | \$ -                  | \$ (3,108,107)     | \$ 25,449,929                          |
| Construction in progress               | <u>5,115,940</u>                      | <u>5,543,166</u>    | <u>-</u>              | <u>(1,024,709)</u> | <u>9,634,397</u>                       |
| Total non-depreciable capital assets   | <u>24,829,771</u>                     | <u>14,387,371</u>   | <u>-</u>              | <u>(4,132,816)</u> | <u>35,084,326</u>                      |
| <b>Depreciable Capital Assets:</b>     |                                       |                     |                       |                    |  |
| Buildings and improvements             | 129,078,847                           | 116,398             | -                     | 3,450,503          | 132,645,748                            |
| Equipment                              | 20,503,269                            | 244,142             | -                     | 682,313            | 21,429,724                             |
| Vehicles and motorized equipment       | <u>20,114,401</u>                     | <u>3,670,034</u>    | <u>(1,336,727)</u>    | <u>-</u>           | <u>22,447,708</u>                      |
| Total depreciable capital assets       | <u>169,696,517</u>                    | <u>4,030,574</u>    | <u>(1,336,727)</u>    | <u>4,132,816</u>   | <u>176,523,180</u>                     |
| <b>Less Accumulated Depreciation:</b>  |                                       |                     |                       |                    |  |
| Buildings and improvements             | 66,383,631                            | 3,529,184           | -                     | -                  | 69,912,815                             |
| Equipment                              | 17,599,219                            | 1,041,932           | -                     | -                  | 18,641,151                             |
| Vehicles and motorized equipment       | <u>14,465,615</u>                     | <u>2,206,719</u>    | <u>(1,289,718)</u>    | <u>-</u>           | <u>15,382,616</u>                      |
| Total accumulated depreciation         | <u>98,448,465</u>                     | <u>\$ 6,777,835</u> | <u>\$ (1,289,718)</u> | <u>\$ -</u>        | <u>103,936,582</u>                     |
| Total depreciable capital assets, net  | <u>71,248,052</u>                     |                     |                       |                    | <u>72,586,598</u>                      |
| Governmental activities                |                                       |                     |                       |                    |  |
| capital assets, net                    | <u>\$ 96,077,823</u>                  |                     |                       |                    | <u>\$ 107,670,924</u>                  |

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

|                                   |                     |
|-----------------------------------|---------------------|
| General government                | \$ 2,337,734        |
| Public safety                     | 2,928,110           |
| Economic and physical development | 116,535             |
| Human services                    | 850,671             |
| Cultural and recreational         | <u>544,785</u>      |
| Total depreciation expense        | <u>\$ 6,777,835</u> |



# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

|   | Balance<br>July 1, 2018 | Increases           | Decreases   | Transfers          | Balance<br>June 30, 2019 |
|---|-------------------------|---------------------|-------------|--------------------|--------------------------|
| <b>Business-Type Activities:</b>                |                         |                     |             |                    |                          |
| <b>Non-Depreciable Capital Assets:</b>          |                         |                     |             |                    |                          |
| Land  | \$ 1,655,959            | \$ 1,353,576        | \$ -        | \$ -               | \$ 3,009,535             |
| Construction in progress                        | 4,547,130               | 81,311              | -           | (3,910,279)        | 718,162                  |
| Total non-depreciable capital assets            | <u>6,203,089</u>        | <u>1,434,887</u>    | <u>-</u>    | <u>(3,910,279)</u> | <u>3,727,697</u>         |
| <b>Depreciable Capital Assets:</b>              |                         |                     |             |                    |                          |
| Buildings and improvements                      | 27,173,408              | -                   | -           | 3,910,279          | 31,083,687               |
| Equipment                                       | 2,654,326               | 453,465             | -           | -                  | 3,107,791                |
| Vehicles and motorized equipment                | 6,858,127               | 463,134             | -           | -                  | 7,321,261                |
| Total depreciable capital assets                | <u>36,685,861</u>       | <u>916,599</u>      | <u>-</u>    | <u>3,910,279</u>   | <u>41,512,739</u>        |
| <b>Less Accumulated Depreciation:</b>           |                         |                     |             |                    |                          |
| Buildings and improvements                      | 11,423,598              | 1,311,408           | -           | -                  | 12,735,006               |
| Equipment                                       | 987,346                 | 242,747             | -           | -                  | 1,230,093                |
| Vehicles and motorized equipment                | 6,249,627               | 385,940             | -           | -                  | 6,635,567                |
| Total accumulated depreciation                  | <u>18,660,571</u>       | <u>\$ 1,940,095</u> | <u>\$ -</u> | <u>\$ -</u>        | <u>20,600,666</u>        |
| Total depreciable capital assets, net           | <u>18,025,290</u>       |                     |             |                    | <u>20,912,073</u>        |
| Business-type activities<br>capital assets, net | <u>\$ 24,228,379</u>    |                     |             |                    | <u>\$ 24,639,770</u>     |

### Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2019 is composed of the following elements:

|   | Governmental<br>Activities | Business-Type<br>Activities |
|---|----------------------------|-----------------------------|
| Capital assets  | \$ 107,670,924             | \$ 24,639,770               |
| Less:   |                            |                             |
| Long-term debt  | (288,906,316)              | (1,294,722)                 |
| Add:  |                            |                             |
| Debt related to assets not owned by the County                          | 218,818,310                | -                           |
| Unspent debt proceeds related to debt for assets<br>owned by the County | 29,717,193                 | -                           |
| Total   | <u>(40,370,813)</u>        | <u>(1,294,722)</u>          |
| Net investment in capital assets  | <u>\$ 67,300,111</u>       | <u>\$ 23,345,048</u>        |

\*Deferred charges related to debt refunding for education are not included in the calculation of governmental Net Investment in Capital Assets.

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### Construction Commitments

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

| <u>Project</u>                 | <u>Remaining<br/>Commitment</u> |
|--------------------------------|---------------------------------|
| ADA Compliance                 | \$ 557,978                      |
| New Animal Control Facility    | 3,203,082                       |
| CMAQ: Neal Hawkins Sidewalk    | 1,860,578                       |
| Dallas Park CMAQ Trail         | 648,654                         |
| Dallas Park Expansion          | 711,804                         |
| DSS/Courthouse/Jail HVAC       | 2,500                           |
| ERP System                     | 94,559                          |
| Facility Master Plan           | 168,124                         |
| Jail Infill/Expansion          | 10,008,215                      |
| Lowell-Poston Park Sidewalk    | 417,974                         |
| Parking Lot Improvements       | 1,480,847                       |
| Poston Park Trails/Parks       | 107,238                         |
| Apple Creek Business Park      | 8,495,074                       |
| Public Infrastructure Gt:Tosaf | 418,750                         |
| Rankin Lake to GTP Trail       | 946,847                         |
| Total                          | <u><u>\$ 29,122,224</u></u>     |

### F. Payables

Payables at the government-wide level at June 30, 2019 were as follows:

|                                  | <u>Vendors</u>             | <u>Accrued<br/>Expenses</u> | <u>Total</u>                |
|----------------------------------|----------------------------|-----------------------------|-----------------------------|
| <b>Governmental Activities:</b>  |                            |                             |                             |
| General                          | \$ -                       | \$ 7,915,975                | \$ 7,915,975                |
| Public assistance                | -                          | 1,482,409                   | 1,482,409                   |
| Capital improvement              | 4,977,301                  | -                           | 4,977,301                   |
| Nonmajor special revenue         | -                          | 227,293                     | 227,293                     |
| Internal Service Fund            | <u>3,551,477</u>           | <u>-</u>                    | <u>3,551,477</u>            |
| Total governmental activities    | <u><u>\$ 8,528,778</u></u> | <u><u>\$ 9,625,677</u></u>  | <u><u>\$ 18,154,455</u></u> |
| <b>Business-Type Activities:</b> |                            |                             |                             |
| Solid waste                      | <u><u>\$ -</u></u>         | <u><u>\$ 548,034</u></u>    | <u><u>\$ 548,034</u></u>    |

## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

#### **G. Closure and Post-Closure Costs**

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

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

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

The County’s current landfill cell and the one closed in December 1997 are subject to the new regulations. Although closure and post-closure care costs will be paid only near or after the date that the individual landfill cells stop accepting waste, a portion of these closure and post-closure care costs are reported as a liability within the Proprietary Fund based on County landfill used as of each balance sheet date. The closure and post-closure care costs accrued at June 30, 2019 amount to \$10,942,667. This estimated amount is based on what it would cost to perform all closure and post-closure care costs in 2019. 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, 2019.

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### H. Deferred Inflows of Resources

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Charge on refunding of debt  | \$ 7,931,632                                  | \$ -   |
| Pensions - difference between expected and actual experience   | 4,983,457                                     | 142,862                                      |
| Pensions - difference between projected and actual investment earnings   | 3,651,552                                     | -  |
| Pensions - change in proportion and difference between employer contributions and proportionate share of contributions | 467,793                                       | 172,766                                      |
| Pensions - change of assumptions   | 7,423,634                                     | 471,965                                      |
| Contributions to pension plan  | 6,162,113                                     | -  |
| Benefit payments and administration costs paid subsequent to the measurement date (LEOSSA)                             | 771,535                                       | -  |
| OPEB - difference between expected and actual experience   | 814,111                                       | 329,289                                      |
| OPEB - change of assumptions   | -   | 4,392,840                                    |
| Benefit payments and plan administrative expense made subsequent to the measurement date                               | 4,744,065                                     | -  |
| Prepaid taxes not yet earned (General Fund)  | -   | 753,224                                      |
| Taxes receivable, net (General Fund)   | -   | 1,100,032                                    |
| Taxes receivable, net (Special Revenue Fund)   | -   | 81,734                                       |
| Health department receivable, net (General Fund)   | -   | 183,391                                      |
| Other (General Fund)   | -   | 721,883                                      |
| Total  | <u>\$ 36,949,892</u>                          | <u>\$ 8,349,986</u>                          |

### I. Long-Term Obligations

#### Capital Leases

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

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, the County leased vehicles and equipment as follows:

### Governmental Activities:

| <u>Classes of Property</u> | <u>Cost</u>          | <u>Accumulated<br/>Depreciation</u> | <u>Net Book<br/>Value</u> |
|----------------------------|----------------------|-------------------------------------|---------------------------|
| Equipment                  | \$ 13,613,328        | \$ -                                | \$ 13,613,328             |
| Vehicles                   | 5,289,929            | 1,176,362                           | 4,113,567                 |
| Total                      | <u>\$ 18,903,257</u> | <u>\$ 1,176,362</u>                 | <u>\$ 17,726,895</u>      |

### Business-Type Activities:

| <u>Classes of Property</u> | <u>Cost</u>         | <u>Accumulated<br/>Depreciation</u> | <u>Net Book<br/>Value</u> |
|----------------------------|---------------------|-------------------------------------|---------------------------|
| Equipment                  | \$ 724,396          | \$ 361,292                          | \$ 363,104                |
| Vehicles                   | 366,871             | 41,989                              | 324,882                   |
| Total                      | <u>\$ 1,091,267</u> | <u>\$ 403,281</u>                   | <u>\$ 687,986</u>         |

For the County, the future minimum lease payments as of June 30, 2019 were as follows:

### Governmental Activities:

| <u>Year Ending<br/>June 30</u> | <u>Principal</u>     | <u>Interest</u>     |
|--------------------------------|----------------------|---------------------|
| 2020                           | \$ 4,897,725         | \$ 594,147          |
| 2021                           | 3,970,333            | 449,024             |
| 2022                           | 3,300,966            | 325,466             |
| 2023                           | 2,817,680            | 215,932             |
| 2024                           | 2,940,496            | 93,116              |
| Total                          | <u>\$ 17,927,200</u> | <u>\$ 1,677,685</u> |

### Business-Type Activities:

| <u>Year Ending<br/>June 30</u> | <u>Principal</u>  | <u>Interest</u> |
|--------------------------------|-------------------|-----------------|
| 2020                           | \$ 205,146        | \$ 4,525        |
| 2021                           | 78,858            | 695             |
| Total                          | <u>\$ 284,004</u> | <u>\$ 5,220</u> |

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### Installment Purchase Obligations

#### Business-Type Activities:

3.77% note, payable in annual installments ranging from \$35,806 to \$353,919, including interest; final payment due in 2020; secured by electric facility issued June 2010 \$ 1,010,718

The County's outstanding note from direct placements related to business-type activities of \$1,010,718 secured by the execution and delivery of a deed of trust granting, among other things, a lien of record on the mortgaged property subject to permitted encumbrances. It is also secured by a Debt Service Reserve Fund. The proceeds were used for the construction of an electric facility at the Renewable Energy Center. The County has the option of prepaying the outstanding principal of the loan in whole on any installment payment date after June 2, 2015 at a prepayment price equal to 100% of the principal balance plus a prepayment fee equal to 1% of the amount prepaid multiplied by the number of years or fraction thereof remaining under the term of the contract. Written notice must be given to the lender no less than ten days prior to prepayment being made. In the event the County fails to make any installment payment, the County will be given a reasonable period of time to correct the default as long as the County diligently works to correct the default.

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.

For the County, the future minimum payments for all installment purchase obligations as of June 30, 2019 are as follows:

#### Business-Type Activities:

| <u>Year Ending<br/>June 30</u> | <u>Principal</u>    | <u>Interest</u>  | <u>Total</u>        |
|--------------------------------|---------------------|------------------|---------------------|
| 2020                           | \$ 669,647          | \$ 31,884        | \$ 701,531          |
| 2021                           | <u>341,071</u>      | <u>6,424</u>     | <u>347,495</u>      |
| Total                          | <u>\$ 1,010,718</u> | <u>\$ 38,308</u> | <u>\$ 1,049,026</u> |

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 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.

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

Principal due in annual installments through February 1, 2036.

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

\$ 42,515,000

#### **\$58,855,000 2013 Refunding Bonds:**

Principal due in annual installments through March 1, 2028.

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

44,815,000

#### **\$12,295,000 General Obligation Refunding Bonds, Series 2009C:**

Principal due in annual installments through June 1, 2020.

Installments range from \$295,000 to \$2,710,000. Interest payable semi-annually (June and December) ranges from 2.0% to 3.5% issued August 2009.

1,525,000

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

Principal due in annual installments through March 1, 2022.

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

6,808,000

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

Principal due in annual installments through August 1, 2027.

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

5,400,000

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

Principal due in annual installments through February 1, 2029.

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

59,067,000

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

Principal due in annual installments through August 1, 2028.

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

60,000,000

Total

\$ 220,130,000

## GASTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

| <b>Year Ending</b> |                       |                      |                       |  |
|--------------------|-----------------------|----------------------|-----------------------|--|
| <b>June 30</b>     | <b>Principal</b>      | <b>Interest</b>      | <b>Total</b>          |  |
| 2020               | \$ 16,739,000         | \$ 8,339,416         | \$ 25,078,416         |  |
| 2021               | 15,922,000            | 7,104,503            | 23,026,503            |  |
| 2022               | 16,012,000            | 6,424,725            | 22,436,725            |  |
| 2023               | 17,057,000            | 5,742,172            | 22,799,172            |  |
| 2024               | 16,972,000            | 5,090,022            | 22,062,022            |  |
| 2025-2029          | 77,720,000            | 16,260,659           | 93,980,659            |  |
| 2030-2034          | 27,500,000            | 6,491,250            | 33,991,250            |  |
| 2035-2036          | 20,000,000            | 1,725,000            | 21,725,000            |  |
| Total              | <u>\$ 207,922,000</u> | <u>\$ 57,177,747</u> | <u>\$ 265,099,747</u> |  |

The County's outstanding note from direct placements related to governmental activities of \$6,808,000 is secured by a pledge of faith and credit and taxing power of the County. The County is authorized and required by law to levy on all property taxable by the County such as ad valorem taxes, without limitation as to rate or amount, as may be necessary to pay the obligation and the interest thereon. It is also secured by a Debt Service Reserve Fund. The County may redeem prior to maturity, in whole or in part at its option at any time, the installments of principal of the bonds. Written notice of the early redemption must be given to the Bond Registrar and to the registered owner no less than thirty days prior to the prepayment. The prepayment would include the amount of principal to be redeemed, accrued interest and a minimum redemption premium of one-half percent (0.5%) of the amount redeemed. (See the note regarding the authority of the Local Government Commission in the event of payment defaults.)

The County's outstanding note from direct placements related to governmental activities of \$5,400,000 is secured by a pledge of faith and credit and taxing power of the County. The County is authorized and required by law to levy on all property taxable by the County such as ad valorem taxes, without limitation as to rate or amount, as may be necessary to pay the obligation and the interest thereon. It is also secured by a Debt Service Reserve Fund. The County may redeem prior to maturity, in whole but not in part on any date, at a redemption price of 100.50% of the total principal installments of the bonds plus accrued interest if redeemed prior to September 22, 2020 and a redemption price of 100% of the total principal installments of the bonds plus accrued interest if redeemed after September 22, 2020. The County must give written notice of the early redemption to the Bond Registrar no less than thirty days prior to the prepayment. In the event the County fails to pay any principal or interest payment when due, the interest rate on the bonds will increase by 3% until the payment default is corrected. (See the note below regarding the authority of the Local Government Commission in the event of payment defaults.)



## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

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

| <b>Year Ending</b> |                      |                   |                      |
|--------------------|----------------------|-------------------|----------------------|
| <b>June 30</b>     | <b>Principal</b>     | <b>Interest</b>   | <b>Total</b>         |
| 2020               | \$ 2,980,000         | \$ 244,775        | \$ 3,224,775         |
| 2021               | 2,936,000            | 184,081           | 3,120,081            |
| 2022               | 2,692,000            | 124,275           | 2,816,275            |
| 2023               | 600,000              | 69,399            | 669,399              |
| 2024               | 600,000              | 56,781            | 656,781              |
| 2025-2029          | 2,400,000            | 100,944           | 2,500,944            |
| Total              | <u>\$ 12,208,000</u> | <u>\$ 780,255</u> | <u>\$ 12,988,255</u> |

#### **Limited Obligation Bonds**

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

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

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

The City's limited obligation bonds payable at June 30, 2019 are comprised of the following individual issues:

- Series 2019A Limited Obligation Bonds, \$18,230,000
- Series 2019B Limited Obligation Bonds, \$8,555,000

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### Governmental Activities – Limited Obligation Bonds:

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

Principal due in annual installments through April 1, 2029.

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

\$ 18,230,000

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

Principal due in annual installments through April 1, 2039.

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

8,555,000

Total

\$ 26,785,000

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

| <b>Year Ending</b> |                      |                      |                      |  |
|--------------------|----------------------|----------------------|----------------------|--|
| <b>June 30</b>     | <b>Principal</b>     | <b>Interest</b>      | <b>Total</b>         |  |
| 2020               | \$ 1,495,000         | \$ 1,003,360         | \$ 2,498,360         |  |
| 2021               | 1,595,000            | 1,024,102            | 2,619,102            |  |
| 2022               | 1,595,000            | 972,666              | 2,567,666            |  |
| 2023               | 1,595,000            | 920,867              | 2,515,867            |  |
| 2024               | 1,595,000            | 868,463              | 2,463,463            |  |
| 2025-2029          | 6,820,000            | 3,510,210            | 10,330,210           |  |
| 2030-2034          | 6,050,000            | 2,055,500            | 8,105,500            |  |
| 2035-2036          | 6,040,000            | 615,750              | 6,655,750            |  |
| Total              | <u>\$ 26,785,000</u> | <u>\$ 10,970,918</u> | <u>\$ 37,755,918</u> |  |

### Revolving Loan Payables

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

## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019 was \$4,759,410. Principal and interest requirements will be provided by appropriation in the year that they become due. The long-term debt is recorded in the General Fund. The County's outstanding note from direct borrowings related to governmental-type activities of \$4,759,410 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.

| <b>Year Ending<br/>June 30</b> | <b>Governmental Activities</b> |                   |                     |
|--------------------------------|--------------------------------|-------------------|---------------------|
|                                | <b>Principal</b>               | <b>Interest</b>   | <b>Total</b>        |
| 2020                           | \$ 366,108                     | \$ 116,844        | \$ 482,952          |
| 2021                           | 366,108                        | 107,856           | 473,964             |
| 2022                           | 366,108                        | 98,868            | 464,976             |
| 2023                           | 366,108                        | 89,980            | 456,088             |
| 2024                           | 366,108                        | 80,892            | 447,000             |
| 2025-2029                      | 1,830,546                      | 269,540           | 2,100,086           |
| 2030-2032                      | 1,098,324                      | 53,928            | 1,152,252           |
| Total                          | <u>\$ 4,759,410</u>            | <u>\$ 817,908</u> | <u>\$ 5,577,318</u> |

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 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, 2019:

|   | Balance<br>July 1, 2018 | Increases             | Decreases              | Balance<br>June 30, 2019 | Current<br>Portion   |
|---|-------------------------|-----------------------|------------------------|--------------------------|----------------------|
| <b>Governmental Activities:</b>             |                         |                       |                        |                          |                      |
| General obligation bonds                    | \$ 163,687,000          | \$ 60,000,000         | \$ (15,765,000)        | \$ 207,922,000           | \$ 19,719,000        |
| General obligation bonds - direct placement | 12,887,000              | -                     | (679,000)              | 12,208,000               |                      |
| Premium                                     | 11,872,005              | 8,506,758             | (1,074,057)            | 19,304,706               | 1,074,057            |
| Limited Obligation Bonds                    | -                       | 26,785,000            | -                      | 26,785,000               | 1,495,000            |
| Capitalized leases of equipment             | 4,641,266               | 15,886,553            | (2,600,619)            | 17,927,200               | 4,897,725            |
| State revolving loan - direct borrowing     | 5,125,518               | -                     | (366,108)              | 4,759,410                | 366,108              |
| Compensated absences                        | 6,161,462               | 6,408,585             | (6,161,462)            | 6,408,585                | 1,602,146            |
| Total OPEB liability                        | 76,305,879              | -                     | (1,270,725)            | 75,035,154               | -                    |
| Net pension liability (LGERS)               | 16,036,914              | 9,869,444             | -                      | 25,906,358               | -                    |
| Total pension liability (LEOSSA)            | 11,847,267              | 464,939               | -                      | 12,312,206               | -                    |
| Total governmental activities               | <u>\$ 308,564,311</u>   | <u>\$ 127,921,279</u> | <u>\$ (27,916,971)</u> | <u>\$ 408,568,619</u>    | <u>\$ 29,154,036</u> |
| <b>Business-Type Activities:</b>            |                         |                       |                        |                          |                      |
| Installment purchases - direct placement    | \$ 1,655,833            | \$ -                  | \$ (645,115)           | \$ 1,010,718             | \$ 669,647           |
| Compensated absences                        | 148,624                 | 155,516               | (148,624)              | 155,516                  | 38,879               |
| Net pension liability (LGERS)               | 342,415                 | 201,417               | -                      | 543,832                  | -                    |
| Total OPEB liability                        | 1,409,343               | -                     | (23,569)               | 1,385,774                | -                    |
| Landfill closure and<br>post-closure costs  | 10,765,675              | 176,992               | -                      | 10,942,667               | 875,413              |
| Capitalized leases of equipment             | 611,101                 | -                     | (327,097)              | 284,004                  | 205,146              |
| Total business-type activities              | <u>\$ 14,932,991</u>    | <u>\$ 533,925</u>     | <u>\$ (1,144,405)</u>  | <u>\$ 14,322,511</u>     | <u>\$ 1,789,085</u>  |

Compensated absences, OPEB liability, and pension liabilities of the governmental activities are generally liquidated by the General Fund. At June 30, 2019, Gaston County had a legal debt margin of approximately \$1,106,000,000.

# **GASTON COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

### **Debt Related to Capital Activities**

Of the total governmental activities debt listed, only \$70,088,006 relates to assets the County holds title. There is \$29,717,193 in unspent restricted cash related to this debt.

### **Bond Refunding**

On May 24, 2016, the County issued \$5,020,000 of general obligation refunding bonds to provide resources to refund all or a portion of the County's outstanding general obligation school bonds, Series 2006 and the general obligation community college bonds, Series 2007 in the amounts of \$1,750,000 and \$3,400,000, respectively. A portion of the proceeds will be used to purchase the Restricted Escrow Fund Securities and to provide the cash that will be placed in an irrevocable escrow account to refund the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$158,094. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next three years and resulted in an economic gain of \$192,566.

On December 15, 2017, the County issued \$59,182,000 of general obligation refunding bonds to be used for debt service payments of \$58,981,923 of general obligation bonds. As a result, the refunded bonds are considered to be decreased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$200,077. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next 7 years and resulted in an economic gain of \$426,270.

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### J. Interfund Balances and Activity

The composition of interfund transfers during the year ended June 30, 2019 is as follows:

| From                | To                        | Purpose  | Amount               |
|---------------------|---------------------------|--|----------------------|
| General Fund        | Public Assistance Fund    | County amount transferred to balance budget for FY19 for various expenditures.   | \$ 18,068,357        |
| General Fund        | Public Assistance Fund    | Vehicles (FY 2018 Vehicle Lease Purchase Financing)  | 26,756               |
| General Fund        | Revaluation Fund          | County amount transferred to balance budget for FY19 for various expenditures.   | 210,000              |
| General Fund        | Debt Service Fund         | To fund all non-school debt service payments   | 4,947,406            |
| General Fund        | Debt Service: Schools     | To fund all school debt service payments   | 16,434,079           |
| General Fund        | Capital Improvements Fund | County amount transferred to balance budget for FY19 for various expenditures.   | 2,074,219            |
| Self Insurance Fund | General Fund              | Transfer to cover a portion of estimated group health insurance expenses for FY19.   | 1,608,000            |
| General Fund        | Capital Improvements Fund | County's share of an interlocal agreement with the City of Gastonia and City of Bessemer City. Grant application to fund a water interconnection between the City of Gastonia and the City of Bessemer City. | 158,333              |
| General Fund        | Emergency Telephone Fund  | Expenditures disallowed by the state 911 board for FY17.   | 32,718               |
| General Fund        | Emergency Telephone Fund  | Expenditures disallowed by the state 911 board for FY18.   | <u>57,431</u>        |
| Total               |                           |  | <u>\$ 43,617,299</u> |

### 4. 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 \$1,000,000 for any location in Flood Zone A and \$25,000,000 for any location in any other flood zone (other than Coastal flood zones).

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

## GASTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

| <b>Risk Management Claims</b>           |                           |                     |
|---|---------------------------|---------------------|
|   | <b>Year Ended June 30</b> |                     |
|   | <b>2019</b>               | <b>2018</b>         |
| Unpaid claims, beginning of fiscal year | \$ 2,701,003              | \$ 2,580,485        |
| Incurred claims (including IBNRs)       | 16,054,155                | 15,273,671          |
| Claim payments                          | <u>(15,203,681)</u>       | <u>(15,153,153)</u> |
| Unpaid claims, end of fiscal year       | <u>\$ 3,551,477</u>       | <u>\$ 2,701,003</u> |

#### B. Joint Ventures

The County, in conjunction with Lincoln County and Cleveland County, participates in the Gaston/Lincoln/Cleveland Area Mental Health/Developmental Disabilities/Substance Abuse Authority - d/b/a "Partners Behavioral" (the "Authority"). 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, nine from Gaston County, four from Lincoln County, and five from Cleveland County, making a total of 21 Board members. The Authority provides a variety of services to citizens of the three counties, including individual and group out-patient psychiatric services for adults and adolescents, case management services, a community support program for formerly institutionalized persons adjusting to a return to the community, a 24-hour crisis service, and a full range of mental retardation services for citizens of all ages. The County has an ongoing financial responsibility to the Authority to supplement the federal and state funds, which comprise the bulk of its budget. For the fiscal year ended June 30, 2019, the County contributed \$884,300 to the Authority, which represented approximately 0.27% of its total budget. The County does not have an equity interest in the Authority; therefore, no equity interest has been reflected in the financial statements. Complete financial statements for the Authority may be obtained from its administrative offices at 2505 Court Drive, Gastonia, North Carolina 28054.

The County participates with the State of North Carolina and the Gaston County Board of Education 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

## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

variety of academic disciplines, often in conjunction with local industry. Each of the three participants appoints four members of the 13-member Board of Trustees of the College. 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, 2019 were \$5,107,079 and \$695,823, 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, 2019. Complete financial statements for the College may be obtained at its administrative offices at 201 Highway 321 South, Dallas, North Carolina 28034.

The County, in conjunction with Mecklenburg County, North Carolina, and York County, South Carolina, participates in the Lake Wylie Marine Commission (the "LWMC"). The LWMC was established by the 1987 session of the North Carolina General Assembly, Chapter 683 as amended by Chapter 897, and the 1987 session of the South Carolina General Assembly, Act 176 as amended by Act 769, for the purpose of preserving and protecting property and wildlife and promoting public safety in, on, and around Lake Wylie. The counties that fall within the jurisdiction of the LWMC appoint its Board members. Gaston County appoints three members, Mecklenburg County appoints two members, and York County appoints two members. The primary sources of revenue for the LWMC are the member assessments in equal amounts of \$25,000 for each of the three counties for the fiscal year ended June 30, 2019. The County has no equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2019. Complete financial statements for the Lake Wylie Marine Commission are available from the Centralina Council of Governments, 1300 Baxter Street, Suite 450, PO Box 35008, Charlotte, North Carolina 28235, which performs general and administrative services for the LWMC under an administrative services contract.

#### **C. Related Organizations**

The County Board of Commissioners appoints 13 of the 14 members of the Board of Directors of 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.



# **GASTON COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

### **D. Other Employment Benefits**

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

### **E. Pension Plan Obligations**

#### **Local Governmental Employees' Retirement System**

*Plan Description.* The County is a participating employer in the state-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The LGERS is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service

## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.75% 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 \$6,049,796 for the year ended June 30, 2019.

*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, 2019, the County reported a liability of \$26,450,190 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018, 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, 2019, the County's proportion was 1.115%, measured as of June 30, 2018, which was a decrease of 0.043% from its proportion measured as of June 30, 2017.

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

For the year ended June 30, 2019, the County recognized pension expense of \$7,435,771. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience   | \$ 4,080,636                                  | \$ 136,926                                   |
| Changes of assumptions   | 7,018,859                                     | -  |
| Net difference between projected and actual earnings<br>on pension plan investments                            | 3,630,824                                     | -  |
| Changes in proportion and differences between County<br>contributions and proportionate share of contributions | 430,627                                       | 172,766                                      |
| County's contributions subsequent to the measurement date  | <u>6,049,796</u>                              | <u>-</u>                                     |
| Total  | <u><u>\$ 21,210,742</u></u>                   | <u><u>\$ 309,692</u></u>                     |

\$6,049,796 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, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ending</b> |                             |
|--------------------|-----------------------------|
| <b>June 30</b>     | <b>Total</b>                |
| 2020               | \$ 7,090,255                |
| 2021               | 4,667,198                   |
| 2022               | 888,759                     |
| 2023               | 2,205,042                   |
| 2024               | <u>-</u>                    |
| Total              | <u><u>\$ 14,851,254</u></u> |

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 3.0 percent  |
| Salary increases          | 3.50 to 8.10 percent, including inflation and productivity factor<br>productivity factor |
| Investment rate of return | 7.00 percent, net of pension plan investment expense, including inflation                |

## GASTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

## GASTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

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

|  | <b>1%<br/>Decrease<br/>(6.00%)</b> | <b>Discount<br/>Rate<br/>(7.00%)</b> | <b>1%<br/>Increase<br/>(8.00%)</b> |
|--|------------------------------------|--------------------------------------|------------------------------------|
| County's proportionate share of the<br>net pension liability (asset) | <u>\$ 63,535,648</u>               | <u>\$ 26,450,190</u>                 | <u>\$ (4,538,999)</u>              |

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

#### **Law Enforcement Officers' Special Separation Allowance**

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

## GASTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The Separation Allowance covers all full-time law enforcement officers of the County. At December 31, 2017, the Separation Allowance's membership consisted of:

| <b>Law Enforcement Officers'<br/>Special Separation Allowance</b> |                   |
|---|-------------------|
| Retirees receiving benefits                                       | 48                |
| Active plan members   | <u>233</u>        |
| Total   | <u><u>281</u></u> |

A separate report was not issued for the plan.

