



Gaston County Board of Education

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Morgen Houchard, Ed.D.
Superintendent

943 Osceola Street – P.O. Box 1397
Gastonia, North Carolina 28053

www.gaston.k12.nc.us





**Gaston County
Board of Education
Gastonia, North Carolina**

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

Fiscal Year Ended June 30, 2024

Morgen Houchard, Ed.D.
Superintendent

Gary F. Hoskins
*Associate Superintendent/
Chief Financial Officer*

Prepared By:
*Gaston County Schools
Finance Department*



Table of Contents



INTRODUCTORY SECTION

Gaston County Board of Education	i
Letter of Transmittal	ii
Certificate of Achievement for Excellence in Financial Reporting (GFOA)	xi
Certificate of Excellence in Financial Reporting (ASBO International)	xii
Organizational Chart	xiii

FINANCIAL SECTION

Independent Auditor's Report	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5

Exhibit BASIC FINANCIAL STATEMENTS

	<i>Government-wide Financial Statements</i>	
1	Statement of Net Position	13
2	Statement of Activities	14
	<i>Fund Financial Statements</i>	
3	Balance Sheet - Governmental Funds	15
4	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	16
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
6	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund and Annually Budgeted Major Special Revenue Fund	18
7	Statement of Net Position (Deficit) - Proprietary Fund	22
8	Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit) - Proprietary Fund	23
9	Statement of Cash Flows - Proprietary Fund	24
	Notes to the Basic Financial Statements	25

Schedule

REQUIRED SUPPLEMENTARY INFORMATION

1	Schedule of the Board's Proportionate Share of the Net Pension Liability - Teachers' and State Employees' Retirement System	51
2	Schedule of Board Contributions - Teachers' and State Employees' Retirement System	52
3	Schedule of the Board's Proportionate Share of the Net OPEB Liability - Retiree Health Benefit Fund	53
4	Schedule of Board Contributions - Retiree Health Benefit Fund	54
5	Schedule of the Board's Proportionate Share of the Net OPEB Asset (Liability) - Disability Income Plan of North Carolina	55
6	Schedule of Board Contributions - Disability Income Plan of North Carolina	56

Table of Contents



SUPPLEMENTARY INFORMATION - INDIVIDUAL FUND SCHEDULES:

Schedule

Supplementary Information - Individual Fund Schedules:

7	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Outlay Fund	58
8	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) - School Food Service Fund	59

COMPLIANCE SECTION

	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	61
	Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act	63
	Report on Compliance for Each Major State Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act	66
9	Schedule of Findings and Questioned Costs	69
10	Corrective Action Plan	72
11	Summary Schedule of Prior Audit Findings	73
12	Schedule of Expenditures of Federal and State Awards	74



Table of Contents



STATISTICAL SECTION

Statistical Section Overview	76
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Table *Gaston County Schools Statistical Information*

1	Financial Perspective	77
2	Net Position by Component - Graph	78
	Net Position by Component	79
3	Changes in Net Position	81
4	Governmental Funds - Fund Balance	83
5	Governmental Funds - Changes in Fund Balance	84
6	Capital Outlay - Revenues by Source and Expenditures in Total	85
7	Proprietary Fund - Food Service Operations - Revenues by Source	86
8	Proprietary Fund - Food Service Operations - Expenses by Category	87
9	Operational Expenditures Per Pupil - Expenditures by Function	88
10	Average Daily Membership - Graph	89
11	Full-Time Employees by Category	90
12	School Building Data	91
13	Ratio of Outstanding Debt by Type	93

Gaston County Statistical Information

14	Governmental Funds Expenditures by Function	95
15	Property Tax Rates	97
16	Commercial and Industrial Permits Issued and Total Deposits	98
17	Property Tax Levies and Current Collections	99
18	Principal Taxpayers for Gaston County	100
19	Principal Employers for Gaston County	103
20	Average Employment and Unemployment Rate	106
21	Per Capita Personal Income	107
22	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures	108
23	Estimated Actual Value of Taxable Property, Ratio of Net General Bonded Debt to Assessed Value, and Net General Bonded Debt per Capita	109

Vision

The vision of Gaston County Schools is to inspire success and a lifetime of learning.

Mission Statement

Through outstanding employees and community partners, Gaston County Schools provides innovative educational opportunities for all students in a safe and nurturing learning environment.

Priorities and Goals

College and Career Ready

Every student will graduate prepared for college, the workforce, and other life enhancing opportunities.

Healthy, Safe and Responsible Schools

Every student has the opportunity to learn in a safe school environment.

Innovation

Every employee uses innovative practices to serve all students, parents, and other stakeholders.

Qualified Workforce

Every employee is qualified and committed to the education of all children.