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

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

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

*Actuarial Assumptions.* The entry age normal actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                            |   |
|----------------------------|---|
| Inflation                  | 2.50 percent  |
| Projected salary increases | 3.50 to 7.35 percent, including inflation and productivity factor |
| Discount rate              | 3.64 percent  |

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

Mortality rates are based on the following:

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

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

## GASTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

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

*Contributions.* The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$799,138 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, 2019, the County reported a total pension liability of \$12,312,206. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$1,001,992. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|--|--|---|
| Benefit payments and administrative costs subsequent to measurement date | \$ 771,535   | \$ -  |
| Difference between expected and actual experience                        | 901,675  | -   |
| Changes of assumptions and other inputs                                  | 398,659  | 471,965   |
| Total  | <u>\$ 2,071,869</u>                                  | <u>\$ 471,965</u>                                   |

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

\$771,535 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ending<br/>June 30</b> | <b>Total</b>      |
|--------------------------------|-------------------|
| 2020                           | \$ 217,422        |
| 2021                           | 217,422           |
| 2022                           | 226,729           |
| 2023                           | 145,642           |
| 2024                           | 21,154            |
| Total                          | <u>\$ 828,369</u> |

*Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate.* The following presents the County's total pension liability calculated using the discount rate of 3.64%, 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 (2.64%) or 1-percentage-point higher (4.64%) than the current rate:

|                         | <b>1%<br/>Decrease<br/>(2.64%)</b> | <b>Discount<br/>Rate<br/>(3.64%)</b> | <b>1%<br/>Increase<br/>(4.64%)</b> |
|-------------------------|------------------------------------|--------------------------------------|------------------------------------|
| Total pension liability | <u>\$ 13,244,173</u>               | <u>\$ 12,312,206</u>                 | <u>\$ 11,452,390</u>               |

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

|   |                      |
|---|----------------------|
| Beginning balance                                 | <u>\$ 11,847,267</u> |
| Service cost                                      | 421,381              |
| Interest on the total pension liability           | 361,747              |
| Difference between expected and actual experience | 919,101              |
| Changes of assumptions and other inputs           | (438,152)            |
| Benefit payments made                             | <u>(799,138)</u>     |
| Net change in total pension liability             | 464,939              |
| Ending balance of the total pension liability     | <u>\$ 12,312,206</u> |



## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

*Changes of Assumptions.* Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 3.16% at December 31, 2017 to 3.64% at December 31, 2018.

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

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2014.

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

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

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2019 were \$1,573,401, which consisted of \$747,404 from the County and \$825,997 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 contribution plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county Register of Deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the state House of Representatives, and the State

## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

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

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contributions this and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$112,317 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$130,048 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuations as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the County's proportion as 0.785%, which was a decrease of .067% from its proportion measured as of June 30, 2017.

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

For the year ended June 30, 2019, the County recognized pension expense of \$67,350. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience   | \$ 1,146                                      | \$ 5,936                                     |
| Changes of assumptions   | 6,116   | -  |
| Net difference between projected and actual earnings<br>on pension plan investments                            | 20,728  | -  |
| Changes in proportion and differences between County<br>contributions and proportionate share of contributions | 37,166  | -  |
| County's contributions subsequent to the measurement date  | <u>112,317</u>                                | <u>-</u>                                     |
| Total  | <u><u>\$ 177,473</u></u>                      | <u><u>\$ 5,936</u></u>                       |

\$112,317 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, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ending</b> |                         |
|--------------------|-------------------------|
| <b>June 30</b>     | <b>Total</b>            |
| 2020               | \$ 43,488               |
| 2021               | 6,404                   |
| 2022               | 6,109                   |
| 2023               | 3,219                   |
| 2024               | <u>-</u>                |
| Total              | <u><u>\$ 59,220</u></u> |

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2018 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

|  | <b>1%<br/>Decrease<br/>(2.75%)</b> | <b>Discount<br/>Rate<br/>(3.75%)</b> | <b>1%<br/>Increase<br/>(4.75%)</b> |
|--|------------------------------------|--------------------------------------|------------------------------------|
| County's proportionate share of the<br>net pension liability (asset) | <u>\$ (102,535)</u>                | <u>\$ (130,048)</u>                  | <u>\$ (153,249)</u>                |

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2018, with an actuarial valuation date of December 31, 2017. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

|  | <b><u>LGERS</u></b> | <b><u>LEOSSA</u></b> | <b><u>ROD</u></b> | <b><u>Total</u></b> |
|--|---------------------|----------------------|-------------------|---------------------|
| Proportionate share of net pension liability (asset) | \$ 26,450,190       | \$ -                 | \$ (130,048)      | \$ 26,320,142       |
| Proportion of the net pension liability (asset)      | 1.115%              | NA                   | 0.785%            | -                   |
| Total pension liability                              | -                   | 12,312,206           | -                 | 12,312,206          |
| Pension expense                                      | 7,435,771           | 1,001,992            | 67,350            | 8,505,113           |

# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>Deferred Outflows of Resources</b>   | <b>LGERS</b>         | <b>LEOSSA</b>       | <b>ROD</b>        | <b>Total</b>         |
|---|----------------------|---------------------|-------------------|----------------------|
| Differences between expected and actual experience  | \$ 4,080,636         | \$ 901,675          | \$ 1,146          | \$ 4,983,457         |
| Changes of assumptions  | 7,018,859            | 398,659             | 6,116             | 7,423,634            |
| Net difference between projected and actual earnings on pension plan investments  | 3,630,824            | -                   | 20,728            | 3,651,552            |
| Changes in proportion and differences between County contributions and proportionate share of contributions                 | 430,627              | -                   | 37,166            | 467,793              |
| County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date | <u>6,049,796</u>     | <u>771,535</u>      | <u>112,317</u>    | <u>6,933,648</u>     |
| Total deferred outflows of resources  | <u>\$ 21,210,742</u> | <u>\$ 2,071,869</u> | <u>\$ 177,473</u> | <u>\$ 23,460,084</u> |
| <b>Deferred Inflows of Resources</b>  |                      |                     |                   |                      |
| Differences between expected and actual experience  | \$ 136,926           | \$ -                | \$ 5,936          | \$ 142,862           |
| Changes of assumptions  | -                    | 471,965             | -                 | 471,965              |
| Changes in proportion and differences between County contributions and proportionate share of contributions                 | <u>172,766</u>       | <u>-</u>            | <u>-</u>          | <u>172,766</u>       |
| Total deferred inflows of resources   | <u>\$ 309,692</u>    | <u>\$ 471,965</u>   | <u>\$ 5,936</u>   | <u>\$ 787,593</u>    |

### Other Post-Employment Benefits

*Plan Description.* In accordance with a County resolution, the County administers a single-employer, defined benefit plan, which provides healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the County. The plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The County pays the full cost of coverage for these benefits if you have 25 or more years of service. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently, 187

## GASTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2019, the County made payments for post-retirement health benefit premiums of \$4,088,332. 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 health care insurer through age 65:
  - For Retiree and dependents
  - \$326 Medicare supplement for life beginning at age 65
- Retirees with 20 – 24 years of service will receive:
  - Health insurance at a subsidized rate (\$100 discount) from the county through a private health care insurer through age 65:
    - For Retiree and dependents
  - \$100 Medicare supplement for life beginning at age 65
- A small group of Retirees continue to receive a smaller supplement from a prior plan that was replaced by the August 2005 resolution.
  - \$50 – 1 participant
  - \$150 – 9 participants

Membership of the post-employment health benefit plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

|  |                   |
|--|-------------------|
| Retirees and dependents receiving benefits | 455               |
| Active members                             | <u>521</u>        |
| Total                                      | <u><u>976</u></u> |

#### **Total OPEB Liability**

The County's total OPEB liability of \$76,420,928 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2017 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 percent  |
| Salary increases            | 3.50%-7.75%, including wage inflation   |
| Discount rate               | 3.89 percent  |
| Healthcare cost trend rates | Pre-Medicare - 7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023 |

## GASTON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

#### Changes in the Total OPEB Liability

|  | <b>Total OPEB<br/>Liability</b> |
|--|---------------------------------|
| <b>Balance at July 1, 2018</b>                     | <b>\$ 77,715,222</b>            |
| <b>Changes for the Year:</b>                       |                                 |
| Service cost                                       | 1,650,496                       |
| Interest   | 2,694,526                       |
| Differences between expected and actual experience | 1,080,160                       |
| Changes of assumptions or other inputs             | (2,631,144)                     |
| Benefit payments                                   | (4,088,332)                     |
| Net changes  | (1,294,294)                     |
| <b>Balance at June 30, 2019</b>                    | <b>\$ 76,420,928</b>            |

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.56% to 3.89%. The County selected a Municipal Bond Index Rate equal to the June average of the Bond Buyer 20-Year General Obligation Bond Index published weekly by The Bond Buyer, and the discount rate used to measure the TOL is the Municipal Bond Index Rate as of the measurement date.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.



# GASTON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

*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 (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

|                      | <b>1%<br/>Decrease<br/>(2.89%)</b> | <b>Discount<br/>Rate<br/>(3.89%)</b> | <b>1%<br/>Increase<br/>(4.89%)</b> |
|----------------------|------------------------------------|--------------------------------------|------------------------------------|
| Total OPEB liability | <u>\$ 84,820,041</u>               | <u>\$ 76,420,928</u>                 | <u>\$ 69,189,295</u>               |

*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:

|                      | <b>1%<br/>Decrease</b> | <b>Current</b>       | <b>1%<br/>Increase</b> |
|----------------------|------------------------|----------------------|------------------------|
| Total OPEB liability | <u>\$ 71,472,654</u>   | <u>\$ 76,420,928</u> | <u>\$ 82,059,045</u>   |

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$2,644,453. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience                                       | \$ 814,111                                    | \$ 329,289                                   |
| Changes of assumptions   | -   | 4,392,840                                    |
| Benefit payments and plan administrative expense made subsequent to the measurement date | <u>4,744,065</u>                              | <u>-</u>                                     |
| Total  | <u>\$ 5,558,176</u>                           | <u>\$ 4,722,129</u>                          |

## **GASTON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

\$4,744,065 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, 2020. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <b>Year Ending</b> |                       |
|--------------------|-----------------------|
| <b>June 30</b>     | <b>Total</b>          |
| 2020               | \$ (1,711,652)        |
| 2021               | (1,711,652)           |
| 2022               | (461,794)             |
| 2023               | (22,920)              |
| 2024               | -                     |
| Total              | <u>\$ (3,908,018)</u> |

#### **F. Claims and Judgments**

At June 30, 2019, 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.

#### **5. Prior Period Adjustment**

During the fiscal year ended June 30, 2018, it was determined that expenditures related to the Internal Service Fund Health Insurance Benefits had been omitted and expenditures were understated. A prior period adjustment was required to correct material errors.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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

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

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**GASTON COUNTY, NORTH CAROLINA**

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

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

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

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

**GASTON COUNTY, NORTH CAROLINA**

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST THREE FISCAL YEARS**

|  | <b>Law Enforcement Officers' Special Separation Allowance</b> |               |               |
|--|---|---------------|---------------|
|  | <b>2019</b>   | <b>2018</b>   | <b>2017</b>   |
| Total pension liability                                    | \$ 12,312,206   | \$ 11,847,267 | \$ 10,886,409 |
| Covered payroll  | 14,185,827  | 13,342,210    | 14,212,061    |
| Total pension liability as a percentage of covered payroll | 86.79%  | 88.80%        | 76.60%        |

**Notes to Schedules:**

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

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

**GASTON COUNTY, NORTH CAROLINA****OTHER POST-EMPLOYMENT BENEFITS****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TWO YEARS****Other Post-Employment Benefits**

|   | <b>2019</b>          | <b>2018</b>          |
|---|----------------------|----------------------|
| Service cost  | \$ 1,650,496         | \$ 1,804,661         |
| Interest  | 2,694,526            | 2,408,143            |
| Differences between expected and actual experience      | 1,080,160            | (648,987)            |
| Changes of assumptions or other inputs                  | (2,631,144)          | (4,749,335)          |
| Benefit payments  | (4,088,332)          | (2,191,789)          |
| Net change in total OPEB liability                      | (1,294,294)          | (3,377,307)          |
| Total OPEB liability - beginning                        | 77,715,222           | 81,092,529           |
| Total OPEB liability - ending                           | <u>\$ 76,420,928</u> | <u>\$ 77,715,222</u> |
| Covered payroll   | \$ 30,225,889        | \$ 30,225,889        |
| Total OPEB liability as a percentage of covered payroll | 252.83%              | 257.11%              |

**Notes to the Required Schedules:**

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

| <b>Fiscal Year</b> | <b>Rate</b> |
|--------------------|-------------|
| 2019               | 3.89%       |
| 2018               | 3.56%       |

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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**SUPPLEMENTARY INFORMATION**

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

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## **GENERAL FUND**

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

## **PUBLIC ASSISTANCE FUND**

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

## **DEBT SERVICE FUND**

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

## **CAPITAL IMPROVEMENTS FUND**

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

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**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|   | 2019            |                |                        | 2018           |
|---|-----------------|----------------|------------------------|----------------|
|   | Final<br>Budget | Actual         | Variance<br>Over/Under | Actual         |
| <b>Revenues:</b>                              |                 |                |                        |                |
| <b>Ad Valorem Taxes:</b>                      |                 |                |                        |                |
| Taxes   | \$ 145,304,500  | \$ 146,801,461 | \$ 1,496,961           | \$ 142,968,172 |
| Penalties and interest                        | 775,000         | 749,113        | (25,887)               | 739,475        |
| Total   | 146,079,500     | 147,550,574    | 1,471,074              | 143,707,647    |
| <b>Other Taxes and Licenses:</b>              |                 |                |                        |                |
| One-cent tax                                  | 13,300,000      | 13,300,000     | -                      | 13,300,000     |
| Half-cent sales tax                           | 17,520,000      | 17,648,627     | 128,627                | 17,620,432     |
| Real estate transfer taxes                    | 1,187,664       | 1,293,779      | 106,115                | 1,207,870      |
| Total   | 32,007,664      | 32,242,406     | 234,742                | 32,128,302     |
| <b>Restricted Intergovernmental Revenues:</b> |                 |                |                        |                |
| Federal grants                                | 1,310,094       | 516,253        | (793,841)              | 665,709        |
| State grants                                  | 6,057,412       | 5,859,347      | (198,065)              | 5,023,236      |
| Federal prisoner detention reimbursements     | 1,320,000       | 1,167,301      | (152,699)              | 1,325,646      |
| Court facilities fees                         | 250,000         | 250,911        | 911                    | 271,408        |
| Total   | 8,937,506       | 7,793,812      | (1,143,694)            | 7,285,999      |
| <b>Fees, Licenses, and Permits:</b>           |                 |                |                        |                |
| Inspection fees                               | 1,839,936       | 2,708,172      | 868,236                | 2,119,009      |
| Register of Deeds' fees                       | 1,099,980       | 1,157,486      | 57,506                 | 1,109,482      |
| Other   | 1,224,704       | 2,661,150      | 1,436,446              | 1,386,087      |
| Total   | 4,164,620       | 6,526,808      | 2,362,188              | 4,614,578      |
| <b>Sales and Services:</b>                    |                 |                |                        |                |
| Medical transport fees                        | 11,249,519      | 13,840,379     | 2,590,860              | 11,180,707     |
| Library fees                                  | 70,522          | 89,400         | 18,878                 | 87,741         |
| Jail fees                                     | 160,000         | 167,210        | 7,210                  | 153,347        |
| Animal shelter fees                           | 559,199         | 480,980        | (78,219)               | 489,873        |
| Municipal election fees                       | -               | -              | -                      | 122,128        |
| Central transportation fees                   | 334,000         | 288,141        | (45,859)               | 169,294        |
| Recreation fees                               | 144,990         | 141,854        | (3,136)                | 158,875        |
| Personal health fees                          | 426,325         | 3,748,000      | 3,321,675              | 5,743,069      |
| Highland Medical Center                       | 357,900         | 141,371        | (216,529)              | 161,727        |
| Environmental health fees                     | 250,000         | 273,513        | 23,513                 | 251,816        |
| Family planning fees                          | 930,000         | 346,363        | (583,637)              | 497,688        |
| Maternal and child health fees                | 2,935,000       | 1,430,302      | (1,504,698)            | 2,067,553      |
| Gynecological clinic fees                     | 15,800          | 8,415          | (7,385)                | 7,942          |
| Miscellaneous                                 | 1,635,739       | 2,327,309      | 691,570                | 1,469,210      |
| Total   | 19,068,994      | 23,283,237     | 4,214,243              | 22,560,970     |
| <b>Investment Earnings</b>                    | 750,541         | 598,834        | (151,707)              | 638,572        |

**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|                                | 2019                    |                    |                                | 2018               |
|--------------------------------|-------------------------|--------------------|--------------------------------|--------------------|
|                                | <u>Final<br/>Budget</u> | <u>Actual</u>      | <u>Variance<br/>Over/Under</u> | <u>Actual</u>      |
| <b>Miscellaneous Revenue:</b>  |                         |                    |                                |                    |
| Sales of surplus property      | 70,963                  | 140,654            | 69,691                         | 132,742            |
| Insurance settlements          | -                       | 164,043            | 164,043                        | 110,074            |
| Other                          | 1,130,970               | 1,415,346          | 284,376                        | 1,632,391          |
| Total                          | <u>1,201,933</u>        | <u>1,720,043</u>   | <u>518,110</u>                 | <u>1,875,207</u>   |
| Total revenues                 | <u>212,210,758</u>      | <u>219,715,714</u> | <u>7,504,956</u>               | <u>212,811,275</u> |
| <b>Expenditures:</b>           |                         |                    |                                |                    |
| <b>General Government:</b>     |                         |                    |                                |                    |
| <b>County Commissioners:</b>   |                         |                    |                                |                    |
| Salaries and employee benefits | 478,392                 | 458,520            | 19,872                         | 412,361            |
| Operating expenditures         | 679,757                 | 447,744            | 232,013                        | 454,588            |
| Total                          | <u>1,158,149</u>        | <u>906,264</u>     | <u>251,885</u>                 | <u>866,949</u>     |
| <b>County Manager:</b>         |                         |                    |                                |                    |
| Salaries and employee benefits | 504,577                 | 405,458            | 99,119                         | 483,706            |
| Operating expenditures         | 56,588                  | 32,921             | 23,667                         | 30,785             |
| Total                          | <u>561,165</u>          | <u>438,379</u>     | <u>122,786</u>                 | <u>514,491</u>     |
| <b>County Attorney:</b>        |                         |                    |                                |                    |
| Salaries and employee benefits | 412,649                 | 408,627            | 4,022                          | 396,058            |
| Operating expenditures         | 32,543                  | 19,882             | 12,661                         | 23,718             |
| Total                          | <u>445,192</u>          | <u>428,509</u>     | <u>16,683</u>                  | <u>419,776</u>     |
| <b>Elections:</b>              |                         |                    |                                |                    |
| Salaries and employee benefits | 350,358                 | 341,938            | 8,420                          | 328,467            |
| Operating expenditures         | 524,039                 | 451,158            | 72,881                         | 513,999            |
| Capital outlay                 | 5,701                   | -                  | 5,701                          | 130,732            |
| Total                          | <u>880,098</u>          | <u>793,096</u>     | <u>87,002</u>                  | <u>973,198</u>     |
| <b>Register of Deeds:</b>      |                         |                    |                                |                    |
| Salaries and employee benefits | 1,071,151               | 1,035,882          | 35,269                         | 910,410            |
| Operating expenditures         | 314,648                 | 174,060            | 140,588                        | 164,457            |
| Total                          | <u>1,385,799</u>        | <u>1,209,942</u>   | <u>175,857</u>                 | <u>1,074,867</u>   |
| <b>Finance:</b>                |                         |                    |                                |                    |
| Salaries and employee benefits | 1,023,394               | 1,017,296          | 6,098                          | 833,614            |
| Operating expenditures         | 328,243                 | 263,660            | 64,583                         | 226,473            |
| Total                          | <u>1,351,637</u>        | <u>1,280,956</u>   | <u>70,681</u>                  | <u>1,060,087</u>   |
| <b>Budget:</b>                 |                         |                    |                                |                    |
| Salaries and employee benefits | 451,418                 | 488,953            | (37,535)                       | 383,021            |
| Operating expenditures         | 2,153,886               | 1,289,047          | 864,839                        | 619,410            |
| Total                          | <u>2,605,304</u>        | <u>1,778,000</u>   | <u>827,304</u>                 | <u>1,002,431</u>   |

**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|  | 2019                    |                  |                                | 2018             |
|--|-------------------------|------------------|--------------------------------|------------------|
|  | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> | <u>Actual</u>    |
| <b>Purchasing:</b>                                   |                         |                  |                                |                  |
| Salaries and employee benefits                       | 178,436                 | 182,777          | (4,341)                        | 149,484          |
| Operating expenditures                               | 11,057                  | 4,805            | 6,252                          | 8,487            |
| Total  | <u>189,493</u>          | <u>187,582</u>   | <u>1,911</u>                   | <u>157,971</u>   |
| <b>Information Technology:</b>                       |                         |                  |                                |                  |
| Salaries and employee benefits                       | 3,345,565               | 3,170,058        | 175,507                        | 3,087,075        |
| Operating expenditures                               | 2,046,365               | 1,626,124        | 420,241                        | 1,523,361        |
| Capital outlay                                       | 150,000                 | 146,119          | 3,881                          | 147,163          |
| Total  | <u>5,541,930</u>        | <u>4,942,301</u> | <u>599,629</u>                 | <u>4,757,599</u> |
| <b>ACCESS/Central Transportation Administration:</b> |                         |                  |                                |                  |
| Salaries and employee benefits                       | 264,550                 | 249,576          | 14,974                         | 220,187          |
| Operating expenditures                               | 106,573                 | 60,845           | 45,728                         | 49,638           |
| Total  | <u>371,123</u>          | <u>310,421</u>   | <u>60,702</u>                  | <u>269,825</u>   |
| <b>ACCESS/Central Transportation Operations:</b>     |                         |                  |                                |                  |
| Salaries and employee benefits                       | 1,166,480               | 883,406          | 283,074                        | 913,621          |
| Operating expenditures                               | 885,746                 | 659,783          | 225,963                        | 899,876          |
| Service fees to other departments                    | -                       | (24,838)         | 24,838                         | (210,426)        |
| Capital outlay                                       | 679,500                 | 313,432          | 366,068                        | 243,874          |
| Total  | <u>2,731,726</u>        | <u>1,831,783</u> | <u>899,943</u>                 | <u>1,846,945</u> |
| <b>Tax:</b>  |                         |                  |                                |                  |
| Salaries and employee benefits                       | 3,314,102               | 3,149,281        | 164,821                        | 3,044,883        |
| Operating expenditures                               | 1,231,513               | 1,092,542        | 138,971                        | 1,250,391        |
| Capital outlay                                       | 6,000                   | 228              | 5,772                          | -                |
| Total  | <u>4,551,615</u>        | <u>4,242,051</u> | <u>309,564</u>                 | <u>4,295,274</u> |
| <b>Human Resources:</b>                              |                         |                  |                                |                  |
| Salaries and employee benefits                       | 916,867                 | 976,814          | (59,947)                       | 904,670          |
| Operating expenditures                               | 577,561                 | 513,410          | 64,151                         | 500,765          |
| Total  | <u>1,494,428</u>        | <u>1,490,224</u> | <u>4,204</u>                   | <u>1,405,435</u> |
| <b>Human Relations:</b>                              |                         |                  |                                |                  |
| Operating expenditures                               | <u>50,000</u>           | <u>39,780</u>    | <u>10,220</u>                  | <u>39,793</u>    |
| <b>Public Works Administration:</b>                  |                         |                  |                                |                  |
| Salaries and employee benefits                       | 513,542                 | 467,275          | 46,267                         | 355,204          |
| Operating expenditures                               | 235,098                 | 140,507          | 94,591                         | 95,265           |
| Total  | <u>748,640</u>          | <u>607,782</u>   | <u>140,858</u>                 | <u>450,469</u>   |

**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|                                   | 2019                    |                  |                                | 2018             |
|-----------------------------------|-------------------------|------------------|--------------------------------|------------------|
|                                   | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> | <u>Actual</u>    |
| <b>Fleet Maintenance:</b>         |                         |                  |                                |                  |
| Salaries and employee benefits    | 564,987                 | 555,312          | 9,675                          | 523,527          |
| Operating expenditures            | (85,579)                | (93,322)         | 7,743                          | (85,326)         |
| Capital outlay                    | -                       | -                | -                              | 7,997            |
| Total                             | <u>479,408</u>          | <u>461,990</u>   | <u>17,418</u>                  | <u>446,198</u>   |
| <b>Facilities Management:</b>     |                         |                  |                                |                  |
| Salaries and employee benefits    | 798,332                 | 767,779          | 30,553                         | 747,873          |
| Operating expenditures            | 3,181,337               | 2,659,399        | 521,938                        | 2,564,254        |
| Service fees to other departments | <u>242,292</u>          | <u>167,241</u>   | <u>75,051</u>                  | <u>456,362</u>   |
| Total                             | <u>4,221,961</u>        | <u>3,594,419</u> | <u>627,542</u>                 | <u>3,768,489</u> |
| <b>Grounds Maintenance:</b>       |                         |                  |                                |                  |
| Salaries and employee benefits    | 556,062                 | 471,314          | 84,748                         | 453,723          |
| Operating expenditures            | 208,953                 | 189,873          | 19,080                         | 168,051          |
| Capital outlay                    | <u>53,419</u>           | <u>52,591</u>    | <u>828</u>                     | <u>21,009</u>    |
| Total                             | <u>818,434</u>          | <u>713,778</u>   | <u>104,656</u>                 | <u>642,783</u>   |
| <b>Courts:</b>                    |                         |                  |                                |                  |
| Operating expenditures            | <u>1,070,825</u>        | <u>1,024,783</u> | <u>46,042</u>                  | <u>1,046,637</u> |
| <b>Print Shop:</b>                |                         |                  |                                |                  |
| Salaries and employee benefits    | 173,507                 | 165,064          | 8,443                          | 158,303          |
| Operating expenditures            | <u>9,988</u>            | <u>74,655</u>    | <u>(64,667)</u>                | <u>79,443</u>    |
| Total                             | <u>183,495</u>          | <u>239,719</u>   | <u>(56,224)</u>                | <u>237,746</u>   |
| <b>Cable Access:</b>              |                         |                  |                                |                  |
| Salaries and employee benefits    | 173,275                 | 171,299          | 1,976                          | 165,223          |
| Operating expenditures            | 58,762                  | 25,469           | 33,293                         | 29,933           |
| Capital outlay                    | <u>8,000</u>            | <u>-</u>         | <u>8,000</u>                   | <u>-</u>         |
| Total                             | <u>240,037</u>          | <u>196,768</u>   | <u>43,269</u>                  | <u>195,156</u>   |
| <b>Public Information:</b>        |                         |                  |                                |                  |
| Salaries and employee benefits    | 90,792                  | 90,628           | 164                            | 87,609           |
| Operating expenditures            | <u>5,519</u>            | <u>3,963</u>     | <u>1,556</u>                   | <u>4,113</u>     |
| Total                             | <u>96,311</u>           | <u>94,591</u>    | <u>1,720</u>                   | <u>91,722</u>    |

GASTON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018

|   | 2019            |             |                        | 2018        |
|---|-----------------|-------------|------------------------|-------------|
|   | Final<br>Budget | Actual      | Variance<br>Over/Under | Actual      |
| <b>Non-Departmental Expenditures:</b>     |                 |             |                        |             |
| Medicare supplement                       | 1,620,000       | 994,469     | 625,531                | 951,242     |
| Retirees                                  | 3,500,000       | 3,500,000   | -                      | 3,500,000   |
| Risk management fees                      | 52,000          | 2,354       | 49,646                 | 5,547       |
| Lake Wylie Marine Commission              | 25,000          | 25,000      | -                      | 25,000      |
| Insurance reserves                        | 626,000         | 498,477     | 127,523                | 388,880     |
| Pretrial services                         | 884,885         | 884,855     | 30                     | 772,855     |
| Drug Task Force                           | -               | -           | -                      | (100)       |
| Investment Grant Program                  | 1,605,500       | 1,515,956   | 89,544                 | 1,494,784   |
| Stormwater fees                           | 32,000          | 21,072      | 10,928                 | 19,649      |
| Phoenix Counseling                        | 45,000          | 15,000      | 30,000                 | 15,000      |
| Indirect cost reimbursement from DSS      | (1,500,000)     | (2,831,398) | 1,331,398              | (2,829,179) |
| Total                                     | 6,890,385       | 4,625,785   | 2,264,600              | 4,343,678   |
| Total general government                  | 38,067,155      | 31,438,903  | 6,628,252              | 29,907,519  |
| <b>Public Safety:</b>                     |                 |             |                        |             |
| <b>County Police:</b>                     |                 |             |                        |             |
| Salaries and employee benefits            | 13,796,024      | 13,239,202  | 556,822                | 12,537,714  |
| Operating expenditures                    | 3,086,930       | 2,141,220   | 945,710                | 1,939,127   |
| Capital outlay                            | 1,290,875       | 14,318,024  | (13,027,149)           | 78,167      |
| Services to other departments             | (1,250,007)     | (1,076,388) | (173,619)              | (1,113,088) |
| Total                                     | 16,923,822      | 28,622,058  | (11,698,236)           | 13,441,920  |
| <b>Sheriff:</b>                           |                 |             |                        |             |
| Salaries and employee benefits            | 7,326,307       | 6,604,641   | 721,666                | 6,200,935   |
| Operating expenditures                    | 2,284,962       | 1,651,050   | 633,912                | 1,944,057   |
| Capital outlay                            | 287,455         | 107,327     | 180,128                | 10,244      |
| Total                                     | 9,898,724       | 8,363,018   | 1,535,706              | 8,155,236   |
| <b>Jail:</b>                              |                 |             |                        |             |
| Salaries and employee benefits            | 9,657,481       | 9,939,069   | (281,588)              | 9,341,309   |
| Operating expenditures                    | 4,155,788       | 4,110,245   | 45,543                 | 4,171,874   |
| Total                                     | 13,813,269      | 14,049,314  | (236,045)              | 13,513,183  |
| <b>Law Enforcement Special Allowance:</b> |                 |             |                        |             |
| Salaries and employee benefits            | 824,321         | 852,306     | (27,985)               | 805,885     |
| <b>Juvenile Detention Home:</b>           |                 |             |                        |             |
| Operating expenditures                    | 275,000         | 226,066     | 48,934                 | 228,506     |

**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|                                    | 2019                    |                   |                                | 2018              |
|------------------------------------|-------------------------|-------------------|--------------------------------|-------------------|
|                                    | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> | <u>Actual</u>     |
| <b>Emergency Management:</b>       |                         |                   |                                |                   |
| Salaries and employee benefits     | 195,944                 | 194,247           | 1,697                          | 158,998           |
| Operating expenditures             | 270,208                 | 154,754           | 115,454                        | 147,616           |
| Total                              | <u>466,152</u>          | <u>349,001</u>    | <u>117,151</u>                 | <u>306,614</u>    |
| <b>Fire Marshal:</b>               |                         |                   |                                |                   |
| Salaries and employee benefits     | 384,018                 | 363,999           | 20,019                         | 327,355           |
| Operating expenditures             | 609,951                 | 454,656           | 155,295                        | 502,581           |
| Capital outlay                     | 85,778                  | 84,180            | 1,598                          | 2,159             |
| Total                              | <u>1,079,747</u>        | <u>902,835</u>    | <u>176,912</u>                 | <u>832,095</u>    |
| <b>Building Inspections:</b>       |                         |                   |                                |                   |
| Salaries and employee benefits     | 1,537,785               | 1,552,737         | (14,952)                       | 1,371,842         |
| Operating expenditures             | 240,713                 | 239,889           | 824                            | 220,976           |
| Capital outlay                     | 56,346                  | 55,133            | 1,213                          | 78,000            |
| Total                              | <u>1,834,844</u>        | <u>1,847,759</u>  | <u>(12,915)</u>                | <u>1,670,818</u>  |
| <b>Medical Examiner:</b>           |                         |                   |                                |                   |
| Operating expenditures             | <u>215,370</u>          | <u>148,719</u>    | <u>66,651</u>                  | <u>164,568</u>    |
| <b>Emergency Medical Services:</b> |                         |                   |                                |                   |
| Salaries and employee benefits     | 9,808,152               | 9,031,785         | 776,367                        | 8,734,017         |
| Operating expenditures             | 3,717,268               | 3,323,320         | 393,948                        | 3,132,413         |
| Capital outlay                     | 4,036,181               | 2,779,084         | 1,257,097                      | 1,194,473         |
| Rescue squad supplements           | 1,244,112               | 1,581,550         | (337,438)                      | 1,389,767         |
| Total                              | <u>18,805,713</u>       | <u>16,715,739</u> | <u>2,089,974</u>               | <u>14,450,670</u> |
| <b>Animal Control:</b>             |                         |                   |                                |                   |
| Salaries and employee benefits     | 1,624,552               | 1,573,547         | 51,005                         | 1,428,823         |
| Operating expenditures             | 558,149                 | 462,192           | 95,957                         | 428,871           |
| Capital outlay                     | 152,533                 | 93,429            | 59,104                         | 7,709             |
| Total                              | <u>2,335,234</u>        | <u>2,129,168</u>  | <u>206,066</u>                 | <u>1,865,403</u>  |
| <b>Telecommunications:</b>         |                         |                   |                                |                   |
| Salaries and employee benefits     | 3,990,930               | 3,780,715         | 210,215                        | 3,789,900         |
| Operating expenditures             | 1,111,378               | 707,506           | 403,872                        | 825,285           |
| Total                              | <u>5,102,308</u>        | <u>4,488,221</u>  | <u>614,087</u>                 | <u>4,615,185</u>  |
| Total public safety                | <u>71,574,504</u>       | <u>78,694,204</u> | <u>(7,119,700)</u>             | <u>60,050,083</u> |
| <b>Environmental Protection:</b>   |                         |                   |                                |                   |
| <b>Forestry Control Services:</b>  |                         |                   |                                |                   |
| Operating expenditures             | <u>88,649</u>           | <u>65,385</u>     | <u>23,264</u>                  | <u>81,533</u>     |

**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|   | 2019                    |                  |                                | 2018             |
|---|-------------------------|------------------|--------------------------------|------------------|
|   | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> | <u>Actual</u>    |
| <b>Economic and Physical Development:</b>         |                         |                  |                                |                  |
| <b>Planning:</b>                                  |                         |                  |                                |                  |
| Salaries and employee benefits                    | 976,286                 | 984,100          | (7,814)                        | 919,530          |
| Operating expenditures                            | 155,534                 | 117,659          | 37,875                         | 85,451           |
| Total   | <u>1,131,820</u>        | <u>1,101,759</u> | <u>30,061</u>                  | <u>1,004,981</u> |
| <b>Economic Development Commission:</b>           |                         |                  |                                |                  |
| Salaries and employee benefits                    | 740,593                 | 744,564          | (3,971)                        | 658,834          |
| Operating expenditures                            | 346,860                 | 230,098          | 116,762                        | 242,375          |
| Total   | <u>1,087,453</u>        | <u>974,662</u>   | <u>112,791</u>                 | <u>901,209</u>   |
| <b>Court Drive Development</b>                    | <u>65,400</u>           | <u>1,500</u>     | <u>63,900</u>                  | <u>45,000</u>    |
| <b>Technology Park Development</b>                | <u>87,800</u>           | <u>-</u>         | <u>87,800</u>                  | <u>65,000</u>    |
| <b>Cooperative Extension Service:</b>             |                         |                  |                                |                  |
| Salaries and employee benefits                    | 120,549                 | 111,070          | 9,479                          | 55,901           |
| Operating expenditures                            | 533,916                 | 493,638          | 40,278                         | 527,406          |
| Total   | <u>654,465</u>          | <u>604,708</u>   | <u>49,757</u>                  | <u>583,307</u>   |
| <b>Urgent Repair Program:</b>                     |                         |                  |                                |                  |
| Operating expenditures                            | <u>100,481</u>          | <u>481</u>       | <u>100,000</u>                 | <u>95,579</u>    |
| <b>Agricultural Stabilization:</b>                |                         |                  |                                |                  |
| Operating expenditures                            | <u>10,156</u>           | <u>10,029</u>    | <u>127</u>                     | <u>9,935</u>     |
| <b>4-H Programs:</b>                              |                         |                  |                                |                  |
| Operating expenditures                            | <u>24,346</u>           | <u>9,708</u>     | <u>14,638</u>                  | <u>6,190</u>     |
| <b>Quality of Natural Resources Commission:</b>   |                         |                  |                                |                  |
| Operating expenditures                            | <u>3,000</u>            | <u>381</u>       | <u>2,619</u>                   | <u>1,966</u>     |
| <b>Gaston County Soil and Water Conservation:</b> |                         |                  |                                |                  |
| Salaries and employee benefits                    | 776,558                 | 753,008          | 23,550                         | 711,465          |
| Operating expenditures                            | 93,244                  | 72,927           | 20,317                         | 66,779           |
| Total   | <u>869,802</u>          | <u>825,935</u>   | <u>43,867</u>                  | <u>778,244</u>   |
| Total economic and physical development           | <u>4,034,723</u>        | <u>3,529,163</u> | <u>505,560</u>                 | <u>3,491,411</u> |

GASTON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018

|                                      | 2019            |           |                        | 2018      |
|--------------------------------------|-----------------|-----------|------------------------|-----------|
|                                      | Final<br>Budget | Actual    | Variance<br>Over/Under | Actual    |
| <b>Human Services:</b>               |                 |           |                        |           |
| <b>Health Department:</b>            |                 |           |                        |           |
| <b>Administration:</b>               |                 |           |                        |           |
| Salaries and employee benefits       | 2,004,959       | 1,997,917 | 7,042                  | 1,783,678 |
| Operating expenditures               | 3,469,314       | 1,585,074 | 1,884,240              | 2,019,651 |
| Total                                | 5,474,273       | 3,582,991 | 1,891,282              | 3,803,329 |
| <b>Allied Health:</b>                |                 |           |                        |           |
| Salaries and employee benefits       | 1,670,346       | 1,596,003 | 74,343                 | 1,534,832 |
| Operating expenditures               | 416,618         | 343,402   | 73,216                 | 371,375   |
| Total                                | 2,086,964       | 1,939,405 | 147,559                | 1,906,207 |
| <b>Personal Health:</b>              |                 |           |                        |           |
| Salaries and employee benefits       | 2,800,668       | 2,799,650 | 1,018                  | 2,491,329 |
| Operating expenditures               | 1,211,749       | 740,334   | 471,415                | 850,358   |
| Total                                | 4,012,417       | 3,539,984 | 472,433                | 3,341,687 |
| <b>Environmental Health:</b>         |                 |           |                        |           |
| Salaries and employee benefits       | 1,432,473       | 1,355,036 | 77,437                 | 1,301,450 |
| Operating expenditures               | 357,192         | 203,539   | 153,653                | 273,537   |
| Capital outlay                       | 27,597          | 27,567    | 30                     | -         |
| Total                                | 1,817,262       | 1,586,142 | 231,120                | 1,574,987 |
| <b>Gynecological Health:</b>         |                 |           |                        |           |
| Salaries and employee benefits       | 18,355          | 15,784    | 2,571                  | 16,324    |
| Operating expenditures               | 23,800          | 11,402    | 12,398                 | 10,382    |
| Total                                | 42,155          | 27,186    | 14,969                 | 26,706    |
| <b>Bioterrorism Health:</b>          |                 |           |                        |           |
| Salaries and employee benefits       | -               | -         | -                      | 3,157     |
| Operating expenditures               | -               | -         | -                      | 43,773    |
| Total                                | -               | -         | -                      | 46,930    |
| <b>Family Planning:</b>              |                 |           |                        |           |
| Salaries and employee benefits       | 1,734,621       | 1,593,679 | 140,942                | 1,358,381 |
| Operating expenditures               | 429,808         | 269,476   | 160,332                | 341,267   |
| Total                                | 2,164,429       | 1,863,155 | 301,274                | 1,699,648 |
| <b>Women, Infants, and Children:</b> |                 |           |                        |           |
| Salaries and employee benefits       | 850,263         | 822,806   | 27,457                 | 872,553   |
| Operating expenditures               | 60,147          | 40,195    | 19,952                 | 56,026    |
| Total                                | 910,410         | 863,001   | 47,409                 | 928,579   |
| <b>Maternal and Child Health:</b>    |                 |           |                        |           |
| Salaries and employee benefits       | 3,020,488       | 2,636,774 | 383,714                | 2,976,865 |
| Operating expenditures               | 800,573         | 503,555   | 297,018                | 438,849   |
| Total                                | 3,821,061       | 3,140,329 | 680,732                | 3,415,714 |



**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|   | 2019                    |                   |                                | 2018              |
|---|-------------------------|-------------------|--------------------------------|-------------------|
|   | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> | <u>Actual</u>     |
| <b>Highland Health Center:</b>                            |                         |                   |                                |                   |
| Salaries and employee benefits                            | 629,911                 | 587,665           | 42,246                         | 592,543           |
| Operating expenditures                                    | 326,943                 | 193,370           | 133,573                        | 173,297           |
| Total   | <u>956,854</u>          | <u>781,035</u>    | <u>175,819</u>                 | <u>765,840</u>    |
| <b>Gaston Family Health Services:</b>                     |                         |                   |                                |                   |
| Medical services - operating expenditures                 | <u>344,872</u>          | <u>344,872</u>    | <u>-</u>                       | <u>344,872</u>    |
| Total health department                                   | <u>21,630,697</u>       | <u>17,668,100</u> | <u>3,962,597</u>               | <u>17,854,499</u> |
| <b>Contribution to Pathways</b>                           | <u>884,300</u>          | <u>884,300</u>    | <u>-</u>                       | <u>884,300</u>    |
| <b>Veterans Services:</b>                                 |                         |                   |                                |                   |
| Salaries and employee benefits                            | 290,657                 | 289,595           | 1,062                          | 280,577           |
| Operating expenditures                                    | 117,182                 | 80,187            | 36,995                         | 54,907            |
| Total   | <u>407,839</u>          | <u>369,782</u>    | <u>38,057</u>                  | <u>335,484</u>    |
| <b>Youth Services</b>                                     | <u>708,061</u>          | <u>716,009</u>    | <u>(7,948)</u>                 | <u>676,575</u>    |
| <b>Gaston Skills:</b>                                     |                         |                   |                                |                   |
| Operating expenditures                                    | <u>168,000</u>          | <u>168,000</u>    | <u>-</u>                       | <u>168,000</u>    |
| Total human services                                      | <u>23,798,897</u>       | <u>19,806,191</u> | <u>3,992,706</u>               | <u>19,918,858</u> |
| <b>Cultural and Recreational:</b>                         |                         |                   |                                |                   |
| <b>Recreation:</b>  |                         |                   |                                |                   |
| Salaries and employee benefits                            | 323,255                 | 319,758           | 3,497                          | 310,071           |
| Operating expenditures                                    | 660,897                 | 547,219           | 113,678                        | 602,991           |
| Capital outlay  | -                       | -                 | -                              | 43,665            |
| Total   | <u>984,152</u>          | <u>866,977</u>    | <u>117,175</u>                 | <u>956,727</u>    |
| <b>Museum:</b>  |                         |                   |                                |                   |
| Salaries and employee benefits                            | 507,922                 | 446,416           | 61,506                         | 373,380           |
| Operating expenditures                                    | <u>152,000</u>          | <u>104,976</u>    | <u>47,024</u>                  | <u>100,820</u>    |
| Total   | <u>659,922</u>          | <u>551,392</u>    | <u>108,530</u>                 | <u>474,200</u>    |
| <b>Library Administrative<br/>and Technical Services:</b> |                         |                   |                                |                   |
| Salaries and employee benefits                            | -                       | 209,779           | (209,779)                      | 907,679           |
| Operating expenditures                                    | <u>396,187</u>          | <u>139,900</u>    | <u>256,287</u>                 | <u>364,834</u>    |
| Total   | <u>396,187</u>          | <u>349,679</u>    | <u>46,508</u>                  | <u>1,272,513</u>  |

**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|  | 2019            |             |                        | 2018        |
|--|-----------------|-------------|------------------------|-------------|
|  | Final<br>Budget | Actual      | Variance<br>Over/Under | Actual      |
| <b>Main Library Services:</b>            |                 |             |                        |             |
| Salaries and employee benefits           | 2,058,315       | 1,828,766   | 229,549                | 1,060,229   |
| Operating expenditures                   | 770,295         | 720,351     | 49,944                 | 511,654     |
| Total                                    | 2,828,610       | 2,549,117   | 279,493                | 1,571,883   |
| <b>Branch Library Services:</b>          |                 |             |                        |             |
| Salaries and employee benefits           | 1,101,530       | 1,069,040   | 32,490                 | 1,047,173   |
| Operating expenditures                   | 304,937         | 283,827     | 21,110                 | 278,011     |
| Total                                    | 1,406,467       | 1,352,867   | 53,600                 | 1,325,184   |
| <b>Senior Center:</b>                    |                 |             |                        |             |
| Salaries and employee benefits           | 119,506         | 109,271     | 10,235                 | 107,978     |
| Operating expenditures                   | 148,125         | 108,441     | 39,684                 | 104,390     |
| Total                                    | 267,631         | 217,712     | 49,919                 | 212,368     |
| <b>Historic Preservation Commission:</b> |                 |             |                        |             |
| Operating expenditures                   | 33,266          | 14,328      | 18,938                 | 6,793       |
| Total                                    | 33,266          | 14,328      | 18,938                 | 6,793       |
| Total cultural and recreational          | 6,576,235       | 5,902,072   | 674,163                | 5,819,668   |
| <b>Education:</b>                        |                 |             |                        |             |
| <b>Gaston College:</b>                   |                 |             |                        |             |
| Operating expenditures                   | 5,352,237       | 5,352,237   | -                      | 5,107,079   |
| <b>County Schools:</b>                   |                 |             |                        |             |
| Resource officers                        | 1,250,007       | 1,076,388   | 173,619                | 1,113,088   |
| School of excellence                     | 65,000          | 65,000      | -                      | 65,000      |
| Operating expenditures                   | 48,991,704      | 48,991,704  | -                      | 47,787,865  |
| Total                                    | 50,306,711      | 50,133,092  | 173,619                | 48,965,953  |
| Total education                          | 55,658,948      | 55,485,329  | 173,619                | 54,073,032  |
| <b>Debt Service:</b>                     |                 |             |                        |             |
| Principal retirement                     | 2,899,399       | 2,554,226   | 345,173                | 2,460,977   |
| Interest and fees                        | 121,134         | 84,707      | 36,427                 | 59,195      |
| Total debt service                       | 3,020,533       | 2,638,933   | 381,600                | 2,520,172   |
| Total expenditures                       | 202,819,644     | 197,560,180 | 5,259,464              | 175,862,276 |
| Revenues over (under) expenditures       | 9,391,114       | 22,155,534  | 12,764,420             | 36,948,999  |

**GASTON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|   | <b>2019</b>             |                      |                                | <b>2018</b>          |
|---|-------------------------|----------------------|--------------------------------|----------------------|
|   | <b>Final<br/>Budget</b> | <b>Actual</b>        | <b>Variance<br/>Over/Under</b> | <b>Actual</b>        |
| <b>Other Financing Sources (Uses):</b>    |                         |                      |                                |                      |
| Installment purchase contracts issued     | 2,273,225               | 15,886,553           | 13,613,328                     | 3,459,164            |
| Fund balance appropriated                 | 28,736,960              | -                    | (28,736,960)                   | -                    |
| <b>Transfers From (to) Other Funds:</b>   |                         |                      |                                |                      |
| From Self-Insurance Internal Service Fund | 1,608,000               | 1,608,000            | -                              | 765,769              |
| To Debt Service Fund                      | (21,381,485)            | (21,381,485)         | -                              | (23,634,819)         |
| To Public Assistance Fund                 | (18,095,113)            | (18,095,113)         | -                              | (17,812,995)         |
| To Property Revaluation Fund              | (210,000)               | (210,000)            | -                              | (210,000)            |
| To Capital Improvements Fund              | (2,232,552)             | (2,232,552)          | -                              | (3,006,536)          |
| To Solid Waste Fund                       | -                       | -                    | -                              | (462,698)            |
| To Emergency Telephone System Fund        | (90,149)                | (90,149)             | -                              | -                    |
| Total other financing sources (uses)      | <u>(9,391,114)</u>      | <u>(24,514,746)</u>  | <u>(15,123,632)</u>            | <u>(40,902,115)</u>  |
| Net change in fund balance                | <u>\$ -</u>             | <u>(2,359,212)</u>   | <u>\$ (2,359,212)</u>          | <u>(3,953,116)</u>   |
| <b>Fund Balance:</b>                      |                         |                      |                                |                      |
| Beginning of year - July 1                |                         | <u>57,562,109</u>    |                                | <u>61,515,225</u>    |
| End of year - June 30                     |                         | <u>\$ 55,202,897</u> |                                | <u>\$ 57,562,109</u> |

# GASTON COUNTY, NORTH CAROLINA

## PUBLIC ASSISTANCE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018

|                                       | 2019            |               |                        | 2018          |
|---------------------------------------|-----------------|---------------|------------------------|---------------|
|                                       | Final<br>Budget | Actual        | Variance<br>Over/Under | Actual        |
| <b>Revenues:</b>                      |                 |               |                        |               |
| Restricted intergovernmental revenues | \$ 25,191,582   | \$ 21,403,426 | \$ (3,788,156)         | \$ 19,562,935 |
| Investment earnings                   | -               | 173,866       | 173,866                | 158,619       |
| Miscellaneous revenues                | 288,901         | 354,448       | 65,547                 | 348,171       |
| Total revenues                        | 25,480,483      | 21,931,740    | (3,548,743)            | 20,069,725    |
| <b>Expenditures:</b>                  |                 |               |                        |               |
| <b>Social Services:</b>               |                 |               |                        |               |
| Salaries and employee benefits        | 22,576,378      | 21,721,995    | 854,383                | 20,624,592    |
| Operating expenditures                | 2,716,506       | 2,113,611     | 602,895                | 1,953,498     |
| Capital outlay                        | 86,013          | 30,148        | 55,865                 | 146,929       |
| Total                                 | 25,378,897      | 23,865,754    | 1,513,143              | 22,725,019    |
| <b>WIA Administration:</b>            |                 |               |                        |               |
| Salaries and employee benefits        | 139,335         | 98,263        | 41,072                 | 122,639       |
| Operating expenditures                | 101,687         | 57,947        | 43,740                 | 47,801        |
| Capital outlay                        | 40,000          | 309           | 39,691                 | -             |
| Total                                 | 281,022         | 156,519       | 124,503                | 170,440       |
| <b>Classroom Training:</b>            |                 |               |                        |               |
| Salaries and employee benefits        | 266,000         | 233,979       | 32,021                 | 239,161       |
| Operating expenditures                | 1,170,138       | 645,161       | 524,977                | 695,667       |
| Capital outlay                        | 10,000          | 382           | 9,618                  | 191           |
| Total                                 | 1,446,138       | 879,522       | 566,616                | 935,019       |
| <b>Technical Assistance:</b>          |                 |               |                        |               |
| Operating expenditures                | 290,491         | 19,413        | 271,078                | 99,973        |
| Total                                 | 290,491         | 19,413        | 271,078                | 99,973        |
| <b>Year-Round Youth Program:</b>      |                 |               |                        |               |
| Operating expenditures                | 879,611         | 379,075       | 500,536                | 280,387       |
| Total                                 | 879,611         | 379,075       | 500,536                | 280,387       |

**GASTON COUNTY, NORTH CAROLINA**

**PUBLIC ASSISTANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|                                 | <b>2019</b>             |               |                                | <b>2018</b>   |
|---------------------------------|-------------------------|---------------|--------------------------------|---------------|
|                                 | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance<br/>Over/Under</b> | <b>Actual</b> |
| <b>WorkFirst - County:</b>      |                         |               |                                |               |
| Salaries and employee benefits  | 998,170                 | 888,879       | 109,291                        | 1,043,846     |
| Operating expenditures          | 588,940                 | 178,529       | 410,411                        | 222,896       |
| Capital outlay                  | 2,800                   | -             | 2,800                          | -             |
| Total                           | 1,589,910               | 1,067,408     | 522,502                        | 1,266,742     |
| <b>WorkFirst - Other:</b>       |                         |               |                                |               |
| Operating expenditures          | 1,000                   | -             | 1,000                          | -             |
| Total                           | 1,000                   | -             | 1,000                          | -             |
| <b>Battered Spouse Shelter:</b> |                         |               |                                |               |
| Salaries and employee benefits  | 561,565                 | 365,294       | 196,271                        | 375,805       |
| Operating expenditures          | 521,370                 | 194,870       | 326,500                        | 300,097       |
| Capital outlay                  | 6,517                   | 741           | 5,776                          | 111,293       |
| Total                           | 1,089,452               | 560,905       | 528,547                        | 787,195       |
| <b>Senior Center:</b>           |                         |               |                                |               |
| Operating expenditures          | 3,000                   | 2,574         | 426                            | 2,968         |
| Total                           | 3,000                   | 2,574         | 426                            | 2,968         |
| <b>Nutrition Program:</b>       |                         |               |                                |               |
| Salaries and employee benefits  | 339,087                 | 292,546       | 46,541                         | 298,897       |
| Operating expenditures          | 489,900                 | 352,320       | 137,580                        | 367,785       |
| Total                           | 828,987                 | 644,866       | 184,121                        | 666,682       |
| <b>In Home Aide-Services:</b>   |                         |               |                                |               |
| Salaries and employee benefits  | 235,385                 | 225,285       | 10,100                         | 216,499       |
| Operating expenditures          | 894,734                 | 836,155       | 58,579                         | 651,676       |
| Total                           | 1,130,119               | 1,061,440     | 68,679                         | 868,175       |
| <b>Child Advocacy:</b>          |                         |               |                                |               |
| Salaries and employee benefits  | 193,720                 | 192,277       | 1,443                          | 156,613       |
| Operating expenditures          | 99,725                  | 49,576        | 50,149                         | 97,474        |
| Total                           | 293,445                 | 241,853       | 51,592                         | 254,087       |

**GASTON COUNTY, NORTH CAROLINA**

**PUBLIC ASSISTANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|   | <b>2019</b>             |               |                                | <b>2018</b>   |
|---|-------------------------|---------------|--------------------------------|---------------|
|   | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance<br/>Over/Under</b> | <b>Actual</b> |
| <b>Gastonia Adult Daycare Center:</b>                   |                         |               |                                |               |
| Salaries and employee benefits                          | 241,935                 | 241,013       | 922                            | 226,210       |
| Operating expenditures                                  | 80,756                  | 68,707        | 12,049                         | 58,013        |
| Capital outlay  | 850                     | 741           | 109                            | 181           |
| Total   | 323,541                 | 310,461       | 13,080                         | 284,404       |
| <b>Belmont Adult Daycare Center:</b>                    |                         |               |                                |               |
| Salaries and employee benefits                          | 145,530                 | 138,147       | 7,383                          | 139,141       |
| Operating expenditures                                  | 85,571                  | 74,966        | 10,605                         | 66,697        |
| Capital outlay  | 50                      | -             | 50                             | 304           |
| Total   | 231,151                 | 213,113       | 18,038                         | 206,142       |
| <b>Community Alternative Program:</b>                   |                         |               |                                |               |
| Salaries and employee benefits                          | 438,960                 | 406,930       | 32,030                         | 424,255       |
| Operating expenditures                                  | 77,000                  | 27,756        | 49,244                         | 31,566        |
| Total   | 515,960                 | 434,686       | 81,274                         | 455,821       |
| <b>Food Stamp Issuance:</b>                             |                         |               |                                |               |
| Operating expenditures                                  | 95,000                  | 39,436        | 55,564                         | 59,056        |
| Total   | 95,000                  | 39,436        | 55,564                         | 59,056        |
| <b>Public Assistance Expenditures:</b>                  |                         |               |                                |               |
| TANF  | 3,777,842               | 3,407,771     | 370,071                        | 2,946,244     |
| Other financing assistance                              | 364,226                 | 286,358       | 77,868                         | 235,001       |
| Aid to the blind  | 10,000                  | 9,375         | 625                            | 8,848         |
| Medicaid  | 201,000                 | 6,486         | 194,514                        | 12,525        |
| Special assistance to adults                            | 1,774,000               | 1,401,967     | 372,033                        | 1,405,900     |
| Child daycare   | -                       | -             | -                              | 373           |
| Crisis intervention                                     | 1,003,487               | 973,968       | 29,519                         | 850,278       |
| Transportation - Home and<br>Community Care Block Grant | 381,816                 | 145,080       | 236,736                        | 127,665       |
| Total   | 7,512,371               | 6,231,005     | 1,281,366                      | 5,586,834     |

**GASTON COUNTY, NORTH CAROLINA**

**PUBLIC ASSISTANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|  | <b>2019</b>             |                      |                                | <b>2018</b>          |
|--|-------------------------|----------------------|--------------------------------|----------------------|
|  | <b>Final<br/>Budget</b> | <b>Actual</b>        | <b>Variance<br/>Over/Under</b> | <b>Actual</b>        |
| <b>Residential Service Expenditures:</b> |                         |                      |                                |                      |
| Adoption                                 | 866,519                 | 680,644              | 185,875                        | 557,194              |
| Receiving homes                          | 186,110                 | 70,855               | 115,255                        | 64,379               |
| State foster home                        | 1,420,280               | 1,037,924            | 382,356                        | 1,194,908            |
| Special treatment                        | 102,657                 | 69,010               | 33,647                         | 50,473               |
| Total                                    | <u>2,575,566</u>        | <u>1,858,433</u>     | <u>717,133</u>                 | <u>1,866,954</u>     |
| <b>Debt Service:</b>                     |                         |                      |                                |                      |
| Principal retirement                     | 59,406                  | 46,393               | 13,013                         | 36,238               |
| Interest and fees                        | 2,080                   | 1,654                | 426                            | 984                  |
| Total                                    | <u>61,486</u>           | <u>48,047</u>        | <u>13,439</u>                  | <u>37,222</u>        |
| Total expenditures                       | <u>44,527,147</u>       | <u>38,014,510</u>    | <u>6,512,637</u>               | <u>36,553,120</u>    |
| Revenues over (under) expenditures       | <u>(19,046,664)</u>     | <u>(16,082,770)</u>  | <u>2,963,894</u>               | <u>(16,483,395)</u>  |
| <b>Other Financing Sources (Uses):</b>   |                         |                      |                                |                      |
| Fund balance appropriated                | 951,551                 | -                    | (951,551)                      | -                    |
| Transfers from/to other funds:           |                         |                      |                                |                      |
| From General Fund                        | <u>18,095,113</u>       | <u>18,095,113</u>    | <u>-</u>                       | <u>17,812,995</u>    |
| Total other financing sources (uses)     | <u>19,046,664</u>       | <u>18,095,113</u>    | <u>(951,551)</u>               | <u>17,812,995</u>    |
| Net change in fund balance               | <u>\$ -</u>             | <u>2,012,343</u>     | <u>\$ 2,012,343</u>            | <u>1,329,600</u>     |
| <b>Fund Balance:</b>                     |                         |                      |                                |                      |
| Beginning of year - July 1               |                         | <u>15,374,243</u>    |                                | <u>14,044,643</u>    |
| End of year - June 30                    |                         | <u>\$ 17,386,586</u> |                                | <u>\$ 15,374,243</u> |

## GASTON COUNTY, NORTH CAROLINA

## DEBT SERVICE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2019

## WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018

|  | 2019                |                     |                        | 2018                |
|--|---------------------|---------------------|------------------------|---------------------|
|  | Final<br>Budget     | Actual              | Variance<br>Over/Under | Actual              |
| <b>Revenues:</b>                       |                     |                     |                        |                     |
| Investment earnings                    | \$ -                | \$ 80,416           | \$ 80,416              | \$ 50,963           |
| Lottery proceeds - restricted          |                     |                     |                        |                     |
| intergovernmental                      | 2,050,000           | 2,242,658           | 192,658                | 2,120,880           |
| Sales Tax                              | 2,455,000           | 5,342,031           | 2,887,031              | -                   |
| Miscellaneous revenue                  | 1,031,315           | -                   | (1,031,315)            | 1,053,343           |
| Total revenues                         | <u>5,536,315</u>    | <u>7,665,105</u>    | <u>2,128,790</u>       | <u>3,225,186</u>    |
| <b>Expenditures:</b>                   |                     |                     |                        |                     |
| <b>Principal Retirement:</b>           |                     |                     |                        |                     |
| Administration/York - Chester          | 816,742             | 366,108             | 450,634                | 1,874,041           |
| School bonds                           | 16,444,001          | 16,444,000          | 1                      | 73,652,000          |
| Certificates of Participation          | 265,065             | -                   | 265,065                | -                   |
| Total principal retirement             | <u>17,525,808</u>   | <u>16,810,108</u>   | <u>715,700</u>         | <u>75,526,041</u>   |
| <b>Interest and Fees:</b>              |                     |                     |                        |                     |
| Administration/York - Chester          | 139,655             | 125,831             | 13,824                 | 190,516             |
| School bonds                           | 8,457,337           | 6,257,335           | 2,200,002              | 9,069,527           |
| Build America                          | -                   | -                   | -                      | 1,613,701           |
| Jail bonds                             | 240,000             | -                   | 240,000                | -                   |
| Professional fees                      | 300,000             | 129,346             | 170,654                | 21,906              |
| Certificates of Participation          | 255,000             | -                   | 255,000                | -                   |
| Total interest and fees                | <u>9,391,992</u>    | <u>6,512,512</u>    | <u>2,879,480</u>       | <u>10,895,650</u>   |
| Total expenditures                     | <u>26,917,800</u>   | <u>23,322,620</u>   | <u>3,595,180</u>       | <u>86,421,691</u>   |
| Revenues over (under) expenditures     | <u>(21,381,485)</u> | <u>(15,657,515)</u> | <u>5,723,970</u>       | <u>(83,196,505)</u> |
| <b>Other Financing Sources (Uses):</b> |                     |                     |                        |                     |
| Refunding bonds issued                 | -                   | -                   | -                      | 59,182,000          |
| Transfers from General Fund            | 21,381,485          | 21,381,485          | -                      | 23,634,819          |
| Total other financing sources (uses)   | <u>21,381,485</u>   | <u>21,381,485</u>   | <u>-</u>               | <u>82,816,819</u>   |
| Net change in fund balance             | <u>\$ -</u>         | <u>5,723,970</u>    | <u>\$ 5,723,970</u>    | <u>(379,686)</u>    |
| <b>Fund Balance:</b>                   |                     |                     |                        |                     |
| Beginning of year - July 1             |                     | <u>3,676,796</u>    |                        | <u>4,056,482</u>    |
| End of year - June 30                  |                     | <u>\$ 9,400,766</u> |                        | <u>\$ 3,676,796</u> |



**GASTON COUNTY, NORTH CAROLINA**

**CAPITAL IMPROVEMENTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

|   | <u>Budget</u>    | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|---|------------------|-------------------|--------------------------------|
| <b>Revenues:</b>  |                  |                   |                                |
| <b>Restricted intergovernmental revenues:</b>           |                  |                   |                                |
| Highway Planning and Construction Grants:               |                  |                   |                                |
| Congestion Mitigation and Air Quality / CMAQ-000S(849)  | \$ -             | \$ 42,791         | \$ 42,791                      |
| Congestion Mitigation and Air Quality / CMAQ (C-5606M)  | 1,488,462        | -                 | (1,488,462)                    |
| Duke Grant:Project Alpha 3                              | 25,000           | -                 | (25,000)                       |
| Duke Energy Grt: Dhollandia                             | 25,000           | 25,840            | 840                            |
| One NC Grants   | -                | 56,250            | 56,250                         |
| NC Dept of Commerce Grant                               | -                | 500,000           | 500,000                        |
| <b>Investment Earnings:</b>                             |                  |                   |                                |
| School bond proceeds - General Obligation               | 746,555          | 1,019,098         | 272,543                        |
| Gaston Community College - General Obligation           | 3,948            | 4,817             | 869                            |
| School bond proceeds - Build America                    | 31,789           | 37,508            | 5,719                          |
| Interest Earn:LOBs (Tx Exempt)                          | 436,755          | 91,739            | (345,016)                      |
| Other   | -                | 991,502           | 991,502                        |
| <b>Miscellaneous revenues:</b>                          |                  |                   |                                |
| Sales Tax   | 3,795,000        | 8,055,126         | 4,260,126                      |
| Rent:York Chester Square                                | -                | 1,825             | 1,825                          |
| Total revenues  | <u>6,552,509</u> | <u>10,826,496</u> | <u>4,273,987</u>               |
| <b>Capital Expenditures by Department:</b>              |                  |                   |                                |
| Animal Control:   |                  |                   |                                |
| New Animal Control Facility                             | 5,731,896        | 2,604,387         | 3,127,509                      |
| Public Safety:  |                  |                   |                                |
| Jail Infill/Expansion                                   | 10,770,000       | 1,007,523         | 9,762,477                      |
| PS Radio Sys: Equipment                                 | 5,131,791        | -                 | 5,131,791                      |
| PS Radio Sys: Infrastructure                            | 8,884,108        | -                 | 8,884,108                      |
| EDC:  |                  |                   |                                |
| Land Purchase and Development                           | 17,979,212       | 8,844,205         | 9,135,007                      |
| One NC Grant : Tosaf                                    | 225,000          | 56,250            | 168,750                        |
| Public Infrastructure Grant: Tosaf / 2015-044-3212-2587 | 375,000          | 125,000           | 250,000                        |
| Prof Svc: Apple Creek                                   |                  |                   |                                |
| Duke Grant: Project Alpha 3                             | 25,000           | -                 | 25,000                         |
| Duke Energy Grant: Dhollandia                           | 25,000           | 25,000            | -                              |
| Public Works:   |                  |                   |                                |
| New Animal Control Facility Design                      | 104,296          | 68,723            | 35,573                         |
| Renovations and Improvements                            | 4,349,416        | 1,826,130         | 2,523,286                      |
| Highway Planning and Construction Grants:               |                  |                   |                                |
| Congestion Mitigation and Air Quality / CMAQ-000S(899)  | 417,974          | -                 | 417,974                        |
| Congestion Mitigation and Air Quality / CMAQ-000S(900)  | 946,847          | -                 | 946,847                        |
| Congestion Mitigation and Air Quality / CMAQ (C-5606M)  | 1,860,578        | -                 | 1,860,578                      |
| Congestion Mitigation and Air Quality / CMAQ            | 731,695          | 83,041            | 648,654                        |
| Recreation:   |                  |                   |                                |
| Dallas Park Expansion                                   | 1,963,363        | 1,251,559         | 711,804                        |
| Park Renovations and Improvements                       | 225,000          | 225,000           | -                              |
| Post Parks Trails/Parks                                 | 135,373          | 28,135            | 107,238                        |

**GASTON COUNTY, NORTH CAROLINA**

**CAPITAL IMPROVEMENTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

|  | <u>Budget</u>        | <u>Actual</u>         | <u>Variance<br/>Over/Under</u> |
|--|----------------------|-----------------------|--------------------------------|
| CDBG:                                  |                      |                       |                                |
| Program Income                         | 37,299               | 8,903                 | 28,396                         |
| Telecommunications:                    |                      |                       |                                |
| Special Grants and Programs:           |                      |                       |                                |
| Township                               | 1,110,291            | 409,641               | 700,650                        |
| Gigabit Incubator Project              | 325,000              | 325,000               | -                              |
| Nondepartmental Expenditures:          |                      |                       |                                |
| ERP System                             | 133,375              | 38,815                | 94,560                         |
| Gaston County Schools                  | 74,963,131           | 12,939,508            | 62,023,623                     |
| Gaston College                         | 2,035,668            | 814,304               | 1,221,364                      |
| Debt Issuance Costs                    | 487,751              | 359,679               | 128,072                        |
| Water and sewer lines                  | 358,333              | 200,000               | 158,333                        |
| Total expenditures                     | <u>139,332,396</u>   | <u>31,240,803</u>     | <u>108,091,593</u>             |
| Revenues over (under) expenditures     | <u>(132,779,887)</u> | <u>(20,414,307)</u>   | <u>112,365,580</u>             |
| <b>Other Financing Sources (Uses):</b> |                      |                       |                                |
| Bonds Issued                           | 90,168,328           | 86,785,000            | (3,383,328)                    |
| Premium from issuance of bond          | 8,506,758            | 8,506,758             | -                              |
| Fund balance appropriated              | 31,872,249           | -                     | (31,872,249)                   |
| Transfers in (out):                    |                      |                       |                                |
| Transfers from the General Fund        | 2,232,552            | 2,232,552             | -                              |
| Total other financing sources (uses)   | <u>132,779,887</u>   | <u>97,524,310</u>     | <u>(35,255,577)</u>            |
| Net change in fund balance             | <u>\$ -</u>          | 77,110,003            | <u>\$ 77,110,003</u>           |
| <b>Fund Balance:</b>                   |                      |                       |                                |
| Beginning of year - July 1             |                      | <u>47,497,367</u>     |                                |
| End of year - June 30                  |                      | <u>\$ 124,607,370</u> |                                |

## NONMAJOR SPECIAL REVENUE FUNDS

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

### Individual Fund Descriptions:

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

GASTON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019

|   | Travel and<br>Tourism<br>Fund | Property<br>Revaluation<br>Fund | Emergency<br>Telephone<br>System Fund | Drug<br>Forfeitures<br>Fund |
|---|-------------------------------|---------------------------------|---------------------------------------|-----------------------------|
| <b>Assets:</b>  |                               |                                 |                                       |                             |
| Cash and cash equivalents   | \$ 1,395,176                  | \$ -                            | \$ 2,008,005                          | \$ 1,069,954                |
| Ad valorem taxes receivable, net  | -                             | -                               | -                                     | -                           |
| Accounts receivable   | 160,806                       | -                               | 63,381                                | -                           |
| Restricted cash   | -                             | 239,144                         | -                                     | -                           |
| Total assets  | <u>\$ 1,555,982</u>           | <u>\$ 239,144</u>               | <u>\$ 2,071,386</u>                   | <u>\$ 1,069,954</u>         |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balances:</b> |                               |                                 |                                       |                             |
| <b>Liabilities:</b>   |                               |                                 |                                       |                             |
| Accounts payable and accrued liabilities                                  | \$ 204,967                    | \$ -                            | \$ 21,469                             | \$ -                        |
| Liabilities payable from restricted assets                                | -                             | 26,751                          | -                                     | -                           |
| Total liabilities   | <u>204,967</u>                | <u>26,751</u>                   | <u>21,469</u>                         | <u>-</u>                    |
| <b>Deferred Inflows of Resources:</b>                                     |                               |                                 |                                       |                             |
| Unavailable taxes   | <u>-</u>                      | <u>-</u>                        | <u>-</u>                              | <u>-</u>                    |
| <b>Fund Balances:</b>   |                               |                                 |                                       |                             |
| <b>Non-Spendable:</b>   |                               |                                 |                                       |                             |
| <b>Restricted:</b>  |                               |                                 |                                       |                             |
| Stabilization by State statute  | 160,806                       | -                               | 63,458                                | -                           |
| Fire protection   | -                             | -                               | -                                     | -                           |
| Emergency telephone   | -                             | -                               | 1,986,459                             | -                           |
| <b>Committed:</b>   |                               |                                 |                                       |                             |
| Tax revaluation   | -                             | 212,393                         | -                                     | -                           |
| <b>Assigned:</b>  |                               |                                 |                                       |                             |
| Parking   | 1,190,209                     | -                               | -                                     | -                           |
| Travel and tourism  | -                             | -                               | -                                     | -                           |
| Public safety   | -                             | -                               | -                                     | 1,069,954                   |
| Total fund balances   | <u>1,351,015</u>              | <u>212,393</u>                  | <u>2,049,917</u>                      | <u>1,069,954</u>            |
| Total liabilities, deferred inflows of resources,<br>and fund balances    | <u>\$ 1,555,982</u>           | <u>\$ 239,144</u>               | <u>\$ 2,071,386</u>                   | <u>\$ 1,069,954</u>         |

GASTON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019

|   | Controlled<br>Substance<br>Abuse Tax Fund | Parking<br>Fee<br>Fund | Fire<br>Districts<br>Fund | Total               |
|---|---|------------------------|---------------------------|---------------------|
| <b>Assets:</b>  |   |                        |                           |                     |
| Cash and cash equivalents   | \$ 216,138                                | \$ 1,122,269           | \$ 1,074,129              | \$ 6,885,671        |
| Ad valorem taxes receivable, net  | -   | -                      | 81,734                    | 81,734              |
| Accounts receivable   | -   | 23,739                 | 57,696                    | 305,622             |
| Restricted cash   | -   | -                      | -                         | 239,144             |
| Total assets  | <u>\$ 216,138</u>                         | <u>\$ 1,146,008</u>    | <u>\$ 1,213,559</u>       | <u>\$ 7,512,171</u> |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balances:</b> |   |                        |                           |                     |
| <b>Liabilities:</b>   |   |                        |                           |                     |
| Accounts payable and accrued liabilities                                  | \$ -                                      | \$ 589                 | \$ 268                    | \$ 227,293          |
| Liabilities payable from restricted assets                                | -   | -                      | -                         | 26,751              |
| Total liabilities   | <u>-</u>                                  | <u>589</u>             | <u>268</u>                | <u>254,044</u>      |
| <b>Deferred Inflows of Resources:</b>                                     |   |                        |                           |                     |
| Unavailable taxes   | -   | -                      | 81,734                    | 81,734              |
| <b>Fund Balances:</b>   |   |                        |                           |                     |
| <b>Non-Spendable:</b>   |   |                        |                           |                     |
| <b>Restricted:</b>  |   |                        |                           |                     |
| Stabilization by State statute  | -   | 23,739                 | 57,696                    | 305,699             |
| Fire protection   | -   | -                      | 1,073,861                 | 1,073,861           |
| Emergency telephone   | -   | -                      | -                         | 1,986,459           |
| <b>Committed:</b>   |   |                        |                           |                     |
| Tax revaluation   | -   | -                      | -                         | 212,393             |
| <b>Assigned:</b>  |   |                        |                           |                     |
| Parking   | -   | -                      | -                         | 1,190,209           |
| Travel and tourism  | -   | 1,121,680              | -                         | 1,121,680           |
| Public safety   | 216,138                                   | -                      | -                         | 1,286,092           |
| Total fund balances   | <u>216,138</u>                            | <u>1,145,419</u>       | <u>1,131,557</u>          | <u>7,176,393</u>    |
| Total liabilities, deferred inflows of resources,<br>and fund balances    | <u>\$ 216,138</u>                         | <u>\$ 1,146,008</u>    | <u>\$ 1,213,559</u>       | <u>\$ 7,512,171</u> |

**GASTON COUNTY, NORTH CAROLINA**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019**

|  | <b>Travel and<br/>Tourism<br/>Fund</b> | <b>Property<br/>Revaluation<br/>Fund</b> | <b>Emergency<br/>Telephone<br/>System Fund</b> | <b>Drug<br/>Forfeitures<br/>Fund</b> |
|--|--|--|--|--------------------------------------|
| <b>Revenues:</b>                       |  |  |  |                                      |
| Ad valorem taxes                       | \$ -                                   | \$ -                                     | \$ -   | \$ -                                 |
| Occupancy taxes                        | 908,898                                | -  | -  | -                                    |
| Restricted intergovernmental revenues  | -                                      | -  | -  | 8,120                                |
| E911 surcharge                         | -                                      | -  | 760,575  | -                                    |
| Investment earnings                    | 36,448                                 | 2,611                                    | 22,762   | 24,026                               |
| Miscellaneous revenues                 | 36,300                                 | -  | -  | -                                    |
| Total revenues                         | <u>981,646</u>                         | <u>2,611</u>                             | <u>783,337</u>                                 | <u>32,146</u>                        |
| <b>Expenditures:</b>                   |  |  |  |                                      |
| Current:                               |  |  |  |                                      |
| General government                     | -                                      | 238,804                                  | -  | -                                    |
| Public safety                          | -                                      | -  | 626,328  | 88,925                               |
| Economic and physical development      | <u>965,975</u>                         | <u>-</u>                                 | <u>-</u>                                       | <u>-</u>                             |
| Total expenditures                     | <u>965,975</u>                         | <u>238,804</u>                           | <u>626,328</u>                                 | <u>88,925</u>                        |
| Revenues over (under) expenditures     | 15,671                                 | (236,193)                                | 157,009  | (56,779)                             |
| <b>Other Financing Sources (Uses):</b> |  |  |  |                                      |
| Transfers in/out                       | <u>-</u>                               | <u>210,000</u>                           | <u>90,149</u>                                  | <u>-</u>                             |
| Net change in fund balances            | 15,671                                 | (26,193)                                 | 247,158  | (56,779)                             |
| <b>Fund Balances:</b>                  |  |  |  |                                      |
| Beginning of year - July 1             | <u>1,335,344</u>                       | <u>238,586</u>                           | <u>1,802,759</u>                               | <u>1,126,733</u>                     |
| End of year - June 30                  | <u>\$ 1,351,015</u>                    | <u>\$ 212,393</u>                        | <u>\$ 2,049,917</u>                            | <u>\$ 1,069,954</u>                  |

# GASTON COUNTY, NORTH CAROLINA

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

|  | <b>Controlled<br/>Substance<br/>Abuse Tax Fund</b> | <b>Parking<br/>Fee<br/>Fund</b> | <b>Fire<br/>Districts<br/>Fund</b> | <b>Total</b>        |
|--|--|---------------------------------|------------------------------------|---------------------|
| <b>Revenues:</b>                       |  |                                 |                                    |                     |
| Ad valorem taxes                       | \$ -   | \$ -                            | \$ 4,951,921                       | \$ 4,951,921        |
| Occupancy taxes                        | -  | -                               | -                                  | 908,898             |
| Restricted intergovernmental revenues  | 73,687   | -                               | -                                  | 81,807              |
| E911 surcharge                         | -  | -                               | -                                  | 760,575             |
| Investment earnings                    | 3,947  | 12,251                          | 12,545                             | 114,590             |
| Miscellaneous revenues                 | -  | 215,428                         | -                                  | 251,728             |
| Total revenues                         | <u>77,634</u>                                      | <u>227,679</u>                  | <u>4,964,466</u>                   | <u>7,069,519</u>    |
| <b>Expenditures:</b>                   |  |                                 |                                    |                     |
| Current:                               |  |                                 |                                    |                     |
| General government                     | -  | 49,132                          | -                                  | 287,936             |
| Public safety                          | 10,011   | -                               | 4,856,738                          | 5,582,002           |
| Economic and physical development      | -  | 1,845                           | -                                  | 967,820             |
| Total expenditures                     | <u>10,011</u>                                      | <u>50,977</u>                   | <u>4,856,738</u>                   | <u>6,837,758</u>    |
| Revenues over (under) expenditures     | 67,623   | 176,702                         | 107,728                            | 231,761             |
| <b>Other Financing Sources (Uses):</b> |  |                                 |                                    |                     |
| Transfers in/out                       | -  | -                               | -                                  | 300,149             |
| Net change in fund balances            | 67,623   | 176,702                         | 107,728                            | 531,910             |
| <b>Fund Balances:</b>                  |  |                                 |                                    |                     |
| Beginning of year - July 1             | <u>148,515</u>                                     | <u>968,717</u>                  | <u>1,023,829</u>                   | <u>6,644,483</u>    |
| End of year - June 30                  | <u>\$ 216,138</u>                                  | <u>\$ 1,145,419</u>             | <u>\$ 1,131,557</u>                | <u>\$ 7,176,393</u> |

## GASTON COUNTY, NORTH CAROLINA

## TRAVEL AND TOURISM FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2019

## WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018

|  | 2019             |                     |                        | 2018                |
|--|------------------|---------------------|------------------------|---------------------|
|  | Final<br>Budget  | Actual              | Variance<br>Over/Under | Actual              |
| <b>Revenues:</b>                       |                  |                     |                        |                     |
| Occupancy tax                          | \$ 942,070       | \$ 908,898          | \$ (33,172)            | \$ 912,853          |
| Investment earnings                    | -                | 36,448              | 36,448                 | 27,132              |
| Miscellaneous revenue                  | 30,000           | 36,300              | 6,300                  | 32,340              |
| Total revenues                         | <u>972,070</u>   | <u>981,646</u>      | <u>9,576</u>           | <u>972,325</u>      |
| <b>Expenditures:</b>                   |                  |                     |                        |                     |
| Economic and physical development:     |                  |                     |                        |                     |
| Salaries and employee benefits         | 262,375          | 262,419             | (44)                   | 253,690             |
| Operating expenditures                 | 747,180          | 701,624             | 45,556                 | 648,589             |
| Capital outlay                         | <u>2,115</u>     | <u>1,932</u>        | <u>183</u>             | <u>1,196</u>        |
| Total expenditures                     | <u>1,011,670</u> | <u>965,975</u>      | <u>45,695</u>          | <u>903,475</u>      |
| Revenues over (under) expenditures     | <u>(39,600)</u>  | <u>15,671</u>       | <u>55,271</u>          | <u>68,850</u>       |
| <b>Other Financing Sources (Uses):</b> |                  |                     |                        |                     |
| Transfers to Capital Improvements Fund | -                | -                   | -                      | (150,000)           |
| Fund balance appropriated              | <u>39,600</u>    | <u>-</u>            | <u>(39,600)</u>        | <u>-</u>            |
| Total other financing sources (uses)   | <u>39,600</u>    | <u>-</u>            | <u>(39,600)</u>        | <u>(150,000)</u>    |
| Net change in fund balance             | <u>\$ -</u>      | <u>15,671</u>       | <u>\$ 15,671</u>       | <u>(81,150)</u>     |
| <b>Fund Balance:</b>                   |                  |                     |                        |                     |
| Beginning of year - July 1             |                  | <u>1,335,344</u>    |                        | <u>1,416,494</u>    |
| End of year - June 30                  |                  | <u>\$ 1,351,015</u> |                        | <u>\$ 1,335,344</u> |



**GASTON COUNTY, NORTH CAROLINA**

**PROPERTY REVALUATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|  | <b>2019</b>             |               |                                | <b>2018</b>   |
|--|-------------------------|---------------|--------------------------------|---------------|
|  | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance<br/>Over/Under</b> | <b>Actual</b> |
| <b>Revenues:</b>                         |                         |               |                                |               |
| Investment earnings                      | \$ -                    | \$ 2,611      | \$ 2,611                       | \$ 2,834      |
| <b>Expenditures:</b>                     |                         |               |                                |               |
| General government:                      |                         |               |                                |               |
| Operating expenditures                   | 425,003                 | 238,804       | 186,199                        | 335,926       |
| Revenues over (under) expenditures       | (425,003)               | (236,193)     | 188,810                        | (333,092)     |
| <b>Other Financing Sources (Uses):</b>   |                         |               |                                |               |
| Fund balance appropriated                | 215,003                 | -             | (215,003)                      | -             |
| Transfers from General Fund              | 210,000                 | 210,000       | -                              | 52,500        |
| Transfers from Capital Improvements Fund | -                       | -             | -                              | 157,500       |
| Total other financing sources (uses)     | 425,003                 | 210,000       | (215,003)                      | 210,000       |
| Net change in fund balance               | \$ -                    | (26,193)      | \$ (26,193)                    | (123,092)     |
| <b>Fund Balance:</b>                     |                         |               |                                |               |
| Beginning of year - July 1               |                         | 238,586       |                                | 361,678       |
| End of year - June 30                    |                         | \$ 212,393    |                                | \$ 238,586    |

## GASTON COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|  | <b>2019</b>             |                     |                                | <b>2018</b>         |
|--|-------------------------|---------------------|--------------------------------|---------------------|
|  | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance<br/>Over/Under</b> | <b>Actual</b>       |
| <b>Revenues:</b>                       |                         |                     |                                |                     |
| E911 surcharge                         | \$ 760,574              | \$ 760,575          | \$ 1                           | \$ 736,000          |
| Investment earnings                    | -                       | 22,762              | 22,762                         | 20,604              |
| Total revenues                         | <u>760,574</u>          | <u>783,337</u>      | <u>22,763</u>                  | <u>756,604</u>      |
| <b>Expenditures:</b>                   |                         |                     |                                |                     |
| Public safety:                         |                         |                     |                                |                     |
| Operating expenditures                 | 745,390                 | 617,460             | 127,930                        | 700,058             |
| Capital outlay                         | <u>113,507</u>          | <u>8,868</u>        | <u>104,639</u>                 | <u>3,930</u>        |
| Total expenditures                     | <u>858,897</u>          | <u>626,328</u>      | <u>232,569</u>                 | <u>703,988</u>      |
| Revenues over (under) expenditures     | <u>(98,323)</u>         | <u>157,009</u>      | <u>255,332</u>                 | <u>52,616</u>       |
| <b>Other Financing Sources (Uses):</b> |                         |                     |                                |                     |
| Transfers from General Fund            | 90,149                  | 90,149              | -                              | -                   |
| Appropriated fund balance              | <u>8,174</u>            | <u>-</u>            | <u>(8,174)</u>                 | <u>-</u>            |
| Total other financing sources (uses)   | <u>98,323</u>           | <u>90,149</u>       | <u>(8,174)</u>                 | <u>-</u>            |
| Net change in fund balance             | <u>\$ -</u>             | <u>247,158</u>      | <u>\$ 247,158</u>              | <u>52,616</u>       |
| <b>Fund Balance:</b>                   |                         |                     |                                |                     |
| Beginning of year - July 1             |                         | <u>1,802,759</u>    |                                | <u>1,750,143</u>    |
| End of year - June 30                  |                         | <u>\$ 2,049,917</u> |                                | <u>\$ 1,802,759</u> |

**GASTON COUNTY, NORTH CAROLINA****DRUG FORFEITURES FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2019****WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|   | <b>2019</b>             |               |                                | <b>2018</b>   |
|---|-------------------------|---------------|--------------------------------|---------------|
|   | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance<br/>Over/Under</b> | <b>Actual</b> |
| <b>Revenues:</b>                              |                         |               |                                |               |
| Restricted intergovernmental revenue - police | \$ -                    | \$ 8,120      | \$ 8,120                       | \$ 2,218      |
| Investment earnings                           | 19,711                  | 24,026        | 4,315                          | 13,931        |
| Total revenues                                | 19,711                  | 32,146        | 12,435                         | 16,149        |
| <b>Expenditures:</b>                          |                         |               |                                |               |
| Public safety:                                |                         |               |                                |               |
| Operating expenditures - police               | 150,852                 | 88,925        | 61,927                         | 74,514        |
| Operating expenditures - sheriff              | 1,054                   | -             | 1,054                          | -             |
| Total expenditures                            | 151,906                 | 88,925        | 62,981                         | 74,514        |
| Revenues over (under) expenditures            | (132,195)               | (56,779)      | 75,416                         | (58,365)      |
| <b>Other Financing Sources (Uses):</b>        |                         |               |                                |               |
| Fund balance appropriated                     | 132,195                 | -             | (132,195)                      | -             |
| Net change in fund balance                    | \$ -                    | (56,779)      | \$ (56,779)                    | (58,365)      |
| <b>Fund Balance:</b>                          |                         |               |                                |               |
| Beginning of year - July 1                    |                         | 1,126,733     |                                | 1,185,098     |
| End of year - June 30                         |                         | \$ 1,069,954  |                                | \$ 1,126,733  |

**GASTON COUNTY, NORTH CAROLINA**

**CONTROLLED SUBSTANCE ABUSE TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|  | <b>2019</b>             |               |                                | <b>2018</b>   |
|--|-------------------------|---------------|--------------------------------|---------------|
|  | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance<br/>Over/Under</b> | <b>Actual</b> |
| <b>Revenues:</b>                       |                         |               |                                |               |
| Controlled substance tax - police      | \$ -                    | \$ 73,033     | \$ 73,033                      | \$ 111,707    |
| Controlled substance tax - sheriff     | -                       | 654           | 654                            | 2,968         |
| Investment earnings                    | 3,156                   | 3,947         | 791                            | 1,571         |
| Total revenues                         | 3,156                   | 77,634        | 74,478                         | 116,246       |
| <b>Expenditures:</b>                   |                         |               |                                |               |
| Public safety:                         |                         |               |                                |               |
| Operating expenditures - police        | 13,466                  | 10,011        | 3,455                          | 5,792         |
| Operating expenditures - sheriff       | 444                     | -             | 444                            | -             |
| Total expenditures                     | 13,910                  | 10,011        | 3,899                          | 5,792         |
| Revenues over (under) expenditures     | (10,754)                | 67,623        | 78,377                         | 110,454       |
| <b>Other Financing Sources (Uses):</b> |                         |               |                                |               |
| Fund balance appropriated              | 10,754                  | -             | (10,754)                       | -             |
| Net change in fund balance             | \$ -                    | 67,623        | \$ 67,623                      | 110,454       |
| <b>Fund Balance:</b>                   |                         |               |                                |               |
| Beginning of year - July 1             |                         | 148,515       |                                | 38,061        |
| End of year - June 30                  |                         | \$ 216,138    |                                | \$ 148,515    |

## GASTON COUNTY, NORTH CAROLINA

## PARKING FEE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2019

## WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018

|                                | 2019            |                     |                        | 2018              |
|--------------------------------|-----------------|---------------------|------------------------|-------------------|
|                                | Final<br>Budget | Actual              | Variance<br>Over/Under | Actual            |
| <b>Revenues:</b>               |                 |                     |                        |                   |
| Parking fees collected         | \$ 58,537       | \$ 215,428          | \$ 156,891             | \$ 180,532        |
| Investment earnings            | -               | 12,251              | 12,251                 | 10,971            |
| Total revenues                 | <u>58,537</u>   | <u>227,679</u>      | <u>169,142</u>         | <u>191,503</u>    |
| <b>Expenditures:</b>           |                 |                     |                        |                   |
| Public safety:                 |                 |                     |                        |                   |
| Salaries and employee benefits | 39,137          | 34,040              | 5,097                  | 36,479            |
| Operating expenditures         | 16,400          | 15,092              | 1,308                  | 10,377            |
| Capital outlay                 | <u>3,000</u>    | <u>1,845</u>        | <u>1,155</u>           | <u>22,662</u>     |
| Total expenditures             | <u>58,537</u>   | <u>50,977</u>       | <u>7,560</u>           | <u>69,518</u>     |
| Net change in fund balance     | <u>\$ -</u>     | 176,702             | <u>\$ 176,702</u>      | 121,985           |
| <b>Fund Balance:</b>           |                 |                     |                        |                   |
| Beginning of year - July 1     |                 | <u>968,717</u>      |                        | <u>846,732</u>    |
| End of year - June 30          |                 | <u>\$ 1,145,419</u> |                        | <u>\$ 968,717</u> |

**GASTON COUNTY, NORTH CAROLINA****FIRE DISTRICTS FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2019****WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|  | <b>2019</b>             |                     |                                | <b>2018</b>         |
|--|-------------------------|---------------------|--------------------------------|---------------------|
|  | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance<br/>Over/Under</b> | <b>Actual</b>       |
| <b>Revenues:</b>                       |                         |                     |                                |                     |
| Ad valorem taxes:                      |                         |                     |                                |                     |
| Taxes                                  | \$ 4,820,252            | \$ 4,922,086        | \$ 101,834                     | \$ 4,631,927        |
| Penalties and interest                 | -                       | 29,835              | 29,835                         | 27,463              |
| Investment earnings                    | -                       | 12,545              | 12,545                         | 11,879              |
| Total revenues                         | <u>4,820,252</u>        | <u>4,964,466</u>    | <u>144,214</u>                 | <u>4,671,269</u>    |
| <b>Expenditures:</b>                   |                         |                     |                                |                     |
| Public safety:                         |                         |                     |                                |                     |
| Operating expenditures                 | <u>4,895,287</u>        | <u>4,856,738</u>    | <u>38,549</u>                  | <u>4,618,504</u>    |
| Revenues over (under) expenditures     | (75,035)                | 107,728             | 182,763                        | 52,765              |
| <b>Other Financing Sources (Uses):</b> |                         |                     |                                |                     |
| Fund balance appropriated              | <u>75,035</u>           | -                   | <u>(75,035)</u>                | -                   |
| Net change in fund balance             | <u>\$ -</u>             | <u>107,728</u>      | <u>\$ 107,728</u>              | <u>52,765</u>       |
| <b>Fund Balance:</b>                   |                         |                     |                                |                     |
| Beginning of year - July 1             |                         | <u>1,023,829</u>    |                                | <u>971,064</u>      |
| End of year - June 30                  |                         | <u>\$ 1,131,557</u> |                                | <u>\$ 1,023,829</u> |

## **ENTERPRISE FUNDS**

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

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**GASTON COUNTY, NORTH CAROLINA**

**SOLID WASTE FUND**

**SCHEDULE OF REVENUES AND EXPENDITURES**

**BUDGET AND ACTUAL - (NON-GAAP)**

**FOR THE YEAR ENDED JUNE 30, 2019**

**WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|  | <b>2019</b>             |               |                                | <b>2018</b>   |
|--|-------------------------|---------------|--------------------------------|---------------|
|  | <b>Final<br/>Budget</b> | <b>Actual</b> | <b>Variance<br/>Over/Under</b> | <b>Actual</b> |
| <b>Revenues:</b>   |                         |               |                                |               |
| Operating revenues:  |                         |               |                                |               |
| Landfill charges   | \$ 7,084,916            | \$ 8,725,865  | \$ 1,640,949                   | \$ 8,216,930  |
| Other operating revenues   | 366,250                 | 727,452       | 361,202                        | 458,653       |
| Energy charges   | 2,080,088               | 2,548,181     | 468,093                        | 2,431,332     |
| Total operating revenues   | 9,531,254               | 12,001,498    | 2,470,244                      | 11,106,915    |
| <b>Investment Earnings</b>   | -                       | 141,003       | 141,003                        | 131,598       |
| Total revenues   | 9,531,254               | 12,142,501    | 2,611,247                      | 11,238,513    |
| <b>Expenditures:</b>   |                         |               |                                |               |
| <b>Landfill Department:</b>  |                         |               |                                |               |
| Salaries and employee benefits   | 1,964,397               | 1,867,456     | 96,941                         | 1,755,302     |
| Professional services  | 320,000                 | 305,898       | 14,102                         | 337,037       |
| Operating expenditures   | 3,196,830               | 2,812,964     | 383,866                        | 2,740,600     |
| Repairs and maintenance  | -                       | -             | -                              | -             |
| Capital outlay   | 6,162,692               | 3,105,195     | 3,057,497                      | 1,108,641     |
| <b>Renewable Energy Department:</b>  |                         |               |                                |               |
| Salaries and employee benefits   | 219,825                 | 214,222       | 5,603                          | 207,609       |
| Professional services  | 20,000                  | 15,350        | 4,650                          | 13,647        |
| Operating expenditures   | 1,074,398               | 957,044       | 117,354                        | 991,794       |
| Capital outlay   | 595,880                 | 12,135        | 583,745                        | 458,687       |
| Total operating expenditures   | 13,554,022              | 9,290,264     | 4,263,758                      | 7,613,317     |
| <b>Debt Service Payments</b>   | 1,281,480               | 1,038,176     | 243,304                        | 1,458,379     |
| Revenues over (under) expenditures   | (5,304,248)             | 1,814,061     | 7,118,309                      | 2,166,817     |
| <b>Other Financing Sources (Uses):</b>   |                         |               |                                |               |
| Installment purchase debt  | -                       | -             | -                              | 462,698       |
| Fund balance appropriated  | 5,304,248               | -             | (5,304,248)                    | -             |
| Transfers in - General Fund  | -                       | -             | -                              | 462,698       |
| Total other financing sources (uses)   | 5,304,248               | -             | (5,304,248)                    | 925,396       |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | \$ -                    | \$ 1,814,061  | \$ 1,814,061                   | \$ 3,092,213  |

**GASTON COUNTY, NORTH CAROLINA**

**SOLID WASTE FUND**

**SCHEDULE OF REVENUES AND EXPENDITURES**

**BUDGET AND ACTUAL - (NON-GAAP)**

**FOR THE YEAR ENDED JUNE 30, 2019**

**WITH COMPARATIVE ACTUAL AMOUNTS FROM JUNE 30, 2018**

|  | <u>2019</u>             |                     |                                | <u>2018</u>   |
|--|-------------------------|---------------------|--------------------------------|---------------|
|  | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Over/Under</u> | <u>Actual</u> |
| <b>Reconciliation of Modified Accrual Basis<br/>to Full Accrual Basis:</b>                 |                         |                     |                                |               |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses |                         | \$ 1,814,061        |                                |               |
| <b>Reconciling Items:</b>  |                         |                     |                                |               |
| (Increase) decrease in accrued vacation payable  |                         | (6,892)             |                                |               |
| (Increase) decrease in accrual landfill closure<br>and post-closure care                   |                         | (176,992)           |                                |               |
| (Increase) decrease in net pension liability   |                         | (201,417)           |                                |               |
| Change in deferred outflows - pension  |                         | 164,960             |                                |               |
| Change in deferred inflows - pension   |                         | 8,738               |                                |               |
| Change in deferred outflows - OPEB   |                         | 46,969              |                                |               |
| Change in deferred inflows - OPEB  |                         | (11,686)            |                                |               |
| Principal payments   |                         | 972,212             |                                |               |
| (Increase) decrease in OPEB liability  |                         | 23,569              |                                |               |
| Capital outlay capitalized   |                         | 2,351,486           |                                |               |
| Depreciation   |                         | <u>(1,940,095)</u>  |                                |               |
| Change in net position   |                         | <u>\$ 3,044,913</u> |                                |               |

## **INTERNAL SERVICE FUND**

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

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## GASTON COUNTY, NORTH CAROLINA

**SELF-INSURANCE INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN NET POSITION - FINANCIAL PLAN AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

|   | 2019           |               |                     |
|---|----------------|---------------|---------------------|
|   | Financial Plan | Actual        | Variance Over/Under |
| <b>Revenues:</b>  |                |               |                     |
| Charges for services:   |                |               |                     |
| Health insurance  | \$ 21,136,348  | \$ 22,708,350 | \$ 1,572,002        |
| Dental insurance  | 312,257        | 324,972       | 12,715              |
| Life insurance  | 233,486        | 287,087       | 53,601              |
| Total charges for services  | 21,682,091     | 23,320,409    | 1,638,318           |
| Investment earnings   | -              | 226,406       | 226,406             |
| Total revenues  | 21,682,091     | 23,546,815    | 1,864,724           |
| <b>Expenditures:</b>  |                |               |                     |
| Other operating expenditures:   |                |               |                     |
| Benefits paid:  |                |               |                     |
| Health insurance  | 17,910,919     | 12,889,971    | 5,020,948           |
| Dental insurance  | 523,650        | 645,162       | (121,512)           |
| Life insurance  | 472,080        | 459,228       | 12,852              |
| Administrative costs:   |                |               |                     |
| Health insurance  | 2,737,100      | 1,323,823     | 1,413,277           |
| Dental insurance  | 43,202         | 42,848        | 354                 |
| Total other operating expenditures  | 21,686,951     | 15,361,032    | 6,325,919           |
| Revenues over (under) expenditures  | (4,860)        | 8,185,783     | 8,190,643           |
| <b>Other Financing Sources (Uses):</b>  |                |               |                     |
| Fund balance appropriated   | 1,612,860      | -             | (1,612,860)         |
| Transfers out - General Fund  | (1,608,000)    | (1,608,000)   | -                   |
| Total other financing sources (uses)  | 4,860          | (1,608,000)   | (1,612,860)         |
| Revenues and other financing sources over (under) expenditures and other financing uses | \$ -           | 6,577,783     | \$ 6,577,783        |
| <b>Net Position:</b>  |                |               |                     |
| Beginning of year - July 1  |                | 15,361,577    |                     |
| Restatement   |                | (4,777,534)   |                     |
| Beginning of year - restated  |                | 10,584,043    |                     |
| End of year - June 30   |                | \$ 17,161,826 |                     |

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## **AGENCY FUNDS**

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

### **Individual Fund Descriptions:**

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

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**GASTON COUNTY, NORTH CAROLINA**
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2019**

|                               | <b><u>Social<br/>Services</u></b> | <b><u>Tax<br/>Collector</u></b> | <b><u>Sheriff<br/>Inmates</u></b> | <b><u>Fines and<br/>Forfeitures</u></b> | <b><u>Late List and<br/>Insufficient<br/>Funds<br/>Penalties</u></b> | <b><u>Total</u></b> |
|-------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---|--|---------------------|
| <b>Assets:</b>                |                                   |                                 |                                   |   |  |                     |
| Cash and cash equivalents     | \$ <u>234,866</u>                 | \$ <u>9,066</u>                 | \$ <u>294,034</u>                 | \$ <u>58,549</u>                        | \$ <u>28,615</u>   | \$ <u>625,130</u>   |
| <b>Liabilities:</b>           |                                   |                                 |                                   |   |  |                     |
| Fiduciary depository accounts | \$ <u>234,866</u>                 | \$ <u>9,066</u>                 | \$ <u>294,034</u>                 | \$ <u>58,549</u>                        | \$ <u>28,615</u>   | \$ <u>625,130</u>   |

## GASTON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

|  | <u>July 1, 2018</u> | <u>Additions</u> | <u>Deductions</u> | <u>June 30, 2019</u> |
|--|---------------------|------------------|-------------------|----------------------|
| <b>Social Services:</b>                        |                     |                  |                   |                      |
| <b>Assets:</b>                                 |                     |                  |                   |                      |
| Cash and cash equivalents                      | \$ 159,515          | \$ 452,643       | \$ (377,292)      | \$ 234,866           |
| <b>Liabilities:</b>                            |                     |                  |                   |                      |
| Fiduciary depository accounts                  | \$ 159,515          | \$ 452,643       | \$ (377,292)      | \$ 234,866           |
| <b>Tax Collector:</b>                          |                     |                  |                   |                      |
| <b>Assets:</b>                                 |                     |                  |                   |                      |
| Cash and cash equivalents                      | \$ 25,717           | \$ 60,936,510    | \$ (60,953,161)   | \$ 9,066             |
| <b>Liabilities:</b>                            |                     |                  |                   |                      |
| Fiduciary depository accounts                  | \$ 25,717           | \$ 60,936,510    | \$ (60,953,161)   | \$ 9,066             |
| <b>Sheriff Inmates:</b>                        |                     |                  |                   |                      |
| <b>Assets:</b>                                 |                     |                  |                   |                      |
| Cash and cash equivalents                      | \$ 281,912          | \$ 1,607,716     | \$ (1,595,594)    | \$ 294,034           |
| <b>Liabilities:</b>                            |                     |                  |                   |                      |
| Fiduciary depository accounts                  | \$ 283,176          | \$ 1,607,716     | \$ (1,595,594)    | \$ 294,034           |
| <b>Fines and Forfeitures:</b>                  |                     |                  |                   |                      |
| <b>Assets:</b>                                 |                     |                  |                   |                      |
| Cash and cash equivalents                      | \$ -                | \$ 561,237       | \$ (502,688)      | \$ 58,549            |
| <b>Liabilities:</b>                            |                     |                  |                   |                      |
| Fiduciary depository accounts                  | \$ -                | \$ 561,237       | \$ (502,688)      | \$ 58,549            |
| <b>Late List and Non-Sufficient Penalties:</b> |                     |                  |                   |                      |
| <b>Assets:</b>                                 |                     |                  |                   |                      |
| Cash and cash equivalents                      | \$ 8,593            | \$ 192,801       | \$ (172,779)      | \$ 28,615            |
| <b>Liabilities:</b>                            |                     |                  |                   |                      |
| Fiduciary depository accounts                  | \$ 8,593            | \$ 192,801       | \$ (172,779)      | \$ 28,615            |
| <b>Defeased Bond Trustee Payments:</b>         |                     |                  |                   |                      |
| <b>Assets:</b>                                 |                     |                  |                   |                      |
| Cash and cash equivalents                      | \$ -                | \$ 61,247,402    | \$ (61,247,402)   | \$ -                 |
| <b>Liabilities:</b>                            |                     |                  |                   |                      |
| Fiduciary depository accounts                  | \$ -                | \$ 61,247,402    | \$ (61,247,402)   | \$ -                 |
| <b>Total All Agency Funds:</b>                 |                     |                  |                   |                      |
| <b>Assets:</b>                                 |                     |                  |                   |                      |
| Cash and cash equivalents                      | \$ 475,737          | \$ 124,998,309   | \$ (124,848,916)  | \$ 625,130           |
| <b>Liabilities:</b>                            |                     |                  |                   |                      |
| Fiduciary depository accounts                  | \$ 477,001          | \$ 124,998,309   | \$ (124,848,916)  | \$ 625,130           |

## **OTHER SUPPLEMENTAL SCHEDULES**

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## GASTON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2019

| <u>Fiscal Year</u>   | <u>Uncollected<br/>Balance<br/>July 1, 2018</u> | <u>Additions</u>      | <u>Collections<br/>and Credits</u> | <u>Uncollected<br/>Balance<br/>June 30, 2019</u> |
|--|---|-----------------------|------------------------------------|--|
| 2018-2019  | \$ -  | \$ 147,062,463        | \$ 145,746,820                     | \$ 1,315,643                                     |
| 2017-2018  | 1,519,817                                       | 160,217               | 980,351                            | 699,683  |
| 2016-2017  | 736,038   | 12,996                | 274,778                            | 474,256  |
| 2015-2016  | 509,109   | 6,513                 | 137,003                            | 378,619  |
| 2014-2015  | 483,446   | 5,759                 | 105,198                            | 384,006  |
| 2013-2014  | 487,632   | 80                    | 74,895                             | 412,817  |
| 2012-2013  | 436,815   | 66                    | 52,934                             | 383,947  |
| 2011-2012  | 405,767   | 147                   | 50,996                             | 354,918  |
| 2010-2011  | 380,912   | 32                    | 34,825                             | 346,118  |
| 2009-2010  | 357,582   | 11,882                | 19,439                             | 350,025  |
| 2008-2009  | 327,266   | 49                    | 327,315                            | -  |
| Total  | <u>\$ 5,644,384</u>                             | <u>\$ 147,260,203</u> | <u>\$ 147,804,555</u>              | <u>5,100,032</u>                                 |
| Less: Allowance for uncollectible ad valorem taxes receivable: |   |                       |                                    |  |
| General Fund   |   |                       |                                    | <u>(4,000,000)</u>                               |
| Ad valorem taxes receivable, net                               |   |                       |                                    | <u>\$ 1,100,032</u>                              |
| <b>Reconciliation with Revenues:</b>                           |   |                       |                                    |  |
| General Fund   |   |                       |                                    | \$ 147,550,574                                   |
| Penalties and interest collected current year                  |   |                       |                                    | (420,753)  |
| Releases   |   |                       |                                    | 771,098  |
| Interest on prior years' delinquent taxes                      |   |                       |                                    | (317,675)  |
| Miscellaneous adjustment                                       |   |                       |                                    | (74,194)   |
| Amount written off per Statute of Limitations                  |   |                       |                                    | <u>295,505</u>                                   |
| Total collections and credits                                  |   |                       |                                    | <u>\$ 147,804,555</u>                            |

## GASTON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT PROPERTY TAX LEVY - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

|   | County-Wide              |           |                       | Total Levy   |                                 |
|---|--------------------------|-----------|-----------------------|--|---------------------------------|
|   | Property<br>Valuation    | Rate      | Amount<br>of Levy     | Property<br>Excluding<br>Registered<br>Motor<br>Vehicles | Registered<br>Motor<br>Vehicles |
| <b>Original Levy:</b>                             |                          |           |                       |  |                                 |
| Property taxed at current year's rate             | \$ 16,862,157,589        | \$ 0.0087 | \$ 146,715,490        | \$ 130,603,700   | \$ 16,111,790                   |
| Penalties   | -                        |           | 401,140               | 243,066  | 158,074                         |
| Total   | <u>16,862,157,589</u>    |           | <u>147,116,630</u>    | <u>130,846,766</u>                                       | <u>16,269,864</u>               |
| <b>Discoveries:</b>                               |                          |           |                       |  |                                 |
| Current year taxes                                | 56,955,831               |           | 495,565               | 492,854  | 2,711                           |
| Prior year taxes                                  | 13,451                   |           |                       |  | 117                             |
| Penalties   | 4,996,495                |           | 43,474                | 43,474   | -                               |
| Total   | <u>61,965,777</u>        |           | <u>539,156</u>        | <u>536,328</u>   | <u>2,828</u>                    |
| <b>Abatements</b>                                 |                          |           |                       |  |                                 |
|   |                          |           | (559,344)             | (558,953)  | (391)                           |
| Current year taxes                                | (64,286,046)             |           |                       |  |                                 |
| Penalties   | (3,905,223)              |           | (33,979)              | (33,979)   | -                               |
| Total   | <u>(68,191,269)</u>      |           | <u>(593,323)</u>      | <u>(592,932)</u>   | <u>(391)</u>                    |
| Total property valuation                          | <u>\$ 16,855,932,097</u> |           |                       |  |                                 |
| <b>Net Levy</b>                                   |                          |           | 147,062,463           | 130,790,162  | 16,272,301                      |
| Uncollected taxes at June 30, 2019 (General Fund) |                          |           | <u>1,315,643</u>      | <u>1,315,626</u>   | <u>17</u>                       |
| <b>Current Year Taxes Collected</b>               |                          |           | <u>\$ 145,746,820</u> | <u>\$ 129,474,536</u>                                    | <u>\$ 16,272,284</u>            |
| <b>Current Levy Collection Percentage</b>         |                          |           | <u>99.11%</u>         | <u>98.99%</u>  | <u>100.00%</u>                  |
| <b>Prior Year Levy Collection Percentage</b>      |                          |           | <u>98.94%</u>         | <u>98.81%</u>  | <u>100.00%</u>                  |

**GASTON COUNTY, NORTH CAROLINA****ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2019****Secondary Market Disclosures:****Assessed Valuation:**

|   |    |                       |
|---|----|-----------------------|
| Assessment ratio  |    | <u>100.00%</u>        |
| Real property   | \$ | 14,172,111,402        |
| Personal Property   |    | 1,851,929,878         |
| Tag and Tax Vehicles  |    | 11,768,155            |
| Public service companies  |    | <u>820,122,662</u>    |
| Total assessed valuation  | \$ | <u>16,855,932,097</u> |
| Tax rate per \$100  |    | 0.0087                |
| Levy (includes discoveries, releases, and abatements, excludes penalties) | \$ | <u>147,062,463</u>    |

**GASTON COUNTY, NORTH CAROLINA****SCHEDULE OF THE TEN LARGEST TAXPAYERS  
FOR THE YEAR ENDED JUNE 30, 2019**

| <b><u>Taxpayer</u></b>            | <b><u>Type of Business</u></b> | <b><u>2019<br/>Assessed<br/>Valuation</u></b> | <b><u>Percentage<br/>of Total<br/>Assessed<br/>Valuation</u></b> |
|-----------------------------------|--------------------------------|---|--|
| Duke Energy Corporation           | Electric Utility               | \$ 503,775,335                                | 3.40%  |
| Daimler Trucks North America      | Trucks and Truck Parts         | 162,272,723                                   | 1.10%  |
| Public Service Company            | Natural Gas Company            | 99,725,580                                    | 0.70%  |
| FMC Corporation, Lithium Division | Mining                         | 79,742,599                                    | 0.50%  |
| Owens Corning Non-Woven           | Manufacturing                  | 65,405,762                                    | 0.40%  |
| Southwood Realty Company          | Real Estate                    | 51,257,916                                    | 0.30%  |
| Mann+Hummel Filtration Tech US    | Manufacturing                  | 45,967,372                                    | 0.30%  |
| Bud Antle, Inc.                   | Food Distribution              | 44,212,664                                    | 0.30%  |
| Pharr Yarns, LLC.                 | Textiles                       | 42,992,410                                    | 0.30%  |
| Industrial Fabricators Inc.       | Textiles                       | <u>39,786,622</u>                             | <u>0.30%</u>   |
| Total                             |                                | <u><u>\$ 1,135,138,983</u></u>                | <u><u>7.60%</u></u>  |



## **STATISTICAL SECTION**

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

### **Financial Trends – Schedules 1-4**

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

### **Revenue Capacity – Schedules 5-8**

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

### **Debt Capacity – Schedules 9-10**

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

### **Demographic and Economic Information – Schedules 11-12**

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

### **Operating Information – Schedules 13-16**

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The County implemented Statement No. 34 in 2002; schedules presenting government-wide information began in that year.

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

|   | <u>2010</u>          | <u>2011</u>          | <u>2012</u>           | <u>2013</u>            | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          | <u>2018</u>            | <u>2019</u>            |
|---|----------------------|----------------------|-----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|
| Government activities                       |                      |                      |                       |                        |                      |                      |                      |                      |                        |                        |
| Net investment in capital assets            | \$ 74,299,159        | \$ 47,909,022        | \$ 65,519,776         | \$ 14,034,292          | \$ 51,070,843        | \$ 55,545,813        | \$ 71,461,891        | \$ 72,933,525        | \$ 72,946,461          | \$ 67,300,111          |
| Restricted                                  | 2,279,543            | 19,657,108           | 68,652,573            | 49,935,245             | 53,516,925           | 50,677,610           | 52,033,806           | 35,125,642           | 44,572,115             | 77,311,495             |
| Unrestricted                                | <u>(35,406,701)</u>  | <u>(48,031,285)</u>  | <u>(139,950,135)</u>  | <u>(79,277,715)</u>    | <u>(103,919,075)</u> | <u>(82,292,573)</u>  | <u>(95,007,944)</u>  | <u>(99,008,303)</u>  | <u>(160,435,574)</u>   | <u>(181,349,359)</u>   |
| Total governmental activities net position  | <u>\$ 41,172,001</u> | <u>\$ 19,534,845</u> | <u>\$ (5,777,786)</u> | <u>\$ (15,308,178)</u> | <u>\$ 668,693</u>    | <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            | \$ 13,308,956        | \$ 14,563,102        | \$ 15,592,500         | \$ 16,623,549          | \$ 17,361,556        | \$ 18,240,871        | \$ 18,219,489        | \$ 21,569,824        | \$ 21,961,445          | \$ 23,345,048          |
| Unrestricted                                | <u>(7,070,291)</u>   | <u>(7,149,474)</u>   | <u>(5,966,825)</u>    | <u>(5,774,553)</u>     | <u>(4,595,614)</u>   | <u>(4,361,654)</u>   | <u>(2,085,745)</u>   | <u>(2,645,334)</u>   | <u>(702,062)</u>       | <u>959,248</u>         |
| Total business-type activities net position | <u>\$ 6,238,665</u>  | <u>\$ 7,413,628</u>  | <u>\$ 9,625,675</u>   | <u>\$ 10,848,996</u>   | <u>\$ 12,765,942</u> | <u>\$ 13,879,217</u> | <u>\$ 16,133,744</u> | <u>\$ 18,924,490</u> | <u>\$ 21,259,383</u>   | <u>\$ 24,304,296</u>   |
| Primary government                          |                      |                      |                       |                        |                      |                      |                      |                      |                        |                        |
| Net investment in capital assets            | \$ 87,608,115        | \$ 62,472,124        | \$ 81,112,276         | \$ 30,657,841          | \$ 68,432,399        | \$ 73,786,684        | \$ 89,681,380        | \$ 94,503,349        | \$ 94,907,906          | \$ 90,645,159          |
| Restricted                                  | 2,279,543            | 19,657,108           | 68,652,573            | 49,935,245             | 53,516,925           | 50,677,610           | 52,033,806           | 35,125,642           | 44,572,115             | 77,311,495             |
| Unrestricted                                | <u>(42,476,992)</u>  | <u>(55,180,759)</u>  | <u>(145,916,960)</u>  | <u>(85,052,268)</u>    | <u>(108,514,689)</u> | <u>(86,654,227)</u>  | <u>(97,093,689)</u>  | <u>(101,653,637)</u> | <u>(161,137,636)</u>   | <u>(180,390,111)</u>   |
| Total primary government net position       | <u>\$ 47,410,666</u> | <u>\$ 26,948,473</u> | <u>\$ 3,847,889</u>   | <u>\$ (4,459,182)</u>  | <u>\$ 13,434,635</u> | <u>\$ 37,810,067</u> | <u>\$ 44,621,497</u> | <u>\$ 27,975,354</u> | <u>\$ (21,657,615)</u> | <u>\$ (12,433,457)</u> |

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

|   | <u>2010</u>    | <u>2011</u>    | <u>2012</u>    | <u>2013</u>    | <u>2014</u>    | <u>2015</u>    | <u>2016</u>    | <u>2017</u>    | <u>2018</u>    | <u>2019</u>    |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Expenses</b>                                 |                |                |                |                |                |                |                |                |                |                |
| Governmental activities:                        |                |                |                |                |                |                |                |                |                |                |
| General government                              | \$ 24,673,484  | \$ 23,867,441  | \$ 24,739,786  | \$ 24,874,384  | \$ 25,154,391  | \$ 27,552,105  | \$ 28,558,125  | \$ 28,494,793  | \$ 32,021,171  | \$24,654,945   |
| Public safety                                   | 53,742,546     | 55,963,307     | 56,013,987     | 57,032,854     | 57,175,032     | 58,453,071     | 61,146,913     | 63,783,887     | 64,758,386     | 79,033,392     |
| Environmental protection                        | 62,302         | 57,977         | 65,307         | 63,277         | 49,390         | 83,892         | 64,799         | 82,563         | 80,459         | 54,555         |
| Economic and physical development               | 10,255,773     | 9,946,270      | 15,284,021     | 8,511,130      | 5,595,428      | 4,442,119      | 8,144,361      | 7,119,799      | 6,953,443      | 21,773,076     |
| Human services                                  | 61,967,834     | 60,487,994     | 58,297,624     | 59,523,625     | 58,608,554     | 58,060,108     | 62,370,891     | 63,926,904     | 56,430,359     | 57,901,271     |
| Cultural and recreation                         | 5,502,247      | 4,784,769      | 5,309,453      | 5,351,880      | 5,377,790      | 5,345,740      | 5,128,279      | 5,301,850      | 6,217,083      | 4,905,313      |
| Education                                       | 78,290,535     | 68,714,103     | 75,473,335     | 66,536,545     | 55,382,876     | 58,782,741     | 62,216,186     | 86,104,362     | 80,128,234     | 69,334,401     |
| Debt service - interest and fees                | 8,703,240      | 10,638,611     | 11,016,887     | 10,127,140     | 8,654,419      | 8,310,982      | 7,982,990      | 8,064,520      | 6,680,302      | 6,603,577      |
| Total governmental activities expenses          | 243,197,961    | 234,460,472    | 246,200,400    | 232,020,835    | 215,997,880    | 221,030,758    | 235,612,544    | 262,878,678    | 253,269,437    | 264,260,530    |
| Business-type activities:                       |                |                |                |                |                |                |                |                |                |                |
| Solid Waste                                     | 9,217,452      | 5,333,677      | 6,506,491      | 6,562,494      | 5,668,250      | 7,399,385      | 8,001,750      | 8,722,360      | 8,371,661      | 9,097,588      |
| Total primary government expenses               | \$ 252,415,413 | \$ 239,794,149 | \$ 252,706,891 | \$ 238,583,329 | \$ 221,666,130 | \$ 228,430,143 | \$ 243,614,294 | \$ 271,601,038 | \$ 261,641,098 | \$ 273,358,118 |
| <b>Program Revenues</b>                         |                |                |                |                |                |                |                |                |                |                |
| Governmental activities:                        |                |                |                |                |                |                |                |                |                |                |
| Charges for services:                           |                |                |                |                |                |                |                |                |                |                |
| General government                              | \$ 2,579,119   | \$ 2,956,593   | \$ 7,257,921   | \$ 5,998,885   | \$ 4,431,794   | \$ 22,667,151  | \$ 5,915,128   | \$ 8,187,016   | \$ 8,529,223   | \$11,475,456   |
| Public safety                                   | 11,967,278     | 11,865,570     | 11,923,948     | 11,024,350     | 12,480,569     | 13,026,981     | 13,199,535     | 13,669,409     | 15,053,195     | 18,847,526     |
| Environmental protection                        | 1,594,378      | 1,387,584      | 1,476,159      | 1,513,866      | 1,827,298      | 1,728,225      | 2,027,978      | 2,270,607      | 2,608,882      | 3,189,152      |
| Economic and physical development               | 506,283        | 617,618        | 1,407,436      | 2,371,692      | 2,338,859      | 1,754,027      | 378,454        | 940,616        | 421,410        | 1,824          |
| Human services                                  | 10,576,660     | 11,175,903     | 11,317,753     | 10,351,599     | 7,741,842      | 9,313,829      | 8,505,340      | 8,444,809      | 10,716,470     | 8,917,862      |
| Cultural and recreation                         | 184,889        | 194,409        | 178,660        | 172,997        | 206,058        | 193,471        | 215,113        | 260,552        | 246,616        | 231,254        |
| Operating grants and contributions:             |                |                |                |                |                |                |                |                |                |                |
| General government                              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Public safety                                   | 75,045         | 54,731         | 76,964         | 201,534        | 112,236        | 545,193        | 1,109,440      | 48,618         | 116,893        | 81,807         |
| Environmental protection                        | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Economic and physical development               | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Human services                                  | 26,746,837     | 24,618,261     | 25,103,597     | 23,581,098     | 24,134,057     | 25,846,473     | 27,109,313     | 26,971,143     | 19,562,935     | 21,403,426     |
| Cultural and recreation                         | 430,277        | 451,208        | 380,384        | -              | -              | -              | -              | -              | -              | -              |
| Capital grants and contributions:               |                |                |                |                |                |                |                |                |                |                |
| General government                              | 1,146,364      | 747,384        | 582,954        | 1,064,113      | 456,718        | 420,403        | 402,209        | 812,010        | 645,239        | 516,253        |
| Economic and physical development               | 2,332,068      | 1,199,115      | 1,300,426      | 1,960,160      | 1,214,550      | 328,042        | 109,938        | 656,980        | 264,649        | 624,881        |
| Human services                                  | 4,654,415      | 3,611,289      | 4,174,722      | 4,395,374      | 4,382,779      | 4,484,882      | 4,430,744      | 4,698,298      | 5,023,236      | 5,859,347      |
| Cultural and recreation                         | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Education                                       | 3,500,000      | 4,000,000      | 2,186,383      | 3,317,510      | 2,093,005      | 2,056,824      | 2,369,350      | 1,880,336      | 2,120,880      | 2,242,658      |
| Total governmental activities program revenues  | 66,293,613     | 62,879,665     | 67,367,307     | 65,953,178     | 61,419,765     | 82,365,501     | 65,772,542     | 68,840,394     | 65,309,628     | 73,391,446     |
| Business-type activities:                       |                |                |                |                |                |                |                |                |                |                |
| Charges for services:                           |                |                |                |                |                |                |                |                |                |                |
| Solid Waste                                     | 5,943,884      | 6,500,745      | 8,714,297      | 7,781,389      | 7,578,781      | 8,673,300      | 10,243,430     | 11,101,886     | 11,106,915     | 12,001,498     |
| Capital grants and contributions:               |                |                |                |                |                |                |                |                |                |                |
| Solid Waste                                     | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Total business-type activities program revenues | 5,943,884      | 6,500,745      | 8,714,297      | 7,781,389      | 7,578,781      | 8,673,300      | 10,243,430     | 11,101,886     | 11,106,915     | 12,001,498     |
| Total primary government program revenues       | \$ 72,237,497  | \$ 69,380,410  | \$ 76,081,604  | \$ 73,734,567  | \$ 68,998,546  | \$ 91,038,801  | \$ 76,015,972  | \$ 79,942,280  | \$ 76,416,543  | \$ 85,392,944  |

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

|   | <u>2010</u>             | <u>2011</u>             | <u>2012</u>             | <u>2013</u>             | <u>2014</u>             | <u>2015</u>             | <u>2016</u>             | <u>2017</u>             | <u>2018</u>             | <u>2019</u>             |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Net (Expense)/Revenue</b>                              |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities                                   | \$ (176,904,348)        | \$ (171,580,807)        | \$ (178,833,093)        | \$ (166,067,657)        | \$ (154,578,115)        | \$ (138,665,257)        | \$ (169,840,002)        | \$ (194,038,284)        | \$ (187,959,809)        | \$ (190,869,084)        |
| Business-type activities                                  | (3,273,568)             | 1,167,068               | 2,207,806               | 1,218,895               | 1,910,531               | 1,273,915               | 2,241,680               | 2,379,526               | 2,735,254               | 2,903,910               |
| Total primary government net expense                      | <u>\$ (180,177,916)</u> | <u>\$ (170,413,739)</u> | <u>\$ (176,625,287)</u> | <u>\$ (164,848,762)</u> | <u>\$ (152,667,584)</u> | <u>\$ (137,391,342)</u> | <u>\$ (167,598,322)</u> | <u>\$ (191,658,758)</u> | <u>\$ (185,224,555)</u> | <u>\$ (187,965,174)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities:                                  |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Ad valorem taxes  | \$ 127,179,676          | \$ 126,922,084          | \$ 128,178,596          | \$ 129,899,151          | \$ 142,730,729          | \$ 139,163,619          | \$ 139,255,320          | \$ 143,710,080          | \$ 148,141,098          | \$ 151,938,625          |
| Sales tax   | 22,648,126              | 22,343,384              | 24,671,868              | 25,956,494              | 26,993,295              | 30,781,557              | 32,979,693              | 35,671,950              | 37,084,145              | 39,003,754              |
| Real estate transfer taxes                                | 483,321                 | 379,523                 | 435,024                 | 523,720                 | 650,651                 | 724,130                 | 1,803,998               | 1,710,358               | 2,120,723               | 7,544,708               |
| Hotel occupancy tax                                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| Other taxes and licenses                                  | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| Unrestricted governmental revenue                         | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| Investment earnings                                       | 633,846                 | 298,661                 | 234,974                 | 157,900                 | 180,311                 | 166,921                 | 357,894                 | 906,903                 | 1,734,305               | 3,338,776               |
| Transfers   | -                       | -                       | -                       | -                       | -                       | -                       | -                       | (366,730)               | (462,698)               | -                       |
| Miscellaneous revenue                                     | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| Total governmental activities                             | <u>150,944,969</u>      | <u>149,943,652</u>      | <u>153,520,462</u>      | <u>156,537,265</u>      | <u>170,554,986</u>      | <u>170,836,227</u>      | <u>174,396,905</u>      | <u>181,632,561</u>      | <u>188,617,573</u>      | <u>201,825,863</u>      |
| Business-type activities:                                 |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Investment earnings                                       | 10,546                  | 7,895                   | 4,241                   | 4,426                   | 6,415                   | 6,436                   | 12,847                  | 44,490                  | 131,598                 | 141,003                 |
| Transfers   | -                       | -                       | -                       | -                       | -                       | -                       | -                       | 366,730                 | 462,698                 | -                       |
| Miscellaneous revenue                                     | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| Total governmental activities                             | <u>10,546</u>           | <u>7,895</u>            | <u>4,241</u>            | <u>4,426</u>            | <u>6,415</u>            | <u>6,436</u>            | <u>12,847</u>           | <u>411,220</u>          | <u>594,296</u>          | <u>141,003</u>          |
| Total primary government                                  | <u>\$ 150,955,515</u>   | <u>\$ 149,951,547</u>   | <u>\$ 153,524,703</u>   | <u>\$ 156,541,691</u>   | <u>\$ 170,561,401</u>   | <u>\$ 170,842,663</u>   | <u>\$ 174,409,752</u>   | <u>\$ 182,043,781</u>   | <u>\$ 189,211,869</u>   | <u>\$ 201,966,866</u>   |
| <b>Change in Net Position</b>                             |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Governmental activities                                   | \$ (25,959,379)         | \$ (21,637,155)         | \$ (25,312,631)         | \$ (9,530,392)          | \$ 15,976,871           | \$ 32,170,970           | \$ 4,556,903            | \$ (12,405,723)         | \$ 657,764              | \$ 10,956,779           |
| Business-type activities                                  | (3,263,022)             | 1,174,963               | 2,212,047               | 1,223,321               | 1,916,946               | 1,280,351               | 2,254,527               | 2,790,746               | 3,329,550               | 3,044,913               |
| Total primary government                                  | <u>\$ (29,222,401)</u>  | <u>\$ (20,462,192)</u>  | <u>\$ (23,100,584)</u>  | <u>\$ (8,307,071)</u>   | <u>\$ 17,893,817</u>    | <u>\$ 33,451,321</u>    | <u>\$ 6,811,430</u>     | <u>\$ (9,614,977)</u>   | <u>\$ 3,987,314</u>     | <u>\$ 14,001,692</u>    |

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

|                                    | <u>2010</u>           | <u>2011</u>           | <u>2012</u>          | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          | <u>2016</u>           | <u>2017</u>          | <u>2018</u>          | <u>2019</u>           |
|------------------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| General Fund                       |                       |                       |                      |                      |                      |                      |                       |                      |                      |                       |
| Reserved                           | \$ 17,931,213         | \$ -                  | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                  | \$ -                 | \$ -                 | \$ -                  |
| Unreserved                         |                       |                       |                      |                      |                      |                      |                       |                      |                      |                       |
| Designated                         | 13,148,822            | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Undesignated                       | 28,046,026            | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Nonspendable                       | -                     | 355,889               | 135,955              | 107,875              | 213,014              | 234,324              | 258,057               | 359,525              | 830,609              | 547,329               |
| Restricted                         | -                     | 12,605,203            | 17,511,819           | 18,351,235           | 22,184,319           | 24,349,723           | 24,810,036            | 24,832,155           | 28,249,790           | 32,950,241            |
| Committed                          | -                     | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Assigned                           | -                     | 16,871,186            | 20,422,494           | 18,553,081           | 17,246,727           | 22,060,660           | 23,827,805            | 23,684,737           | 26,031,354           | 16,815,592            |
| Unassigned                         | -                     | 24,430,560            | 15,928,520           | 16,904,079           | 16,699,313           | 29,619,149           | 15,486,470            | 12,638,808           | 2,450,356            | 4,889,735             |
| Total General Fund                 | <u>\$ 59,126,061</u>  | <u>\$ 54,262,838</u>  | <u>\$ 53,998,788</u> | <u>\$ 53,916,270</u> | <u>\$ 56,343,373</u> | <u>\$ 76,263,856</u> | <u>\$ 64,382,368</u>  | <u>\$ 61,515,225</u> | <u>\$ 57,562,109</u> | <u>\$ 55,202,897</u>  |
| All Other Governmental Funds       |                       |                       |                      |                      |                      |                      |                       |                      |                      |                       |
| Reserved                           | \$ 104,997,595        | \$ -                  | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                  | \$ -                 | \$ -                 | \$ -                  |
| Unreserved                         |                       |                       |                      |                      |                      |                      |                       |                      |                      |                       |
| Designated                         |                       |                       |                      |                      |                      |                      |                       |                      |                      |                       |
| Public assistance fund             | 4,579,584             | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Other special revenue funds        | 275,053               | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Capital improvements fund          | -                     | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Debt service fund                  | 2,731,863             | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Undesignated                       |                       |                       |                      |                      |                      |                      |                       |                      |                      |                       |
| Public assistance fund             | 5,167,015             | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Other special revenue funds        | (312,666)             | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Capital improvements fund          | 9,354,581             | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Debt service fund                  | -                     | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Nonspendable                       | -                     | 1,007                 | -                    | 2,945                | 2,073                | 369                  | 18,067                | 54,571               | 88,687               | 16,363                |
| Restricted                         | -                     | 74,059,214            | 51,140,754           | 31,584,010           | 31,332,606           | 26,327,887           | 70,014,957            | 36,244,219           | 24,624,826           | 108,726,290           |
| Committed                          | -                     | 3,210,995             | 327,706              | 9,908,690            | 11,843,186           | 11,942,050           | 16,454,167            | 22,994,576           | 12,422,983           | 3,299,537             |
| Assigned                           | -                     | 23,015,736            | 18,240,670           | 7,250,235            | 8,509,355            | 15,864,939           | 25,967,185            | 24,717,961           | 36,056,393           | 46,528,925            |
| Unassigned                         | -                     | -                     | -                    | -                    | -                    | -                    | -                     | -                    | -                    | -                     |
| Total all other governmental funds | <u>\$ 126,793,025</u> | <u>\$ 100,286,952</u> | <u>\$ 69,709,130</u> | <u>\$ 48,745,880</u> | <u>\$ 51,687,220</u> | <u>\$ 54,135,245</u> | <u>\$ 112,454,376</u> | <u>\$ 84,011,327</u> | <u>\$ 73,192,889</u> | <u>\$ 158,571,115</u> |

**Note:** GASB Statement 54 was implemented in 2011.

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

|   | <u>2010</u>         | <u>2011</u>         | <u>2012</u>         | <u>2013</u>         | <u>2014</u>        | <u>2015</u>        | <u>2016</u>         | <u>2017</u>         | <u>2018</u>         | <u>2019</u>          |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|----------------------|
| <b>Revenues</b>   |                     |                     |                     |                     |                    |                    |                     |                     |                     |                      |
| Ad valorem taxes  | \$ 127,329,437      | \$ 127,040,039      | \$ 128,513,165      | \$ 129,482,180      | \$ 144,036,359     | \$ 140,402,323     | \$ 139,748,392      | \$ 144,143,069      | \$ 148,367,037      | \$152,502,495        |
| Other taxes and licenses                                | 23,579,233          | 23,240,938          | 25,682,870          | 27,093,896          | 28,264,421         | 32,228,917         | 34,783,691          | 37,382,308          | 39,204,868          | 46,548,462           |
| Unrestricted governmental revenues                      | -                   | -                   | -                   | -                   | -                  | -                  | -                   | -                   | -                   | -                    |
| Restricted intergovernmental revenues                   | 40,590,839          | 36,474,261          | 35,365,206          | 35,947,180          | 34,350,428         | 35,948,393         | 37,354,507          | 36,921,808          | 29,330,886          | 32,146,584           |
| Fees, licenses and permits                              | 2,491,950           | 2,355,905           | 2,097,073           | 2,530,360           | 2,599,136          | 3,363,174          | 3,933,473           | 4,227,840           | 4,614,578           | 6,526,808            |
| Sales and services                                      | 19,437,237          | 19,518,841          | 20,607,371          | 19,030,953          | 17,621,320         | 18,497,802         | 18,239,812          | 18,559,984          | 22,560,970          | 23,283,237           |
| E911 surcharge  | 1,250,223           | 1,250,223           | 1,115,633           | 797,563             | 695,543            | 729,724            | 714,921             | 734,975             | 736,000             | 760,575              |
| Investment earnings                                     | 633,846             | 280,309             | 220,676             | 133,760             | 155,547            | 150,420            | 332,737             | 838,903             | 1,568,297           | 3,112,370            |
| Miscellaneous revenues                                  | 1,819,084           | 2,648,429           | 5,676,124           | 5,430,410           | 5,102,956          | 24,139,339         | 3,130,389           | 4,288,594           | 3,931,473           | 2,328,043            |
| Total revenues  | <u>217,131,849</u>  | <u>212,808,945</u>  | <u>219,278,118</u>  | <u>220,446,302</u>  | <u>232,825,710</u> | <u>255,460,092</u> | <u>238,237,922</u>  | <u>247,097,481</u>  | <u>250,314,109</u>  | <u>\$267,208,574</u> |
| <b>Expenditures</b>                                     |                     |                     |                     |                     |                    |                    |                     |                     |                     |                      |
| General government                                      | 22,682,766          | 21,358,174          | 22,561,773          | 23,467,884          | 23,965,459         | 25,227,484         | 26,296,804          | 26,805,601          | 30,290,301          | 31,726,839           |
| Public safety   | 51,838,815          | 53,456,842          | 53,465,283          | 55,756,864          | 56,497,044         | 58,366,090         | 60,586,898          | 63,057,252          | 65,452,881          | 84,276,206           |
| Environmental protection                                | 62,302              | 57,977              | 65,307              | 63,277              | 49,390             | 83,892             | 64,799              | 60,916              | 81,533              | 65,385               |
| Economic and physical development                       | 3,046,255           | 3,029,150           | 4,001,812           | 3,492,907           | 3,422,972          | 3,457,506          | 4,192,734           | 4,568,532           | 4,417,548           | 4,496,983            |
| Human services  | 64,340,800          | 59,904,618          | 58,013,720          | 58,648,954          | 58,547,080         | 58,703,124         | 61,931,748          | 61,589,102          | 56,434,756          | 57,772,654           |
| Cultural and recreational                               | 5,734,687           | 5,635,311           | 5,177,382           | 4,988,208           | 5,141,154          | 5,235,321          | 5,384,033           | 5,548,764           | 5,819,668           | 5,902,072            |
| Education   | 46,843,767          | 46,415,215          | 46,484,966          | 46,691,012          | 48,108,930         | 49,517,556         | 49,693,622          | 51,384,897          | 54,073,032          | 55,485,329           |
| Capital outlay  | 38,368,362          | 28,962,640          | 39,983,931          | 24,619,020          | 9,219,457          | 10,176,139         | 16,317,490          | 38,538,487          | 28,481,094          | 31,036,309           |
| Debt service:   |                     |                     |                     |                     |                    |                    |                     |                     |                     |                      |
| Principal retirement                                    | 13,090,954          | 15,031,576          | 15,247,451          | 16,126,511          | 16,605,222         | 16,981,256         | 17,133,085          | 19,714,275          | 78,023,256 *        | 19,410,727           |
| Interest and fees                                       | 9,008,785           | 10,692,339          | 11,016,887          | 10,127,140          | 8,856,823          | 8,511,386          | 8,183,394           | 8,634,832           | 10,955,829          | 6,803,367            |
| Total expenditures                                      | <u>255,017,493</u>  | <u>244,543,842</u>  | <u>256,018,512</u>  | <u>243,981,777</u>  | <u>230,413,531</u> | <u>236,259,754</u> | <u>249,784,607</u>  | <u>279,902,658</u>  | <u>334,029,898</u>  | <u>296,975,871</u>   |
| Excess of revenues over (under) expenditures            | <u>(37,885,644)</u> | <u>(31,734,897)</u> | <u>(36,740,394)</u> | <u>(23,535,475)</u> | <u>2,412,179</u>   | <u>19,200,338</u>  | <u>(11,546,685)</u> | <u>(32,805,177)</u> | <u>(83,715,789)</u> | <u>(29,767,297)</u>  |
| <b>Other Financing Sources (Uses)</b>                   |                     |                     |                     |                     |                    |                    |                     |                     |                     |                      |
| Installment purchase contracts issued                   | 907,266             | 365,602             | 1,093,812           | 2,098,645           | 2,956,264          | 1,713,854          | 2,610,233           | -                   | 3,459,164           | 15,886,553           |
| Refunding bonds issued                                  | 12,295,000          | -                   | 7,338,000           | 58,855,000          | -                  | -                  | 5,020,000           | -                   | 59,182,000          | -                    |
| Bonds issued  | 80,000,000          | -                   | -                   | -                   | -                  | -                  | 50,025,000          | 1,861,715           | 6,000,000           | 60,000,000           |
| Limited obligation bonds                                | -                   | -                   | -                   | -                   | -                  | -                  | -                   | -                   | -                   | 26,785,000           |
| Certificates of participation issued                    | -                   | -                   | -                   | -                   | -                  | -                  | -                   | -                   | -                   | -                    |
| Clean water state revolving loan issued                 | -                   | -                   | 6,007,742           | -                   | -                  | -                  | -                   | -                   | -                   | -                    |
| Payments to escrow agent                                | (12,422,833)        | -                   | (6,700,000)         | (68,937,600)        | -                  | -                  | (5,308,094)         | -                   | -                   | -                    |
| Bond premium  | 1,249,065           | -                   | -                   | 10,473,662          | -                  | -                  | 5,637,189           | -                   | -                   | 8,506,758            |
| Transfers in  | 33,163,386          | 34,744,015          | 36,095,158          | 34,705,245          | 41,087,190         | 51,381,592         | 54,096,440          | 43,198,890          | 45,580,119          | 43,617,299           |
| Transfers out   | (33,163,386)        | (34,744,015)        | (37,936,190)        | (34,705,245)        | (41,087,190)       | (49,927,276)       | (54,096,440)        | (43,565,620)        | (45,277,048)        | (42,009,299)         |
| Total other financing sources (uses)                    | <u>82,028,498</u>   | <u>365,602</u>      | <u>5,898,522</u>    | <u>2,489,707</u>    | <u>2,956,264</u>   | <u>3,168,170</u>   | <u>57,984,328</u>   | <u>1,494,985</u>    | <u>68,944,235</u>   | <u>112,786,311</u>   |
| Net change in fund balances                             | \$ 44,142,854       | \$ (31,369,295)     | \$ (30,841,872)     | \$ (21,045,768)     | \$ 5,368,443       | \$ 22,368,508      | \$ 46,437,643       | \$ (31,310,192)     | \$ (14,771,554)     | \$ 83,019,014        |
| Debt service as a percentage of noncapital expenditures | <u>8.90%</u>        | <u>10.69%</u>       | <u>10.35%</u>       | <u>10.89%</u>       | <u>11.24%</u>      | <u>10.91%</u>      | <u>10.35%</u>       | <u>9.19%</u>        | <u>26.22%</u>       | <u>8.40%</u>         |

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

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

| <b>Fiscal Year<br/>Ended June 30</b> | <b>Real Property</b> | <b>Personal Property</b> | <b>Public Service<br/>Companies</b> | <b>Total Taxable<br/>Assessed Value</b> | <b>Total Direct<br/>Tax Rate</b> | <b>Percentage<br/>of Actual<br/>Taxable Value (a)</b> | <b>Estimated Actual<br/>Taxable Value</b> |
|--------------------------------------|----------------------|--------------------------|-------------------------------------|---|----------------------------------|---|---|
| 2010                                 | 11,599,501,504       | 1,182,226,647            | 716,108,280                         | 13,407,146,323                          | \$ 0.8350                        | 94.84%  | 14,033,311,093                            |
| 2011                                 | 11,676,202,479       | 1,133,143,236            | 703,877,245                         | 13,432,521,985                          | \$ 0.8350                        | 98.35%  | 13,631,124,705                            |
| 2012                                 | 11,758,531,818       | 1,098,972,159            | 684,047,832                         | 13,459,222,470                          | \$ 0.8350                        | 103.22%   | 13,094,977,440                            |
| 2013                                 | 11,885,496,431       | 1,135,502,234            | 712,961,046                         | 13,606,995,098                          | \$ 0.8350                        | 110.02%   | 12,536,094,454                            |
| 2014                                 | 12,022,852,325       | 1,155,826,213            | 740,469,518                         | 13,781,792,162                          | \$ 0.8700                        | 105.80%   | 13,130,224,305                            |
| 2015                                 | 11,849,164,221       | 1,200,100,637            | 644,166,799                         | 13,867,119,761                          | \$ 0.8700                        | 108.41%   | 12,934,436,539                            |
| 2016                                 | 11,846,593,779       | 1,268,743,871            | 692,715,311                         | 13,808,052,961                          | \$ 0.8700                        | 97.84%  | 14,112,891,416                            |
| 2017                                 | 13,762,503,341       | 1,451,272,391            | 729,542,084                         | 15,943,317,816                          | \$ 0.8700                        | 108.00%   | 14,761,917,966                            |
| 2018                                 | 14,063,126,530       | 1,584,208,673            | 789,707,392                         | 16,437,042,595                          | \$ 0.8700                        | 86.34%  | 14,761,917,966                            |
| 2019                                 | 14,172,111,402       | 1,851,929,878            | 831,890,817                         | 16,855,932,097                          | \$ 0.8700                        | 96.99%  | 17,379,041,238                            |

Source: Gaston County Tax Department

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

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



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

|                           |  | Year Taxes Are Payable |             |             |             |             |             |             |             |             |             |
|---------------------------|--|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                           |  | <u>2010</u>            | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| <b>County Direct Rate</b> |  |                        |             |             |             |             |             |             |             |             |             |
| General *                 |  | 0.8350                 | 0.8350      | 0.8350      | 0.8350      | 0.8700      | 0.8700      | 0.8700      | 0.8700      | 0.8700      | 0.8700      |
| <b>City Rates</b>         |  |                        |             |             |             |             |             |             |             |             |             |
| Belmont                   |  | 0.4750                 | 0.4750      | 0.4750      | 0.4750      | 0.4750      | 0.4750      | 0.4750      | 0.4750      | 0.4750      | 0.5150      |
| Bessemer City             |  | 0.4100                 | 0.4300      | 0.4300      | 0.4300      | 0.4300      | 0.4300      | 0.4300      | 0.4500      | 0.4500      | 0.4700      |
| Cherryville               |  | 0.4400                 | 0.4600      | 0.4600      | 0.4600      | 0.4600      | 0.4600      | 0.4600      | 0.4600      | 0.4600      | 0.4600      |
| Gastonia                  |  | 0.5300                 | 0.5300      | 0.5200      | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      |
| Kings Mountain            |  | 0.4000                 | 0.4000      | 0.4000      | 0.4000      | 0.4000      | 0.4000      | 0.4000      | 0.4300      | 0.4300      | 0.4300      |
| Mt. Holly                 |  | 0.5300                 | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      |
| <b>Town Rates</b>         |  |                        |             |             |             |             |             |             |             |             |             |
| Cramerton                 |  | 0.4750                 | 0.4750      | 0.4750      | 0.4750      | 0.4750      | 0.4750      | 0.4750      | 0.4750      | 0.4750      | 0.4750      |
| Dallas                    |  | 0.3800                 | 0.3800      | 0.3800      | 0.3800      | 0.3800      | 0.3800      | 0.3800      | 0.4000      | 0.4000      | 0.4000      |
| High Shoals               |  | 0.3030                 | 0.3030      | 0.3030      | 0.3130      | 0.3070      | 0.3070      | 0.3070      | 0.3070      | 0.3070      | 0.3070      |
| Lowell                    |  | 0.4000                 | 0.4000      | 0.4000      | 0.4000      | 0.4000      | 0.4300      | 0.4300      | 0.4300      | 0.4300      | 0.4300      |
| McAdenville               |  | 0.3000                 | 0.3000      | 0.3000      | 0.3000      | 0.3000      | 0.3000      | 0.3000      | 0.3000      | 0.3300      | 0.3300      |
| Ranlo                     |  | 0.2910                 | 0.2910      | 0.2910      | 0.2860      | 0.2860      | 0.2860      | 0.3160      | 0.3260      | 0.3160      | 0.3160      |
| Spencer Mountain          |  | 0.1300                 | 0.1300      | 0.1300      | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| Stanley                   |  | 0.5400                 | 0.5400      | 0.5400      | 0.5400      | 0.5400      | 0.5400      | 0.5400      | 0.5400      | 0.5400      | 0.5400      |

Source: Gaston County Tax Department.

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

|                                |  | Year Taxes Are Payable |             |             |             |             |             |             |             |             |             |
|--------------------------------|--|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                |  | <u>2010</u>            | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| <b>Fire District Rates</b>     |  |                        |             |             |             |             |             |             |             |             |             |
| Agriculture Center             |  | 0.0590                 | 0.0600      | 0.0600      | 0.0630      | 0.0630      | 0.0630      | 0.0630      | 0.0730      | 0.0730      | 0.0730      |
| Alexis                         |  | 0.0850                 | 0.0850      | 0.0850      | 0.0850      | 0.0850      | 0.0850      | 0.0900      | 0.0900      | 0.0950      | 0.0950      |
| Chapel Grove                   |  | 0.0750                 | 0.0750      | 0.0750      | 0.0950      | 0.0950      | 0.0950      | 0.1050      | 0.1050      | 0.1050      | 0.1050      |
| Chestnut Ridge                 |  | 0.0730                 | 0.0730      | 0.0730      | 0.0730      | 0.0800      | 0.0800      | 0.0840      | 0.0840      | 0.0840      | 0.0950      |
| Community                      |  | 0.0880                 | 0.0930      | 0.0930      | 0.0930      | 0.1000      | 0.1000      | 0.1000      | 0.1000      | 0.1000      | 0.1200      |
| Crouse                         |  | 0.0740                 | 0.0740      | 0.0740      | 0.0740      | 0.0740      | 0.0740      | 0.0740      | 0.0740      | 0.0740      | 0.0860      |
| East Gaston                    |  | 0.0680                 | 0.0740      | 0.0740      | 0.0840      | 0.0840      | 0.0840      | 0.0840      | 0.0840      | 0.0840      | 0.0840      |
| High Shoals                    |  | 0.0970                 | 0.0970      | 0.0970      | 0.0970      | 0.1030      | 0.1030      | 0.1030      | 0.1030      | 0.1030      | 0.1030      |
| Hughs Pond                     |  | 0.1010                 | 0.1010      | 0.1010      | 0.1010      | 0.1010      | 0.1010      | 0.1010      | 0.1010      | 0.1100      | 0.1100      |
| Long Shoals                    |  | 0.0970                 | 0.0970      | 0.0970      | 0.0970      | 0.1030      | 0.1030      | 0.1030      | 0.1030      | 0.1030      | 0.1030      |
| Lowell                         |  | 0.0500                 | 0.0500      | 0.0500      | 0.0500      | 0.0500      | 0.0500      | 0.0500      | 0.0740      | 0.0740      | 0.0740      |
| Lucia-Riverbend                |  | 0.1050                 | 0.1050      | 0.1050      | 0.1050      | 0.1050      | 0.1050      | 0.1050      | 0.1050      | 0.1100      | 0.1140      |
| New Hope                       |  | 0.0700                 | 0.0700      | 0.0700      | 0.0800      | 0.0800      | 0.0800      | 0.0880      | 0.0880      | 0.0880      | 0.1000      |
| Ranlo                          |  | 0.0790                 | 0.0790      | 0.0790      | 0.0840      | 0.0840      | 0.0840      | 0.0840      | 0.0740      | 0.0840      | 0.0840      |
| South Gastonia                 |  | 0.0750                 | 0.0750      | 0.0750      | 0.0950      | 0.0950      | 0.0950      | 0.1050      | 0.1050      | 0.1050      | 0.1050      |
| South Point                    |  | 0.0540                 | 0.0540      | 0.0540      | 0.0640      | 0.0640      | 0.0640      | 0.0640      | 0.0500      | 0.0400      | 0.0400      |
| Spencer Mountain               |  | 0.0620                 | 0.0700      | 0.0620      | 0.0700      | 0.0700      | 0.0700      | 0.0800      | 0.0800      | 0.0800      | 0.0800      |
| Tryonota                       |  | 0.0730                 | 0.0730      | 0.0730      | 0.0730      | 0.0800      | 0.0800      | 0.0840      | 0.0840      | 0.0840      | 0.0950      |
| Union Road                     |  | 0.0670                 | 0.0670      | 0.0670      | 0.0670      | 0.0670      | 0.0670      | 0.0770      | 0.0770      | 0.0770      | 0.0770      |
| Waco                           |  | 0.0730                 | 0.0730      | 0.0730      | 0.0730      | 0.0730      | 0.0730      | 0.0730      | 0.0730      | 0.0950      | 0.0950      |
| <b>Special Taxing Rates</b>    |  |                        |             |             |             |             |             |             |             |             |             |
| Gastonia York-Chester District |  | 0.5300                 | 0.5300      | 0.5200      | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      | 0.5300      |
| Gastonia Service District      |  | 0.2000                 | 0.2000      | 0.2000      | 0.2000      | 0.2000      | 0.2000      | 0.2000      | 0.2000      | 0.2000      | 0.2000      |

Source: Gaston County Tax Department.

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

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

| <b>Taxpayer</b>                     | <b>Fiscal Year 2019</b>   |             |   | <b>Fiscal Year 2010</b>   |             |   |
|-------------------------------------|---------------------------|-------------|---|---------------------------|-------------|---|
|                                     | <b>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage<br/>of Total<br/>Assessed<br/>Valuation</b> | <b>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage<br/>of Total<br/>Assessed<br/>Valuation</b> |
| Duke Energy Carolinas LLC           | \$ 503,775,335            | 1           | 3.40%   | \$ 470,472,688            | 1           | 3.2%  |
| Daimler Trucks North America        | 162,272,723               | 2           | 1.10%   | -                         | -           | -   |
| Public Service Co of NC Inc         | 99,725,580                | 3           | 0.70%   | 60,637,543                | 3           | 0.4%  |
| Owens Corning Non-Woven             | 79,742,599                | 4           | 0.50%   | -                         | -           | -   |
| FMC Corporation                     | 65,405,762                | 5           | 0.40%   | -                         | -           | -   |
| Southwood Realty Corporation        | 51,257,916                | 6           | 0.30%   | 51,495,836                | 5           | 0.3%  |
| Mann + Hummel Filtration Tech US    | 45,967,372                | 7           | 0.30%   | -                         | -           | -   |
| Bud Antle Inc (Dole)                | 44,212,664                | 8           | 0.30%   | -                         | -           | -   |
| Pharr Yarns LLC                     | 42,992,410                | 9           | 0.30%   | 45,427,169                | 6           | 0.3%  |
| Industrial Fabricators Inc.         | 39,786,622                | 10          | 0.30%   | -                         | -           | -   |
| AT&T (Formerly BellSouth Telephone) | -                         | -           | -   | 78,202,407                | 2           | 0.5%  |
| Triangle Real Estate                | -                         | -           | -   | 60,578,240                | 4           | 0.4%  |
| Freightliner Corporation            | -                         | -           | -   | 40,586,614                | 7           | 0.3%  |
| Dole Food Company                   | -                         | -           | -   | 38,988,524                | 8           | 0.3%  |
| Wix Corporation                     | -                         | -           | -   | 36,201,250                | 9           | 0.2%  |
| Stabilus, Inc                       | -                         | -           | -   | 35,767,603                | 10          | 0.2%  |
| <b>Total</b>                        | <b>\$ 1,135,138,983</b>   |             | <b>7.60%</b>  | <b>\$ 918,357,874</b>     |             | <b>6.10%</b>  |

Source: Gaston County Tax Department

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

| Fiscal Year<br>Ended June 30 | Taxes Levied for<br>the Fiscal Year | Collected within the Fiscal<br>Year of the Levy |                       | Collections in<br>Subsequent<br>Years | Total Collections to Date |                       |
|------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                              |                                     | Amount  | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>of Levy |
| 2010                         | 122,832,194                         | 118,101,930                                     | 96.1%                 | 4,512,894                             | 122,614,824               | 99.82%                |
| 2011                         | 122,722,967                         | 118,228,718                                     | 96.3%                 | 4,263,981                             | 122,492,699               | 99.81%                |
| 2012                         | 123,490,459                         | 119,665,752                                     | 96.9%                 | 3,597,911                             | 123,263,663               | 99.82%                |
| 2013                         | 125,234,084                         | 121,338,719                                     | 96.9%                 | 3,643,292                             | 124,982,011               | 99.80%                |
| 2014                         | 127,281,287                         | 124,586,719                                     | 97.9%                 | 2,377,453                             | 126,964,172               | 99.75%                |
| 2015                         | 121,177,992                         | 119,432,901                                     | 98.6%                 | 1,361,628                             | 120,794,529               | 99.68%                |
| 2016                         | 120,282,146                         | 118,722,082                                     | 98.7%                 | 1,182,053                             | 119,904,135               | 99.69%                |
| 2017                         | 123,779,768                         | 122,235,040                                     | 98.8%                 | 1,073,967                             | 123,309,007               | 99.62%                |
| 2018                         | 127,701,957                         | 126,229,056                                     | 98.8%                 | 813,592.00                            | 127,042,648               | 99.48%                |
| 2019                         | 130,421,455                         | 127,972,305                                     | 98.1%                 | -                                     | 127,972,305               | 98.12%                |

Source: Gaston County Tax Department

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

| <b>General Bonded Debt Outstanding</b> |                   |   |              |  |   |                           |
|--|-------------------|---|--------------|--|---|---------------------------|
| <b>Fiscal Year</b>                     | <b>Total Debt</b> | <b>Less:<br/>Amounts<br/>Restricted to<br/>Repaying Principal</b> | <b>Total</b> | <b>Percentage of<br/>Personal<br/>Income (a)</b> | <b>Percentage of<br/>Actual Value<br/>of Taxable<br/>Property (b)</b> | <b>Per<br/>Capita (a)</b> |
| 2010                                   | 246,020,113       | -   | 246,020,113  | 3.52%  | 1.75%   | 1,194                     |
| 2011                                   | 231,300,411       | -   | 231,300,411  | 3.38%  | 1.70%   | 1,116                     |
| 2012                                   | 223,792,514       | -   | 223,792,514  | 3.14%  | 1.71%   | 1,072                     |
| 2013                                   | 207,119,648       | -   | 207,119,648  | 2.86%  | 1.65%   | 988                       |
| 2014                                   | 193,470,690       | -   | 193,470,690  | 2.58%  | 1.47%   | 918                       |
| 2015                                   | 178,203,288       | -   | 178,203,288  | 2.26%  | 1.38%   | 841                       |
| 2016                                   | 213,575,436       | -   | 213,575,436  | 2.57%  | 1.51%   | 1,001                     |
| 2017                                   | 195,722,876       | -   | 195,722,876  | 2.25%  | 1.33%   | 911                       |
| 2018                                   | 186,340,784       | -   | 186,340,784  | *  | 1.26%   | 846                       |
| 2019                                   | 269,601,610       | -   | 269,601,610  | *  | 1.55%   | 1,205                     |

\* Information not yet available.

Note:

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

(b) See "Assessed Value and Actual Value of Taxable Property" schedule for property values.

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

| Fiscal<br>Year | Governmental Activities        |                                     |                   |                          |                        |                            | Business-Type Activities |                          | Total<br>Primary<br>Government | Percentage of<br>Personal<br>Income (a) | Per<br>Capita (c) |
|----------------|--------------------------------|-------------------------------------|-------------------|--------------------------|------------------------|----------------------------|--------------------------|--------------------------|--------------------------------|---|-------------------|
|                | General<br>Obligation<br>Bonds | Certificates<br>of<br>Participation | Capital<br>Leases | Installment<br>Purchases | Unamortized<br>Premium | State<br>Revolving<br>Loan | Capital<br>Leases        | Installment<br>Purchases |                                |   |                   |
| 2010           | 223,725,000                    | 9,805,000                           | 1,068,831         | 11,421,282               | -                      | -                          | 2,387                    | 5,800,000                | 251,822,500                    | 3.61%                                   | 1,222             |
| 2011           | 211,900,000                    | 8,560,000                           | 862,929           | 9,977,482                | -                      | -                          | -                        | 5,556,238                | 236,856,649                    | 3.46%                                   | 1,143             |
| 2012           | 200,543,000                    | 7,270,000                           | 1,438,090         | 8,533,682                | -                      | 6,007,742                  | 1,034,802                | 5,059,444                | 229,886,760                    | 3.23%                                   | 1,101             |
| 2013           | 185,848,000                    | 5,935,000                           | 2,664,023         | 7,089,883                | 10,473,662             | 5,582,742                  | 688,237                  | 4,543,758                | 222,825,305                    | 3.08%                                   | 1,063             |
| 2014           | 173,782,000                    | 4,545,000                           | 2,907,656         | 5,646,083                | 9,775,418              | 6,589,951                  | 304,126                  | 4,008,462                | 207,558,696                    | 2.77%                                   | 985               |
| 2015           | 161,684,000                    | 3,095,000                           | 2,998,162         | 4,202,283                | 9,079,174              | 6,223,843                  | 7,528                    | 3,452,811                | 190,742,801                    | 2.42%                                   | 900               |
| 2016           | 199,590,000                    | 1,580,000                           | 3,789,219         | 2,758,483                | 14,020,119             | 5,857,734                  | -                        | 2,876,030                | 230,471,585                    | 2.78%                                   | 1,080             |
| 2017           | 185,044,000                    | -                                   | 3,679,317         | 1,507,933                | 12,946,062             | 5,491,626                  | 435,014                  | 2,277,315                | 211,381,267                    | 2.43%                                   | 984               |
| 2018           | 176,574,000                    | -                                   | 4,641,266         | -                        | 11,872,005             | 5,125,518                  | 611,101                  | 1,655,833                | 200,479,723                    | *                                       | 911               |
| 2019           | 220,130,000                    | -                                   | 17,927,200        | 26,785,000               | 19,304,706             | 4,759,410                  | 284,004                  | 1,010,718                | 290,201,038                    | *                                       | 1,297             |

\* Information not yet available.

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

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

|   | <b>2010</b>           | <b>2011</b>           | <b>2012</b>           | <b>2013</b>           | <b>2014</b>           | <b>2015</b>             | <b>2016</b>             | <b>2017</b>             | <b>2018</b>             | <b>2019</b>             |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assessed Value of Property  | \$ 14,771,882,419     | \$ 14,686,577,617     | \$ 14,777,446,797     | \$ 14,998,093,963     | \$ 14,630,563,376     | \$ 15,425,878,851       | \$ 15,457,585,402       | \$ 15,943,317,816       | \$ 16,437,042,595       | \$ 16,855,932,097       |
| Debt Limit, 8% of Assessed Value<br>(Statutory Limitation)              | 1,181,750,594         | 1,174,926,209         | 1,182,195,744         | 1,199,847,517         | 1,170,445,070         | 1,234,070,308           | 1,236,606,832           | 1,275,465,425           | 1,314,963,408           | 1,348,474,568           |
| Amount of Debt Applicable to Limit                                      |                       |                       |                       |                       |                       |                         |                         |                         |                         |                         |
| General Obligation Bonds  | 223,725,000           | 211,900,000           | 200,543,000           | 185,848,000           | 173,782,000           | 161,684,000             | 199,590,000             | 185,044,000             | 176,574,000             | 220,130,000             |
| Certificates of Participation   | 9,805,000             | 8,560,000             | 7,270,000             | 5,935,000             | 4,545,000             | 3,095,000               | 1,580,000               | -                       | -                       | -                       |
| Other Debt  | 12,490,113            | 10,840,411            | 15,979,514            | 15,336,648            | 15,143,690            | 13,424,288              | 12,405,436              | 10,678,876              | 9,766,784               | 23,697,328              |
|   | 246,020,113           | 231,300,411           | 223,792,514           | 207,119,648           | 193,470,690           | 178,203,288             | 213,575,436             | 195,722,876             | 186,340,784             | 243,827,328             |
| Less: Resources Restricted to Paying Principal                          | -                     | -                     | -                     | -                     | -                     | -                       | -                       | -                       | -                       | (1,311,690)             |
| Total net debt applicable to limit                                      | 246,020,113           | 231,300,411           | 223,792,514           | 207,119,648           | 193,470,690           | 178,203,288             | 213,575,436             | 195,722,876             | 186,340,784             | 242,515,638             |
| Legal Debt Margin   | <u>\$ 935,730,481</u> | <u>\$ 943,625,798</u> | <u>\$ 958,403,230</u> | <u>\$ 992,727,869</u> | <u>\$ 976,974,380</u> | <u>\$ 1,055,867,020</u> | <u>\$ 1,023,031,396</u> | <u>\$ 1,079,742,549</u> | <u>\$ 1,128,622,624</u> | <u>\$ 1,105,958,930</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 20.82%                | 19.69%                | 18.93%                | 17.26%                | 16.53%                | 14.44%                  | 17.27%                  | 15.35%                  | 14.17%                  | 17.98%                  |

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

| <b>Year</b> | <b>Population (a)</b> | <b>Personal<br/>Income (b)<br/>(thousands<br/>of dollars)</b> | <b>Per<br/>Capita<br/>Personal<br/>Income (b)</b> | <b>Public<br/>School<br/>Enrollment (c)</b> | <b>Private<br/>School<br/>Enrollment (d)</b> | <b>Unemployment<br/>Rate (e)</b> |
|-------------|-----------------------|---|---|---|--|----------------------------------|
| 2010        | 206,086               | 6,983,047   | 32,024  | 31,654                                      | 2,359  | 13.6%                            |
| 2011        | 207,274               | 6,843,901   | 33,591  | 31,415                                      | 2,109  | 12.4%                            |
| 2012        | 208,704               | 7,123,429   | 35,103  | 31,033                                      | 2,188  | 10.8%                            |
| 2013        | 209,571               | 7,236,274   | 34,986  | 31,197                                      | 2,212  | 9.6%                             |
| 2014        | 210,735               | 7,498,493   | 35,531  | 31,152                                      | 2,215  | 7.1%                             |
| 2015        | 211,936               | 7,886,647   | 36,950  | 32,105                                      | 2,129  | 6.5%                             |
| 2016        | 213,325               | 8,298,882   | 38,261  | 31,555                                      | 2,081  | 5.4%                             |
| 2017        | 214,793               | 8,714,408   | 39,578  | 31,499                                      | 2,195  | 4.2%                             |
| 2018        | 220,182               | *   | *   | 31,851                                      | 2,290  | 4.3%                             |
| 2019        | 223,671               | *   | *   | 31,176                                      | 2,220  | 3.9%                             |

\* Information not yet available.

**Sources:**

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



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

| <u>Employer</u>          | <u>2019</u>      |             |  | <u>2010</u>      |             |  |
|--------------------------|------------------|-------------|--|------------------|-------------|--|
|                          | <u>Employees</u> | <u>Rank</u> | <u>Percentage<br/>of Total<br/>County<br/>Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage<br/>of Total<br/>County<br/>Employment</u> |
| Gaston County Schools    | 1000+            | 1           | -  | 1000+            | 1           | -  |
| Caromont Health          | 1000+            | 2           | -  | 1000+            | 2           | -  |
| Freightliner Corporation | 1000+            | 3           | -  | 500-999          | 10          | -  |
| Gaston County Government | 1000+            | 4           | -  | 1000+            | 3           | -  |
| Wal-mart Associates      | 1000+            | 5           | -  | 1000+            | 6           | -  |
| American & Efird, Inc.   | 1000+            | 6           | -  | 1000+            | 7           | -  |
| Mann+hummel              | 1000+            | 7           | -  | -                | -           | -  |
| Trion Solutions li Inc   | 500-999          | 8           | -  | -                | -           | -  |
| City of Gastonia         | 500-999          | 9           | -  | 500-999          | 8           | -  |
| Pharr Yarns Inc.         | 500-999          | 10          | -  | 1000+            | 5           | -  |

Source: Gaston County Economic Development Commision

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

| <u>Function / Program</u>         | <u>Full-time Equivalent Budgeted Employees as of June 30</u> |              |              |              |              |              |              |              |              |              |
|-----------------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                   | <u>2010</u>  | <u>2011</u>  | <u>2012</u>  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  | <u>2019</u>  |
| General Government                | 200  | 200          | 200          | 201          | 202          | 205          | 205          | 205          | 207          | 207          |
| Public Safety                     | 580  | 580          | 580          | 585          | 585          | 604          | 606          | 615          | 636          | 636          |
| Economic and Physical Development | 33   | 31           | 31           | 32           | 32           | 32           | 29           | 29           | 21           | 21           |
| Human Services                    | 561  | 573          | 576          | 579          | 579          | 594          | 594          | 594          | 600          | 600          |
| Cultural and Recreational         | 58   | 58           | 55           | 52           | 52           | 51           | 53           | 53           | 54           | 54           |
| Solid Waste / Landfill            | 26   | 26           | 26           | 26           | 26           | 26           | 25           | 27           | 28           | 28           |
| Total                             | <u>1,458</u>   | <u>1,468</u> | <u>1,468</u> | <u>1,475</u> | <u>1,476</u> | <u>1,512</u> | <u>1,512</u> | <u>1,523</u> | <u>1,546</u> | <u>1,546</u> |

Sources: County budget department and individual county departments.

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

| <b>Function / Program</b>   | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government  |             |             |             |             |             |             |             |             |             |             |
| Access  |             |             |             |             |             |             |             |             |             |             |
| Passenger trips   | 127,809     | 141,377     | 124,560     | 116,889     | 138,261     | 133,970     | 122,114     | 116,462     | 107,393     | 67,899      |
| Service Miles   | 974,689     | 1,068,561   | 1,027,741   | 688,063     | 629,095     | 586,000     | 608,850     | 494,053     | 489,725     | 538,619     |
| Commissioners / Clerk to the Board  |             |             |             |             |             |             |             |             |             |             |
| Number of Contracts   | 507         | 568         | 548         | 540         | 488         | 475         | 586         | 552         | 563         | 632         |
| Number of Minutes   | 335         | 240         | 280         | 279         | 386         | 334         | 273         | 255         | 301         | 362         |
| Human Resources   |             |             |             |             |             |             |             |             |             |             |
| Number of applications processed  | 7,032       | 5,705       | 9,550       | 7,409       | 11,039      | 10,668      | 10,219      | 8,362       | 10,238      | 7,532       |
| Information Technology  |             |             |             |             |             |             |             |             |             |             |
| Number of service request / trouble tickets   | 9,429       | 9,590       | 9,289       | 8,481       | 10,978      | 10,086      | 10,616      | 7,217       | 7,082       | 6,583       |
| Public Works  |             |             |             |             |             |             |             |             |             |             |
| Number of vehicle work orders processed / completed   | 3,243       | 3,186       | 2,955       | 2,938       | 2,898       | 3,107       | 2,886       | 3,217       | 2,974       | 3,139       |
| Number of non-vehicle work orders requested / completed                                     | 7,778       | 8,371       | 8,126       | 8,536       | 7,182       | 9,644       | 8,991       | 6,768       | 8,590       | 9,162       |
| Register of Deeds   |             |             |             |             |             |             |             |             |             |             |
| Vital records issued (birth, death, marriage)   | 22,038      | 22,808      | 23,498      | 22,360      | 26,121      | 23,715      | 23,445      | 25,516      | 25,709      | 27,493      |
| Instruments recorded<br>(deeds, deeds of trust, corporations, etc.)                         | 29,157      | 27,064      | 29,608      | 24,367      | 25,797      | 21,665      | 22,628      | 32,745      | 23,549      | 23,287      |
| Notary oaths administered   | 601         | 636         | 611         | 619         | 746         | 582         | 704         | 667         | 734         | 741         |
| Tax   |             |             |             |             |             |             |             |             |             |             |
| Business audits   | 140         | 105         | 93          | 107         | 102         | 97          | 140         | 195         | 195         | 131         |
| Registered vehicles processed   | 174,052     | 172,395     | 176,315     | 174,279     | 258,360     | 184,200     | 182,000     | 193,886     | 193,974     | 193,224     |
| Public Safety   |             |             |             |             |             |             |             |             |             |             |
| Animal Control  |             |             |             |             |             |             |             |             |             |             |
| Number of calls   | 26,025      | 21,917      | 21,345      | 19,722      | 18,863      | 13,327      | 15,879      | 16,100      | 15,864      | 17,558      |
| Adoptions (rescue group placement & owner reclaims)   | 3,636       | 3,419       | 4,368       | 3,880       | 4,112       | 3,347       | 2,788       | 2,783       | 2,757       | 2,529       |
| Building Inspections  |             |             |             |             |             |             |             |             |             |             |
| Inspections conducted   | 30,493      | 24,805      | 29,057      | 30,153      | 31,950      | 38,228      | 24,917      | 27,170      | 35,217      | 37,914      |
| Residential permits issued  | 3,291       | 2,962       | 2,969       | 2,832       | 3,145       | 1,959       | 1,042       | 1,430       | 1,551       | 1,514       |
| Commercial and other non-residential permits issued   | 1,125       | 964         | 1,220       | 1,295       | 1,172       | 1,393       | 281         | 437         | 221         | 240         |
| Electrical permits issued   | 1,868       | 1,675       | 1,526       | 1,562       | 1,736       | 1,798       | 2,686       | 2,131       | 2,612       | 3,086       |
| Mechanical permits issued   | 1,934       | 1,849       | 1,348       | 1,422       | 1,655       | 1,581       | 2,351       | 1,557       | 1,681       | 1,483       |
| Plumbing permits issued   | 784         | 591         | 620         | 665         | 706         | 700         | 1,209       | 472         | 848         | 612         |
| County Police   |             |             |             |             |             |             |             |             |             |             |
| UCR Part I Crimes   | 1,747       | 1,799       | 1,576       | 1,582       | 1,402       | 1,326       | 1,423       | 1,412       | 1,381       | 948         |
| Emergency Management  |             |             |             |             |             |             |             |             |             |             |
| Emergency management calls<br>(hazardous material spills, missing persons, complaints, etc) | 30          | 18          | 21          | 18          | 19          | 12          | 14          | 14          | 5           | 15          |
| Presentations / programs conducted  | 10          | 11          | 18          | 10          | 11          | 11          | 7           | 12          | *           | 4           |
| Exercises conducted or attended   | 16          | 8           | 20          | 9           | 12          | 12          | 13          | 5           | 3           | 7           |
| Formal plans developed, reviewed, updated or adopted  | 29          | 26          | 23          | 24          | 21          | 18          | 15          | 19          | *           | 12          |
| Emergency Medical Services  |             |             |             |             |             |             |             |             |             |             |
| Emergency calls for service   | 31,148      | 31,173      | 33,986      | 40,460      | 42,895      | 44,429      | 46,233      | 46,401      | 39,812      | 30,895      |
| Non-emergency calls for service   | 1,896       | 2,319       | 1,915       | 1,248       | 1,541       | 1,879       | 2,005       | 2,313       | 3,253       | 2,757       |
| Number of dispatches  | 30,642      | 31,173      | 32,068      | 38,019      | 38,709      | 46,308      | 51,093      | 51,978      | 48,128      | 35,499      |
| Number of transports  | 17,605      | 17,785      | 17,531      | 19,435      | 18,749      | 17,752      | 16,638      | 17,544      | 17,424      | 12,790      |
| Fire Marshal  |             |             |             |             |             |             |             |             |             |             |
| Inspections   | 975         | 916         | 954         | 1,024       | 1,196       | 941         | 1,164       | 1,057       | 1,595       | 1,771       |
| Investigations / Incidents  | 218         | 176         | 141         | 194         | 160         | 211         | 166         | 196         | 175         | 161         |
| Fire investigation K9 Callouts  | 23          | 8           | 2           | 4           | 0           | -           | 0           | 0           | 0           | 0           |
| Fire Education Classes Taught   | 10          | 3           | 15          | 11          | 9           | 11          | 784         | 14          | 9           | 13          |
| Rescue Squads   |             |             |             |             |             |             |             |             |             |             |
| Number of dispatches  | 33,740      | 33,747      | 38,509      | 39,930      | 38,709      | 38,222      | 40,235      | 37,463      | 34,999      | 27,492      |
| Number of transports  | 10,415      | 11,026      | 11,322      | 10,400      | 18,749      | 11,693      | 11,985      | 10,914      | 10,438      | 7,719       |

| Function / Program  | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Public Safety (continued)   |         |         |         |         |         |         |         |         |         |         |
| Sheriff   |         |         |         |         |         |         |         |         |         |         |
| Average monthly jail population   | 513     | 504     | 525     | 498     | 509     | 497     | 502     | 574     | 632     | 658     |
| Number of civil papers served   | 24,704  | 22,674  | 18,991  | 19,602  | 23,597  | 23,554  | 23,664  | 16,338  | 17,930  | 17,726  |
| Number of criminal papers served  | 4,853   | 5,592   | 5,611   | 5,550   | 5,874   | 4,575   | 5,236   | 3,383   | 4,405   | 5,059   |
| Number of weapon permits issued   | 4,444   | 4,418   | 5,349   | 10,854  | 5,462   | 6,096   | 11,424  | 7,988   | 8,306   | 10,727  |
| Number of court cases scheduled   | 161,099 | 158,497 | 156,567 | 154,487 | 139,645 | 130,248 | 136,580 | 158,322 | 144,421 | 180,762 |
| Telecommunications  |         |         |         |         |         |         |         |         |         |         |
| Number of 911 calls   | 130,465 | 134,116 | 138,123 | 131,937 | 127,903 | 137,645 | 150,571 | 143,247 | 123,510 | 132,864 |
| Economic and Physical Development   |         |         |         |         |         |         |         |         |         |         |
| Cooperative Extension Service   |         |         |         |         |         |         |         |         |         |         |
| Structured teaching activities  | 555     | 527     | 441     | 454     | 416     | 445     | 393     | 410     | 422     | 397     |
| Volunteer Hours   | 15,793  | 16,095  | 15,153  | 14,817  | 14,858  | 14,950  | 14,215  | 13,875  | 14,320  | 14,350  |
| Natural Resources   |         |         |         |         |         |         |         |         |         |         |
| Number of people served (clients)   | 191,228 | 13,507  | 14,614  | 15,403  | 11,688  | 15,177  | 13,378  | 12,855  | 12,298  | 12,835  |
| Number of technical services provided                                     | 230,016 | 16,512  | 18,326  | 19,120  | 13,969  | 16,875  | 16,144  | 21,724  | 20,534  | 21,712  |
| Number of acres affected  | 7,484   | 6,735   | 8,199   | 6,284   | 4,951   | 7,936   | 7,005   | 8,162   | 6,751   | 7,008   |
| Planning / Land Use   |         |         |         |         |         |         |         |         |         |         |
| Zoning permits issued (2002 - 2004 calendar year)                         | 328     | 384     | 436     | 378     | 392     | 410     | 575     | 541     | 525     | 565     |
| Site plans for commercial/industrial reviewed (2002 - 2004 calendar year) | 7       | 10      | 15      | 8       | 13      | 17      | 20      | 17      | 14      | 11      |
| Subdivisions submitted (2002 - 2004 calendar year)                        | 4       | 2       | 0       | 1       | 1       | -       | 1       | 0       | 2       | 4       |
| Minimum Housing Inspections (2002 - 2004 calendar year)                   | 17      | 13      | 28      | 18      | 23      | 21      | 16      | 24      | 49      | *       |
| Travel and Tourism  |         |         |         |         |         |         |         |         |         |         |
| Overnight Stays   | 258,529 | 321,465 | 332,091 | 339,040 | 336,452 | 357,753 | 392,766 | 383,211 | *       | *       |
| Visits to Visitors Center   | 6,465   | 6,406   | 5,996   | 5,289   | 4,845   | 4,486   | 4,619   | 4,200   | *       | *       |
| Visitor's Guide Printed and Distributed                                   | 39,800  | 37,250  | 40,000  | 40,000  | 35,265  | 27,500  | 27,264  | 30,000  | *       | *       |
| Total Social Media Followers  | *       | *       | *       | *       | *       | *       | 10,064  | 13,573  | 18,033  | 21,236  |
| Total Website Visitation  | *       | *       | *       | *       | *       | *       | 121,458 | 124,339 | 191,894 | 191,894 |
| Total Weekend Hotel Demand  | *       | *       | *       | *       | *       | *       | 113,226 | 111,450 | 109,703 | 109,703 |
| Human Services  |         |         |         |         |         |         |         |         |         |         |
| Health  |         |         |         |         |         |         |         |         |         |         |
| *** Number of patient visits  | 105,149 | 82,136  | 70,641  | 82,698  | 73,331  | 64,312  | 76,571  | 61,544  | 56,321  | 50,856  |
| Onsite Wastewater Permits issued  | 601     | 511     | 713     | 712     | 872     | 872     | 731     | 983     | 1,039   | 1,358   |
| Well permits issued   | 118     | 96      | 125     | 145     | 103     | 138     | 121     | 167     | 167     | 196     |
| Food and Lodging Inspections performed                                    | 3,195   | 3,084   | 2,615   | 2,601   | 2,693   | 2,290   | 2,140   | 2,572   | 2,672   | 1,884   |
| Social Services   |         |         |         |         |         |         |         |         |         |         |
| ** Medicaid cases   | 359,210 | 375,895 | 392,696 | 399,296 | 384,017 | 383,628 | 383,628 | 40,106  | 39,481  | 38,858  |
| ** Medicaid recipients  | 472,280 | 494,239 | 518,206 | 527,741 | 524,760 | 524,496 | 524,496 | 63,469  | 65,945  | 68,156  |
| ** Food and nutrition services cases                                      | 192,015 | 230,485 | 246,287 | 254,292 | 254,952 | 256,868 | 245,756 | 16,591  | 15,487  | 15,219  |
| ** Food and nutrition services recipients                                 | 415,358 | 484,487 | 504,857 | 528,780 | 522,468 | 520,569 | 498,432 | 36,697  | 34,510  | 33,933  |
| ** Children in DSS custody  | 2,761   | 2,910   | 2,438   | 2,346   | 2,532   | 3,278   | 3,360   | 345     | 346     | 349     |
| Cultural and Recreation   |         |         |         |         |         |         |         |         |         |         |
| Art and History Museum  |         |         |         |         |         |         |         |         |         |         |
| Museum Visits   | 3,733   | 3,422   | 3,255   | 4,238   | 3,930   | 4,039   | 4,399   | 3,620   | 2,821   | 2,792   |
| Program Attendance  | 11,944  | 13,446  | 13,027  | 15,537  | 16,143  | 23,164  | 19,622  | 19,105  | 21,025  | 19,350  |
| Exhibits  | 11      | 16      | 14      | 16      | 19      | 18      | 16      | 17      | 15      | 15      |
| Library   |         |         |         |         |         |         |         |         |         |         |
| Library Visits (Door Count)   | 651,196 | 635,722 | 535,418 | 501,992 | 476,873 | 486,111 | 530,498 | 575,420 | 567,500 | 536,541 |
| Circulation - Books   | 778,690 | 751,365 | 699,645 | 671,221 | 636,764 | 666,939 | 750,487 | 717,366 | 679,201 | 628,314 |
| Circulation - Audiovisuals  | 237,406 | 200,958 | 179,843 | 168,433 | 163,775 | 193,037 | 237,577 | 230,605 | 210,201 | 200,023 |
| Circulation - e-resources   | 6,161   | 29,045  | 77,777  | 88,683  | 108,210 | 185,833 | 124,084 | 202,202 | 206,631 | 214,494 |
| Library Programs  | 1,391   | 1,433   | 1,366   | 1,442   | 1,783   | 2,991   | 6,339   | 5,683   | 5,590   | 6,331   |
| Program Attendance  | 44,745  | 49,258  | 43,042  | 46,911  | 53,146  | 77,031  | 111,078 | 131,471 | 146,040 | 174,720 |
| Public computer users   | 115,787 | 109,622 | 118,733 | 125,575 | 133,651 | 168,562 | 111,582 | 107,273 | 94,573  | 331,002 |

| <u>Function / Program</u>           | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cultural and Recreation (continued) |             |             |             |             |             |             |             |             |             |             |
| Parks and recreation                |             |             |             |             |             |             |             |             |             |             |
| Park reservations                   | 4,634       | 5,232       | 4,674       | 4,733       | 9,258       | 9,175       | 8,908       | 6,338       | 3,963       | 4,290       |
| Scheduled park attendance           | 388,615     | 414,700     | 405,802     | 395,028     | 684,067     | 793,048     | 885,164     | 603,206     | 591,684     | 422,195     |
| Senior Center                       |             |             |             |             |             |             |             |             |             |             |
| Program Attendance                  | 31,287      | 29,577      | 35,450      | 36,603      | 38,010      | 40,108      | 41,895      | 45,383      | 46,101      | 44,766      |
| Senior Center visits                | 26,339      | 25,158      | 31,558      | 33,907      | 35,987      | 39,167      | 42,534      | 46,408      | 47,893      | 47,052      |
| Solid Waste / Landfill              |             |             |             |             |             |             |             |             |             |             |
| Waste tonage disposed               | 174,235     | 195,832     | 227,839     | 177,742     | 189,845     | 222,587     | 250,065     | 281,841     | 260,385     | 274,770     |
| Recycling tonage                    | 2,680       | 6,880       | 5,861       | 3,113       | 2,298       | 1,688       | 2,484       | 2,929       | 2,467       | 2,122       |

Sources: County budget department and individual county departments.

Note: Indicators are not available for Environmental Protection.

\* Information is not available.

\*\* 2017-2019 is reported in monthly averages.

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

| <b>Function / Program</b>                     | <b>Fiscal Year</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | <b><u>2010</u></b> | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>2017</u></b> | <b><u>2018</u></b> | <b><u>2019</u></b> |
| <b>Public Safety</b>                          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Sheriff                                       |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Jail capacity *                               | 584                | 584                | 584                | 584                | 584                | 584                | 584                | 584                | 584                | 584                |
| <b>Economic and Physical Development</b>      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Economic Development Commission               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Business park acreage available for purchase: |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Gastonia Technology Park                      | 325                | 325                | 204.7              | 199.85             | 132.82             | 117.81             | 117.81             | 117.81             | 117.81             | 117.81             |
| Summit Crossing                               | 35                 | 35                 | 35                 | 21.08              | 21.08              | 16.86              | 16.86              | 16.86              | 16.86              | 16.86              |
| South Ridge Business Park                     | 50                 | 50                 | 50                 | 50                 | 50                 | 25.26              | 25.26              | 25.26              | 25.26              | 11.86              |
| Apple Creek Business Park**                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 310                |
| <b>Cultural and Recreation</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Parks and recreation                          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Number of county parks                        | 9                  | 9                  | 9                  | 9                  | 9                  | 9                  | 9                  | 9                  | 9                  | 9                  |
| Park acreage:                                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Developed                                     | 363                | 512                | 512                | 512                | 512                | 512                | 512                | 512                | 512                | 512                |
| Undeveloped                                   | 299                | 150                | 150                | 150                | 150                | 150                | 150                | 150                | 150                | 150                |
| Total Park Acreage***                         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |

Sources: County departments.

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

\*\*Apple Creek Business Park was purchased in 2018.

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

## **COMPLIANCE SECTION**

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

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

## **Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards**

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

To the Board of Commissioners  
Gaston County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable of the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gaston County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 22, 2019.

### **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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gaston County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as 2019-001 and 2019-002, that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Gaston County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 an instance of non-compliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs and Responses as 2019-002.

## **Gaston County's Responses to Findings**

Gaston County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Gaston County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 22, 2019

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

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

## **Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance With The Uniform Guidance And The State Single Audit Implementation Act**

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

To the Board of Commissioners  
Gaston County, North Carolina

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

We have audited Gaston County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. Gaston County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

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

## Opinion On Each Major Federal Program

In our opinion, Gaston County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report On Internal Control Over Compliance

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

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

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 22, 2019

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

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

## **Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance With the Uniform Guidance; And The State Single Audit Implementation Act**

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

To the Board of Commissioners  
Gaston County, North Carolina

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

We have audited the compliance of Gaston County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Gaston County's major state programs for the year ended June 30, 2019. Gaston County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

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

## Opinion on Each Major State Program

In our opinion, Gaston County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

## Report On Internal Control Over Compliance

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

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

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 22, 2019

# GASTON COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

### 1. Summary of Auditor's Results

#### Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Non-compliance material to financial  
statements noted?

  X   Yes        No

#### Federal Awards

Internal control over major federal  
programs:

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

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

Unmodified

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

       Yes   X   No

Identification of major federal programs:

#### Program Title

#### CFDA#

Medicaid Cluster  
Aging Cluster  
TANF Cluster  
Formula Grants for Rural Areas  
Affordable Care Act (ACA) Maternal, Infant,  
& Early Childhood Home Visiting Program  
Foster Care Title IV-E  
Adoption Assistance

93.778  
93.044, 93.045, 93.053  
93.558  
20.509  
93.505  
93.658  
93.659

## GASTON COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

#### 1. Summary of Auditor's Results (continued)

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

\$751,160

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes      X   No

#### State Awards

Internal control over major state programs:

• Material weakness(es) identified?

\_\_\_\_\_ Yes      X   No

• Significant deficiency(ies) identified?

\_\_\_\_\_ Yes      X   None reported

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

Unmodified

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

\_\_\_\_\_ Yes      X   No

Identification of major state programs:

Medicaid Cluster

Aging Cluster

Foster Care and Adoption Cluster

Formula Grants for Rural Areas

Public School Building Capital Fund



**GASTON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. Financial Statements Findings**

**Finding 2019-001:**

**Material Weakness**

**Criteria:** Management should have a system in place to reduce the likelihood of errors in financial reporting. This includes identifying all necessary adjustments to the County's general ledger to conform to accounting principles generally accepted in the United States of America.

**Condition:** Expenditures related to the Internal Service Fund Health Insurance Benefits had been excluded from the prior year financial statements. A prior period adjustment was required to correct material errors. A significant audit adjustment is a proposed correction of the basic financial statements. The existence of such material adjustments indicates that the County's system of controls did not detect and prevent such errors timely. We have provided management with a report of these adjustments.

**Effect:** Errors in financial reporting occurred in governmental activities.

**Cause:** The County excluded expenditures related to the Internal Service Fund in the prior year's financial statements.

**Recommendation:** Care should be taken to ensure that expenditure records are reconciled to the financial statements in a timely manner. Management should reconcile County records and record necessary adjustments prior to the audit.

**Views of Responsible Officials and Planned Corrective Action:** The County agrees with this finding and will adhere to the Correction Action Plan in this audit report.

**GASTON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. Financial Statements Findings**

**Finding 2019-002:**

**Material Weakness/Material Non-Compliance**

**Criteria:** General Statute 159-28(a) requires that all money received and expended by a local government should be included in the budget ordinance. The Statutes require that funds be appropriated before incurring the obligation for funds and that amounts be pre-audited prior to disbursements being made.

**Condition:** In the current year, the County expended more funds than appropriated.

**Effect:** The County was in violation of North Carolina General Statutes.

**Cause:** Expenditures were made without being included in the budget due to the addition of capital leases in the Public Safety Department.

**Recommendation:** The County should implement additional monitoring controls, such as reviewing monthly budget to actual reports and careful preaudit of expenditures. Budget amendments should be adopted prior to expending funds that exceed budgeted amounts.

**Views of Responsible Officials and Planned Corrective Actions:** The County agrees with this finding and will adhere to the corrective action plan in this audit report.

# **GASTON COUNTY, NORTH CAROLINA**

## **SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019**

### **2. Federal Award Findings and Questioned Costs**

None reported.

### **3. State Award Findings and Questioned Costs**

None reported.

**GASTON COUNTY**

128 West Main Avenue  
P.O. Box 1578  
Gastonia, North Carolina 28053-1578

**Finance Department**

Phone (704) 866-3111  
Fax (704) 866-3518  
e-mail: tiffany.murray@gastongov.com

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2019**

**2. Findings Related to the Audit of the Basic Financial Statements**

**Finding: 2019-001**

**Name of Contact Person:** Tiffany Murray, Finance Division Director

**Corrective Action/Management's Response:** At the conclusion of our audit, error has been corrected going forward. The County has now included expenditures related to the Internal Service Fund on the current year's financial statements and will continue going forward. Expenditures will be stated properly in the current year and subsequent years going forward.

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

**Finding: 2019-002**

**Name of Contact Person:** Tiffany Murray, Finance Division Director

**Corrective Action/Management's Response:** The Finance Department and Budget Office staff will review periodically to ensure budget remains consistent.

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

**GASTON COUNTY, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Finding:**       **2018-001**

**Status:** Corrected.

**Finding:**       **2018-002**

**Status:** Corrected.

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COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title                               | Federal<br>CFDA<br>Number | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|---|---------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| <b>FEDERAL AWARDS:</b>  |                           |  |   |                       |                                       |                       |
| <u>U. S. Department of Agriculture</u>                                      |                           |  |   |                       |                                       |                       |
| <u>Food and Nutrition Service</u>   |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Health and Human Services:           |                           |  |   |                       |                                       |                       |
| Division of Social Services:  |                           |  |   |                       |                                       |                       |
| Administration:   |                           |  |   |                       |                                       |                       |
| <u>SNAP Cluster:</u>  |                           |  |   |                       |                                       |                       |
| State Administrative Matching Grants for the Supplemental Nutrition         |                           |  |   |                       |                                       |                       |
| Assistance Program  | 10.561                    | 185NC406S2514 / 195NC406S2514                  | \$ 2,081,817  | \$ -                  | \$ -                                  | \$ 2,081,817          |
| Total SNAP Cluster  |                           |  | <u>2,081,817</u>                                      | <u>-</u>              | <u>-</u>                              | <u>2,081,817</u>      |
| Passed-through the N. C. Department of Health and Human Services:           |                           |  |   |                       |                                       |                       |
| Division of Public Health:  |                           |  |   |                       |                                       |                       |
| WIC Special Supplemental Nutrition Program for Women, Infants and Children: |                           |  |   |                       |                                       |                       |
| Administration  | 10.557                    | 5NC700705                                      | 896,148   | -                     | -                                     | -                     |
| Child and Adult Care Food Program   | 10.558                    | 6804   | <u>4,510</u>  | <u>-</u>              | <u>-</u>                              | <u>-</u>              |
| Total U.S. Department of Agriculture  |                           |  | <u>2,982,475</u>                                      | <u>-</u>              | <u>-</u>                              | <u>2,081,817</u>      |
| <u>U. S. Department of Education</u>  |                           |  |   |                       |                                       |                       |
| <u>Office of Elementary and Secondary Education</u>                         |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Public Instruction:                  |                           |  |   |                       |                                       |                       |
| Division of Federal Program Monitoring and Support:                         |                           |  |   |                       |                                       |                       |
| Twenty-First Century Community Learning Centers                             | 84.287                    | S287C170033 / S287C180033                      | 322,653   | -                     | 322,653                               | -                     |
| Twenty-First Century Community Learning Centers                             | 84.287                    | S287C180033                                    | <u>291,296</u>  | <u>-</u>              | <u>291,296</u>                        | <u>-</u>              |
| Total U.S. Department of Education  |                           |  | <u>613,949</u>  | <u>-</u>              | <u>613,949</u>                        | <u>-</u>              |
| <u>U. S. Department of Health and Human Services</u>                        |                           |  |   |                       |                                       |                       |
| Passed-through Centralina Council of Governments:                           |                           |  |   |                       |                                       |                       |
| Division of Aging and Adult Services:                                       |                           |  |   |                       |                                       |                       |
| <u>Aging Cluster:</u>   |                           |  |   |                       |                                       |                       |
| Special Programs for the Aging - TITLE III B Grants for                     |                           |  |   |                       |                                       |                       |
| Supportive Services and Senior Centers                                      | 93.044                    | AANCT3SS                                       | 621,275   | 109,637               | -                                     | -                     |
| Special Programs for the Aging - TITLE III C Nutrition Services             | 93.045                    | AANCT3CM/AACT3HD                               | 287,809   | 50,790                | -                                     | -                     |
| Nutrition Services Incentive Program  | 93.053                    | 19AANCNSIT                                     | <u>49,056</u>   | <u>-</u>              | <u>-</u>                              | <u>-</u>              |
| Total Aging Cluster   |                           |  | <u>958,140</u>  | <u>160,427</u>        | <u>-</u>                              | <u>-</u>              |

COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title  | Federal<br>CFDA<br>Number | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|--|---------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| Special Programs for the Aging - TITLE III D Disease Prevention<br>and Health Promotion Services             | 93.043                    | ANCT3PH  | 1,989   | 351                   | -                                     | 1,021                 |
| National Family Caregiver Support - Title III Part E   | 93.052                    | AANCT3FC                                       | 59,855  | 3,990                 | -                                     | -                     |
| Passed-through N. C. Department of Insurance:<br>State Health Insurance Assistance Program                   | 93.324                    | 90SAPG0027-02-01                               | 7,504   | -                     | -                                     | -                     |
| <u>Administration for Children and Families</u>  |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Health and Human Services:  |                           |  |   |                       |                                       |                       |
| <u>Temporary Assistance to Needy Families Cluster:</u>   |                           |  |   |                       |                                       |                       |
| Division of Social Services:   |                           |  |   |                       |                                       |                       |
| Temporary Assistance for Needy Families - Work First   | 93.558                    | G1802NCTANF / G1902NCTANF                      | 2,630,105   | -                     | -                                     | 3,934,419             |
| Division of Public Health:   |                           |  |   |                       |                                       |                       |
| Temporary Assistance for Needy Families - Work First   | 93.558                    | 1801NCTANF                                     | 34,405  | -                     | -                                     | -                     |
| Total TANF Cluster   |                           |  | 2,664,510   | -                     | -                                     | 3,934,419             |
| Division of Social Services:   |                           |  |   |                       |                                       |                       |
| <u>Special Children Adoption Fund Cluster (Note 3):</u>  |                           |  |   |                       |                                       |                       |
| Promoting Safe and Stable Families   | 93.556                    | G1811NCFPCV                                    | 19,662  | -                     | -                                     | 5,950                 |
| Promoting Safe and Stable Families   | 93.556                    | 1701NCFPSS / 1801NCFPSS                        | 101,695   | -                     | -                                     | 383,544               |
| Total Special Children Adoption Fund Cluster   |                           |  | 121,357   | -                     | -                                     | 389,494               |
| Child Support Enforcement - Administration   | 93.563                    | 1804NC4005 / 1904NC4005                        | 2,178,781   | -                     | -                                     | 1,263,823             |
| <u>Refugee and Entrant Assistance Cluster (Note 3):</u>  |                           |  |   |                       |                                       |                       |
| Refugee and Entrant Assistance State/Replacement Designee Administered<br>Programs - Administration          | 93.566                    | 1801NCRDMA / 1901NCRDMA                        | 966   | -                     | -                                     | -                     |
| Refugee and Entrant Assistance State/Replacement Designee Administered<br>Programs - Direct Benefit Payments | 93.566                    | 1801NCRDMA / 1901NCRDMA                        | 532   | -                     | -                                     | -                     |
| Total Refugee and Entrant Assistance Cluster   |                           |  | 1,498   | -                     | -                                     | -                     |
| Low-Income Home Energy Assistance:   |                           |  |   |                       |                                       |                       |
| Administration   | 93.568                    | G17B1NCLIEA / G18B1NCLIEA                      | 166,527   | -                     | -                                     | 38,366                |
| Energy Assistance Payments   | 93.568                    | G17B1NCLIEA / G18B1NCLIEA                      | 637,600   | -                     | -                                     | -                     |
| Crisis Intervention Program  | 93.568                    | G17B1NCLIEA / G18B1NCLIEA                      | 974,245   | -                     | -                                     | 3,501                 |
| Total Low-Income Home Energy Assistance  |                           |  | 1,778,372   | -                     | -                                     | 41,867                |
| <u>Child Care Development Fund Cluster:</u>  |                           |  |   |                       |                                       |                       |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund                               |                           |  |   |                       |                                       |                       |
| Total Subsidized Child Care  | 93.596                    | G1801NCCCDF / G1901NCCCDF                      | 276,856   | -                     | -                                     | 72,290                |



COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title   | Federal<br>CFDA<br>Number | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|---|---------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| Stephanie Tubbs Jones Child Welfare Services Program:   |                           |  |   |                       |                                       |                       |
| Permanency Planning   | 93.645                    | G1701NCCWSS / G1801NCCWSS                      | 54,400  | -                     | -                                     | 264,764               |
| Total Stephanie Tubbs Jones Child Welfare Services Program  |                           |  | 54,400  | -                     | -                                     | 264,764               |
| <u>Foster Care and Adoption Cluster (Note 3 &amp; 4):</u>   |                           |  |   |                       |                                       |                       |
| Foster Care Title IV-E - Administration   | 93.658                    | 1801NCFOST / 1901NCFOST                        | 1,572,261   | 147,976               | -                                     | 1,421,660             |
| Foster Care Title IV-E - Direct Benefit Payments  | 93.658                    | 1801NCFOST / 1901NCFOST                        | 1,644,940   | 580,455               | -                                     | 507,267               |
| Adoption Assistance - Administration  | 93.659                    | 1801NCADPT / 1901NCADPT                        | 117,501   | -                     | -                                     | 117,501               |
| Adoption Assistance - Direct Benefit Payments   | 93.659                    | 1801NCADPT / 1901NCADPT                        |   |                       |                                       |                       |
| Total Foster Care and Adoption Cluster  |                           |  | 3,334,702   | 728,431               | -                                     | 2,046,428             |
| Social Services Block Grant (SSBG) - Other Service and Training   | 93.667                    | G1701NCSOSR / G1801NCSOSR                      | 818,411   | -                     | -                                     | 1,667,447             |
| Division of Aging and Adult Services:   |                           |  |   |                       |                                       |                       |
| Division of Social Services:  |                           |  |   |                       |                                       |                       |
| Social Services Block Grant (SSBG) - State In Home Service Fund   | 93.667                    | G1701NCSOSR / G1801NCSOSR                      | 113,519   | -                     | -                                     | 16,217                |
| Social Services Block Grant (SSBG) - State Adult Day Care   | 93.667                    | G1701NCSOSR / G1801NCSOSR                      | 58,644  | -                     | -                                     | 16,750                |
| Passed-through Centralina Council of Government:  |                           |  |   |                       |                                       |                       |
| Social Services Block Grant (SSBG) - In Home Services   | 93.667                    | G1701NCSOSR / G1801NCSOSR                      | 66,739  | 9,535                 | -                                     | -                     |
| Total Social Services Block Grant   |                           |  | 1,057,313   | 9,535                 | -                                     | 1,700,414             |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood   | 93.674                    | 1701NC1420 / 1801NC1420                        | 48,891  | 12,223                | -                                     | -                     |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood   | 93.674                    | 1701NC1420 / 1801NC1420                        | 35,054  | -                     | -                                     | -                     |
| Passed-through the N. C. Department of Administration:  |                           |  |   |                       |                                       |                       |
| Division of NC Council for Women:   |                           |  |   |                       |                                       |                       |
| Family Violence Prevention and Services / Domestic Violence<br>Shelter and Supportive Services                        | 93.671                    | FVPSA  | 41,226  | -                     | -                                     | 10,307                |
| <u>Centers for Disease Control and Prevention</u>   |                           |  |   |                       |                                       |                       |
| Direct Program:   |                           |  |   |                       |                                       |                       |
| Environmental Public Health & Emergency Response  | 93.070                    | 1UE2EH001343-01                                | 98,506  | -                     | -                                     | -                     |
| Passed-through the N. C. Department of Health and Human Services:   |                           |  |   |                       |                                       |                       |
| Division of Public Health:  |                           |  |   |                       |                                       |                       |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness<br>(PHEP) Aligned Cooperative Agreements | 93.074                    | NU90TP000538 / NU90TP921915                    | 54,439  | -                     | -                                     | -                     |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs   | 93.116                    | 1U52PS004698                                   | 79  | -                     | -                                     | -                     |
| Immunization Cooperative Agreements   | 93.268                    | 6NH23IP000759                                  | 66,079  | -                     | -                                     | -                     |
| Preventive Health and Health Services Block Grant funded solely with<br>Prevention and Public Health Funds (PPHF)     | 93.758                    | NB01OT009187-01-00                             | 41,411  | -                     | -                                     | -                     |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations                                | 93.898                    | 1NU58DP006281-02                               | 23,460  | -                     | -                                     | -                     |

COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title   | Federal<br>CFDA<br>Number | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|---|---------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| <u>HIV Cluster:</u>   |                           |  |   |                       |                                       |                       |
| HIV Prevention Activities - Health Department Based                                   | 93.940                    | NU62PS924527                                   | 31,346  | -                     | -                                     | -                     |
| Sexually Transmitted Diseases (STD) Prevention and Control Grants                     | 93.977                    | 5H25PS004349                                   | 100   | -                     | -                                     | -                     |
| Total HIV Cluster   |                           |  | 31,446  | -                     | -                                     | -                     |
| <u>Centers for Medicare and Medicaid Services</u>                                     |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Health and Human Services:                     |                           |  |   |                       |                                       |                       |
| Division of Medical Assistance:   |                           |  |   |                       |                                       |                       |
| <u>Medicaid Cluster:</u>  |                           |  |   |                       |                                       |                       |
| Medical Assistance Program - Administration   | 93.778                    | XIX-MAP17 / XIX-MAP18                          | 4,643,624   | 10,486                | -                                     | 1,762,395             |
| Total Medicaid Cluster  |                           |  | 4,643,624   | 10,486                | -                                     | 1,762,395             |
| Division of Social Services:  |                           |  |   |                       |                                       |                       |
| Children's Health Insurance Program - Administration                                  | 93.767                    | CHIP18 / CHIP19                                | 123,288   | -                     | -                                     | -                     |
| <u>Health Resources and Service Administration</u>                                    |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Health and Human Services:                     |                           |  |   |                       |                                       |                       |
| Division of Public Health:  |                           |  |   |                       |                                       |                       |
| Affordable Care Act (ACA) Personal Responsibility Education Program                   | 93.092                    | 1701NCPREP                                     | 115,316   | -                     | -                                     | -                     |
| Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program | 93.505                    | X02MC26336 / X01MC26336                        | 467,524   | -                     | -                                     | -                     |
| Maternal and Child Health Services Block Grant to the States                          | 93.994                    | B04MC31506                                     | 12,613  | 9,515                 | -                                     | -                     |
| Maternal and Child Health Services Block Grant to the States                          | 93.994                    | B04MC28117                                     | 44,143  | 33,300                | -                                     | -                     |
| Maternal and Child Health Services Block Grant to the States                          | 93.994                    | B04MC29320                                     | 4,412   | 3,328                 | -                                     | -                     |
| <u>Office of Population Affairs</u>   |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Health and Human Services:                     |                           |  |   |                       |                                       |                       |
| Office of Population Affairs:   |                           |  |   |                       |                                       |                       |
| Family Planning Services  | 93.217                    | FPHPA046226-03-03                              | 15,055  | -                     | -                                     | -                     |
| Family Planning Services  | 93.217                    | PA-FPH-18-001 / PA-FPH-19-001                  | 69,251  | -                     | -                                     | -                     |
| <u>Office of the Secretary</u>  |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Health and Human Services:                     |                           |  |   |                       |                                       |                       |
| Charlotte-Mecklenburg Hospital Authority  |                           |  |   |                       |                                       |                       |
| National Bioterrorism Hospital Preparedness Program                                   | 93.889                    | 536902   | 8,178   | -                     | -                                     | -                     |
| Total U. S. Department of Health and Human Services                                   |                           |  | 18,439,272  | 971,586               | -                                     | 11,487,222            |

COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title  | Federal<br>CFDA<br>Number | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|--|---------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| <u>U. S. Department of Homeland Security</u>   |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Public Safety:  |                           |  |   |                       |                                       |                       |
| Emergency Management Performance Grants:   |                           |  |   |                       |                                       |                       |
| Emergency Management Performance Grant   | 97.042                    | EMA-2018-EP-00007                              | 77,536  | -                     | -                                     | 116,384               |
| Total U. S. Department of Homeland Security  |                           |  | 77,536  | -                     | -                                     | 116,384               |
| <u>U. S. Department of Housing and Urban Development</u>   |                           |  |   |                       |                                       |                       |
| Assistant Secretary for Community Planning and Development   |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Housing Finance Agency:   |                           |  |   |                       |                                       |                       |
| Home Investment Partnerships Program   | 14.239                    | M15-SG370100                                   | 53,950  | -                     | -                                     | -                     |
| Total U. S. Department of Housing and Urban Development  |                           |  | 53,950  | -                     | -                                     | -                     |
| <u>U. S. Department of Justice</u>   |                           |  |   |                       |                                       |                       |
| <u>Office of Justice Programs</u>  |                           |  |   |                       |                                       |                       |
| Direct Program:  |                           |  |   |                       |                                       |                       |
| State Criminal Alien Assistance Program  | 16.606                    | 2019-AP-BX-0539                                | 23,455  | -                     | -                                     | -                     |
| Crime Victim Assistance - Discretionary Grants   | 16.582                    | 2018-V3-GX-0043                                | 54,374  | -                     | -                                     | -                     |
| Edward Byrne Memorial Justice Assistance Grant Program   | 16.738                    | 2016-DJ-BX-0422                                | 2,702   | -                     | -                                     | -                     |
| Edward Byrne Memorial Justice Assistance Grant Program   | 16.738                    | 2017-DJ-BX-0583                                | 20,609  | -                     | -                                     | -                     |
| Edward Byrne Memorial Justice Assistance Grant Program   | 16.738                    | 2018-DJ-BX-0252                                | 21,318  | -                     | -                                     | -                     |
| Passed-through the National Children's Alliance:   |                           |  |   |                       |                                       |                       |
| Improving the Investigation and Prosecution of Child Abuse and the Regional<br>and Local Children's Advocacy Centers | 16.758                    | GAST-NY-TFCBT-PI18                             | 18,388  | -                     | -                                     | -                     |
| Passed-through the Children's Advocacy Centers of North Carolina:  |                           |  |   |                       |                                       |                       |
| Improving the Investigation and Prosecution of Child Abuse and the Regional<br>and Local Children's Advocacy Centers | 16.758                    | GAST-NC-SA18                                   | 7,000   |                       |                                       |                       |
| Passed-through the N. C. Department of Public Safety:  |                           |  |   |                       |                                       |                       |
| Division of Governor's Crime Commission:   |                           |  |   |                       |                                       |                       |
| Juvenile Justice and Delinquency Prevention  | 16.540                    | 2017-JF-FX-0058                                | 73,898  | -                     | 73,898                                | -                     |
| Crime Victim Assistance  | 16.575                    | 2015-VA-GX-0019                                | 13,028  | -                     | -                                     | 2,434                 |
| Crime Victim Assistance  | 16.575                    | 2016-VA-GX-0075                                | 13,569  | -                     | 13,569                                | -                     |
| Crime Victim Assistance  | 16.575                    | 2016-VA-GX-0075                                | 91,393  | -                     | -                                     | 21,854                |
| Crime Victim Assistance  | 16.575                    | 2017-VA-GX-0050                                | 88,558  | -                     | 88,558                                | -                     |
| Crime Victim Assistance  | 16.575                    | 2017-VA-GX-0050                                | 66,155  | -                     | 66,155                                | -                     |
| Crime Victim Assistance  | 16.575                    | 2017-VA-GX-0050                                | 19,247  | -                     | 19,247                                | -                     |

COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title   | Federal<br>CFDA<br>Number | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|---|---------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| Crime Victim Assistance   | 16.575                    | 2018-V2-GX-0061                                | 133,607   | -                     | -                                     | 39,411                |
| Crime Victim Assistance   | 16.575                    | 2018-V2-GX-0061                                | 82,995  | -                     | 82,995                                | -                     |
| Crime Victim Assistance   | 16.575                    | 2018-V2-GX-0061                                | 17,471  | -                     | -                                     | 2,389                 |
| Edward Byrne Memorial Justice Assistance Grant Program  | 16.738                    | 2017-DJ-BX-0129                                | 22,885  | -                     | -                                     | -                     |
| <u>Office on Violence Against Women</u>   |                           |  |   |                       |                                       |                       |
| Direct Program:   |                           |  |   |                       |                                       |                       |
| Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence,<br>Stalking, or Sexual Assault | 16.736                    | 2017-WH-AX-0057                                | 163,008   | -                     | -                                     | -                     |
| Passed-through the N. C. Department of Public Safety:   |                           |  |   |                       |                                       |                       |
| Division of Governor's Crime Commission:  |                           |  |   |                       |                                       |                       |
| Violence Against Women Formula Grants   | 16.588                    | 2015-WF-AX-0025                                | 16,488  | -                     | -                                     | 4,951                 |
| Violence Against Women Formula Grants   | 16.588                    | 2017-WF-AX-0040                                | 88,832  | -                     | -                                     | 32,491                |
| Violence Against Women Formula Grants   | 16.588                    | 2017-WF-AX-0040                                | 24,653  | -                     | -                                     | 10,017                |
| Total U. S. Department of Justice   |                           |  | 1,063,633   | -                     | 344,422                               | 113,547               |
| <u>U. S. Department of Labor</u>  |                           |  |   |                       |                                       |                       |
| <u>Employment and Training Administration</u>   |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Commerce:  |                           |  |   |                       |                                       |                       |
| Division of Workforce Solutions:  |                           |  |   |                       |                                       |                       |
| <u>Workforce Innovation and Opportunity Act Cluster:</u>  |                           |  |   |                       |                                       |                       |
| WIOA Adult Program:   |                           |  |   |                       |                                       |                       |
| Administration  | 17.258                    | AA-30962-17-55-A-37                            | 55,819  | -                     | -                                     | -                     |
| Program Costs   | 17.258                    | AA-30962-17-55-A-37                            | 268,669   | -                     | -                                     | -                     |
| Administration  | 17.258                    | AA-32191-18-55-A-37                            | 28,059  | -                     | -                                     | -                     |
| Program Costs   | 17.258                    | AA-32191-18-55-A-37                            | 261,928   | -                     | -                                     | -                     |
| WIOA Youth Activities:  |                           |  |   |                       |                                       |                       |
| Administration  | 17.259                    | AA-30962-17-55-A-37                            | 61,580  | -                     | -                                     | -                     |
| Program Costs   | 17.259                    | AA-30962-17-55-A-37                            | 296,397   | -                     | -                                     | -                     |
| Administration  | 17.259                    | AA-32191-18-55-A-37                            | 3,532   | -                     | -                                     | -                     |
| Program Costs   | 17.259                    | AA-32191-18-55-A-37                            | 32,971  | -                     | -                                     | -                     |
| WIOA Dislocated Worker Formula Grants:  |                           |  |   |                       |                                       |                       |
| Administration  | 17.278                    | AA-30962-17-55-A-37                            | 2,957   | -                     | -                                     | -                     |
| Program Costs   | 17.278                    | AA-30962-17-55-A-37                            | 14,235  | -                     | -                                     | -                     |
| Administration  | 17.278                    | AA-32191-18-55-A-37                            | 38,890  | -                     | -                                     | -                     |
| Program Costs   | 17.278                    | AA-32191-18-55-A-37                            | 363,033   | -                     | -                                     | -                     |

COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title              | Federal<br>CFDA<br>Number | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|--|---------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| WIOA Adult Program:  |                           |  |   |                       |                                       |                       |
| Administration   | 17.258                    | AA-32191-18-55-A-37                            | 1,294   | -                     | -                                     | -                     |
| Program Costs  | 17.258                    | AA-32191-18-55-A-37                            | 12,078  | -                     | -                                     | -                     |
| WIOA Adult Program:  |                           |  |   |                       |                                       |                       |
| Administration   | 17.258                    | AA-32191-18-55-A-37                            | 80  | -                     | -                                     | -                     |
| Program Costs  | 17.258                    | AA-32191-18-55-A-37                            | 743   | -                     | -                                     | -                     |
| Total Workforce Innovation and Opportunity Act Cluster     |                           |  | 1,442,265   | -                     | -                                     | -                     |
| Total U. S. Department of Labor                            |                           |  | 1,442,265   | -                     | -                                     | -                     |
| <u>U. S. Department of Transportation</u>                  |                           |  |   |                       |                                       |                       |
| <u>Federal Highway Administration</u>                      |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Transportation      |                           |  |   |                       |                                       |                       |
| Transportation Program Management Unit:                    |                           |  |   |                       |                                       |                       |
| Highway Planning and Construction Cluster:                 |                           |  |   |                       |                                       |                       |
| Highway Planning and Construction                          | 20.205                    | CMAQ-000S(849)                                 | 42,791  | -                     | -                                     | 40,250                |
| Total Highway Planning and Construction Cluster            |                           |  | 42,791  | -                     | -                                     | 40,250                |
| <u>Federal Transit Administration</u>                      |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Transportation      |                           |  |   |                       |                                       |                       |
| Public Transportation Division:                            |                           |  |   |                       |                                       |                       |
| Formula Grants for Rural Areas                             | 20.509                    | NC-2017-052-01                                 | 157,908   | 9,867                 | -                                     | 29,611                |
| Formula Grants for Rural Areas                             | 20.509                    | NC-2017-052-01                                 | 72,993  | 200,732               | -                                     | 30,416                |
| Total U. S. Department of Transportation                   |                           |  | 273,692   | 210,599               | -                                     | 100,277               |
| <u>U. S. Department of the Treasury</u>                    |                           |  |   |                       |                                       |                       |
| <u>Department of the Treasury</u>                          |                           |  |   |                       |                                       |                       |
| Direct Program:  |                           |  |   |                       |                                       |                       |
| Equitable Sharing Program                                  | 21.016                    |  | 88,925  | -                     | -                                     | -                     |
| Total U. S. Department of the Treasury                     |                           |  | 88,925  | -                     | -                                     | -                     |
| <u>U. S. Institute of Museum and Library Services</u>      |                           |  |   |                       |                                       |                       |
| Passed-through the N. C. Department of Cultural Resources: |                           |  |   |                       |                                       |                       |
| Grants to States   | 45.310                    | LS-00-18-0034-18                               | 3,000   | -                     | -                                     | -                     |
| Total U. S. Institute of Museum and Library Services       |                           |  | 3,000   | -                     | -                                     | -                     |
| Total Federal Awards                                       |                           |  | 25,038,697  | 1,182,185             | 958,371                               | 13,899,247            |

COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title                             | Federal<br>CFDA<br>Number | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|---|---------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| <b>STATE AWARDS:</b>  |                           |  |   |                       |                                       |                       |
| <u>N. C. Department of Administration</u>                                 |                           |  |   |                       |                                       |                       |
| NC Council for Women and Domestic Violence Commission:                    |                           |  |   |                       |                                       |                       |
| Displaced Homemaker Grant   |                           | 56-600300                                      |   | 19,540                | -                                     | -                     |
| Domestic Violence Program   |                           | 56-600300                                      |   | 46,292                | -                                     | -                     |
| Marriage License Grant  |                           | 56-600300                                      |   | 19,412                | -                                     | -                     |
| Office of Fiscal Management:  |                           |  |   |                       |                                       |                       |
| Veterans Services State Matching Funds                                    |                           | XXXX   |   | 2,216                 | -                                     | 365,412               |
| Total N. C. Department of Administration                                  |                           |  |   | 87,460                | -                                     | 365,412               |
| <u>N. C. Department of Agriculture and Consumer Services</u>              |                           |  |   |                       |                                       |                       |
| Division of Soil and Water Conservation:                                  |                           |  |   |                       |                                       |                       |
| N. C. Agriculture Cost Share - Technical Assistance                       |                           | 18-024-4025                                    |   | 26,820                | -                                     | 26,820                |
| Gaston County Natural Resources Conservation District -<br>Matching Funds |                           | 18-024-4025                                    |   | 3,600                 | -                                     | 312,484               |
| Total N. C. Department of Agriculture and Consumer Services               |                           |  |   | 30,420                | -                                     | 339,304               |
| <u>N. C. Department of Commerce</u>                                       |                           |  |   |                       |                                       |                       |
| Rural Economic Development Division                                       |                           |  |   |                       |                                       |                       |
| Economic Infrastructure Program   |                           | 2015-044-3212-2587                             |   | 125,000               | 125,000                               | -                     |
| One North Carolina Fund   |                           | 2014-10814                                     |   | 56,250                | 56,250                                | -                     |
| Total N. C. Department of Commerce  |                           |  |   | 181,250               | 181,250                               | -                     |
| <u>N. C. Department of Cultural and Natural Resources</u>                 |                           |  |   |                       |                                       |                       |
| State Library of North Carolina:  |                           |  |   |                       |                                       |                       |
| State Aid to Public Libraries   |                           | XXXX   |   | 226,950               | -                                     | -                     |
| Total N. C. Department of Cultural Resources                              |                           |  |   | 226,950               | -                                     | -                     |
| <u>N. C. Department of Environmental Quality</u>                          |                           |  |   |                       |                                       |                       |
| Division of Waste Management:   |                           |  |   |                       |                                       |                       |
| Electronics Management Program  |                           | XXXX   |   | 13,593                | -                                     | -                     |
| Total N. C. Department of Environment and<br>Natural Resources            |                           |  |   | 13,593                | -                                     | -                     |

COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title  | Federal<br>CFDA<br>Number   | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|--|-----------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| <u>N. C. Department of Health and Human Services</u>                                     |                             |  |   |                       |                                       |                       |
| Children's Advocacy Centers of North Carolina:   |                             |  |   |                       |                                       |                       |
| Children's Advocacy Centers Grant  |                             | XXXX   |   | 63,201                | -                                     | -                     |
| Total Children's Advocacy Centers of North Carolina                                      |                             |  |   | 63,201                | -                                     | -                     |
| Division of Aging and Adult Services:  |                             |  |   |                       |                                       |                       |
| Senior Center General Purpose  |                             | XXXX   |   | 10,693                | -                                     | 34                    |
| Total Division of Aging and Adult Services   |                             |  |   | 10,693                | -                                     | 34                    |
| Division of Mental Health, Developmental Disabilities and Substance Abuse Services:      |                             |  |   |                       |                                       |                       |
| North Carolina Problem Gambling Program  |                             | XXXX   |   | 4,081                 | -                                     | -                     |
| Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services |                             |  |   | 4,081                 | -                                     | -                     |
| Division of Public Health:   |                             |  |   |                       |                                       |                       |
| Other Reciepts / State Supported Expenditures:   |                             |  |   |                       |                                       |                       |
| Breast and Cervical Cancer Control   | 1320-5599-00 / 1320-3355-04 |  |   | 28,560                | -                                     | -                     |
| Child Health   | 1271-5745-00                |  |   | 18,408                | -                                     | -                     |
| CLAS Standards Advancing Health Equity   | 1262-4181-00                |  |   | 18,000                | -                                     | -                     |
| Evidence-Based Intervention Services   | 1311-4541-RR                |  |   | 11,244                | -                                     | -                     |
| Evidence-Based Intervention Services   | 1311-981B-RR                |  |   | 5,021                 | -                                     | -                     |
| Evidence-Based Intervention Services   | 1311-4541-RQ                |  |   | 49,354                | -                                     | -                     |
| Family Planning - State  | 13A1-5735-00                |  |   | 25,065                | -                                     | -                     |
| Food and Lodging Fees  | 1153-4752-SZ                |  |   | 55,400                | -                                     | -                     |
| General Aid to Counties  | 1161-4110-00                |  |   | 158,623               | -                                     | -                     |
| General Communicable Disease Control   | 1175-4510-00                |  |   | 38,066                | -                                     | -                     |
| Healthy Beginnings   | 13A1-5116-00                |  |   | 80,124                | -                                     | -                     |
| High Risk Maternity Clinics  | 13A1-5746-00                |  |   | 99,208                | -                                     | -                     |
| HIV / STD - State  | 1311-4540-X8 / 1311-4540-04 |  |   | 29,742                | -                                     | -                     |
| Maternal Health  | 13A1-5740-00 / 13A1-5740-AR |  |   | 141,219               | -                                     | -                     |
| Mosquito & Tick Suppression  | 1153-4801-00                |  |   | 1,883                 | -                                     | -                     |
| Public Health Nursing  | 1153-4801-00                |  |   | 600                   | -                                     | -                     |
| School Nurse Funding Initiative  | 1332-5358-00                |  |   | 100,000               | -                                     | -                     |
| STD Drugs  | 1311-4601-RQ / 1311-4601-RR |  |   | 1,245                 | -                                     | -                     |
| TPPI - Adolescent Parenting Program  | 1332-5150-KZ                |  |   | 73,497                | -                                     | -                     |
| TPPI - Adolescent Pregancy Prevention  | 1332-5166-KZ                |  |   | 73,680                | -                                     | -                     |
| Tuberculosis Control   | 1460-4551-00 / 1460-4554-00 |  |   | 38,636                | -                                     | -                     |
| Women's Health Service Fund  | 13A1-6018-FR                |  |   | 22,511                | -                                     | -                     |
| Total Division of Public Health  |                             |  |   | 1,070,086             | -                                     | -                     |

COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title                           | Federal<br>CFDA<br>Number | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|---|---------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| Division of Social Services:  |                           |  |   |                       |                                       |                       |
| Adoption / Foster Care  |                           | WC 302   |   | 42,639                | -                                     | -                     |
| AFDC Incentive Payments   |                           | FRD428-1                                       |   | 39                    | -                                     | -                     |
| Child Protective Services - Sate  |                           | WC 302   |   | 89,424                | -                                     | 31,931                |
| Child Welfare In-Home Expansion   |                           | WC 302   |   | 116,575               | -                                     | 130,465               |
| Non IV-E Foster Care Extended   |                           | WC 302   |   | 77,311                | -                                     | -                     |
| Smart Start - Administration  |                           | WC 302   |   | 132,439               | -                                     | 15,112                |
| Special Adult Day Care  |                           | WC 302   |   | 58,606                | -                                     | 8,372                 |
| State Foster Care - Direct Benefits Program:                            |                           |  |   |                       |                                       |                       |
| State Foster Care   |                           | WC 302   |   | 205,978               | -                                     | 205,976               |
| State Foster Care Maximization  |                           | WC 302   |   | 235,816               | -                                     | 235,814               |
| Foster Care At Risk Maximization  |                           | WC 302   |   | 8,732                 | -                                     | 3,463                 |
| TANF Incentive Payments   |                           | FRD428-1                                       |   | 486                   | -                                     | -                     |
| Total Division of Social Services                                       |                           |  |   | 968,045               | -                                     | 631,133               |
| Total N. C. Department of Health and Human Services                     |                           |  |   | 2,116,106             | -                                     | 631,167               |
| <u>N. C. Department of Public Instruction</u>                           |                           |  |   |                       |                                       |                       |
| Public School Building Capital Fund - Lottery Proceeds                  |                           | XXXX   |   | 2,242,658             | 2,242,658                             | -                     |
| NC School Safety Grant Program  |                           | XXXX   |   | 20,000                | 20,000                                | -                     |
| Total N. C. Department of Public Instruction                            |                           |  |   | 2,262,658             | 2,262,658                             | -                     |
| <u>N. C. Department of Public Safety:</u>                               |                           |  |   |                       |                                       |                       |
| Division of Adult Correction and Juvenile Justice:                      |                           |  |   |                       |                                       |                       |
| Juvenile Crime Prevention Programs                                      |                           | XXXX   |   | 544,939               | 529,439                               | 103,044               |
| Total N. C. Department of Public Safety                                 |                           |  |   | 544,939               | 529,439                               | 103,044               |
| <u>N. C. Department of Transportation</u>                               |                           |  |   |                       |                                       |                       |
| DOT Cluster:  |                           |  |   |                       |                                       |                       |
| ROAP Elderly and Disabled Transportation Assistance<br>Program (E&DTAP) |                           | DOT-16CL                                       |   | 133,970               | -                                     | -                     |
| ROAP Employment Transportation Program (EMPL)                           |                           | DOT-16CL                                       |   | 49,054                | -                                     | -                     |
| ROAP Rural General Public Program (RGP)                                 |                           | DOT-16CL                                       |   | 79,161                | -                                     | -                     |
| Total DOT Cluster   |                           |  |   | 262,185               | -                                     | -                     |
| Total N. C. Department of Transportation                                |                           |  |   | 262,185               | -                                     | -                     |



COUNTY OF GASTON, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2019

| Grantor/Pass-Through<br>Grantor/Program Title | Federal<br>CFDA<br>Number | State /<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct &<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Passed-through<br>to<br>Subrecipients | Local<br>Expenditures |
|---|---------------------------|--|---|-----------------------|---------------------------------------|-----------------------|
| <u>N. C. Partnership for Children</u>         |                           |  |   |                       |                                       |                       |
| Smart Start:                                  |                           |  |   |                       |                                       |                       |
| Child Care Health Consultant                  |                           | 3-89-5-16-002                                  |   | 127,848               | -                                     | -                     |
| Triple P Parenting Program                    |                           | 3-89-5-16-005                                  |   | 66,020                | -                                     | -                     |
| Total N. C. Partnership for Children          |                           |  |   | 193,868               | -                                     | -                     |
| Total State Awards                            |                           |  | -   | 5,919,429             | 2,973,347                             | 1,438,961             |
| Total Federal and State Awards                |                           |  | \$ 25,038,697   | \$ 7,101,614          | \$ 3,931,718                          | \$ 15,338,208         |

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, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Gaston County, it is not intended to and does not present the financial position, changes in net position or cash flows of Gaston County.

2 Summary of Significant Accounting Policies

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

3 Indirect Cost Rate

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

4 Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care, Foster Care and Adoption, Special Children Adoption Fund and the HIV Cluster.

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