Morgen Houchard, Ed.D.
Superintendent

BOARD OF EDUCATION



JEFF K. RAMSEY
Chairman
At-Large Member



DOT CHERRY
Vice Chairman
At-Large Member



JOSH CRISP
Dallas Township



LEE DEDMON
Gastonia Township



DOT GUTHRIE
Gastonia Township



TOD KINLAW
South Point Township



ROBBIE LOVELACE
Cherryville Township



BRENT MOORE
Crowders Mountain Township



A.M. STEPHENS III
Riverbend Township

Learn more about our strategic plan:

www.gaston.k12.nc.us/strategicplan

Gaston County Schools

943 Osceola Street

P.O. Box 1397

Gastonia, North Carolina 28053

Phone: 704-866-6100

GCS 21 Education Station

www.gaston.k12.nc.us

LETTER OF TRANSMITTAL

FOR THE YEAR ENDED JUNE 30, 2024



December 20, 2024

TO THE CITIZENS OF GASTON COUNTY, NORTH CAROLINA:

We are proud to present our Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This report has been prepared by the Finance Department of Gaston County Schools in accordance with the requirements promulgated by the Governmental Accounting Standards Board. We publish this report for all citizens to facilitate a full understanding of the financial operations of Gaston County Schools. We believe the data is accurate in all material respects and is presented in a manner designed to obtain a clear understanding of the financial position and operations of Gaston County Schools. Additional discussion and analysis of the financial performance of the Gaston County Board of Education are included in the Management's Discussion and Analysis section (MD&A).



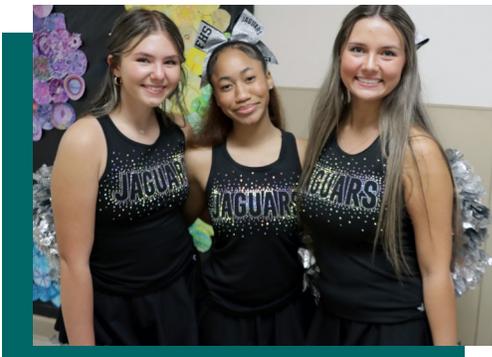
ORDER OF PRESENTATION

This report is presented in three main sections: (1) Introductory Section, (2) Financial Section and (3) Statistical Section. The Introductory Section contains a general discussion of the report and its content, the school system's accounting control environment, as well as, conditions and initiatives in Gaston County and its schools. The Financial Section contains the audited Basic Financial Statements and their accompanying Individual Fund Statements. Various unaudited demographic and statistical information is presented in the Statistical Section.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Generally Accepted Accounting Principles (GAAP) requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in connection with it. The MD&A can be found in the Financial Section immediately following the Independent Auditors' Report.



REPORTING ENTITY

The Gaston County Board of Education (Board)

LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2024 (continued)



is responsible for public school education in Gaston County. The nine-member Board of Education is elected by the citizens of Gaston County and is accountable to the citizens for the education and fiscal operations of the system's 56 schools. As defined by the Governmental Accounting Standards Board, the Gaston County Board of Education is recognized as a separate governmental reporting entity. These statements cover all financial resources of Gaston County Schools — federal, state, local — as well as funds received at each school for fundraising, athletics, and other fees.

The major purpose of the Board is to provide public education for those who reside within the boundaries of Gaston County. To accomplish this purpose, the Board provides nine traditional high schools, eleven middle schools and thirty elementary schools. The Board also offers special programs: two early college high schools (students receive a high school diploma and college credentials/associate degree from Gaston College), Highland School of Technology (a technical curricula magnet school), Warlick Academy (an alternative school for middle and high school students), Webb Street School (a school serving students with disabilities) and Gaston Virtual Academy (an online virtual school). The Board served 29,937 students as measured on the August 2023 fall enrollment count.



ECONOMIC CONDITION AND OUTLOOK

Gaston County is located in the south-central Piedmont region of North Carolina and is the state's twelfth most populated county, and Gaston County Schools is among the state's twelfth largest school districts. With a population of more than 220,000, Gaston County contains 15 municipalities within its 355 square-mile area. Gastonia, the county seat, is the thirteenth largest city in North Carolina. Located a few miles west of Charlotte, the county is close enough to utilize many resources of its larger neighbor, such as an international airport, professional sports teams, and an active arts culture, yet far enough away to retain small-town character. Gaston County has quality healthcare, millions of square feet of shopping, numerous parks and recreation centers, The Schiele Museum, Daniel Stowe Botanical Garden, and many other amenities. We are also the home of Christmas Town



USA, where McAdenville's homes and businesses put on an impressive light show every December, attracting visitors from all over the world.

Once a hub for the textile industry, Gaston County has transformed into an attractive location for modern manufacturers due to its centralized location along the Interstate 85 corridor, between Atlanta, Georgia and Raleigh, North Carolina, which provides an excellent opportunity for firms seeking to optimize their manufacturing operations. National Gypsum, Dole

LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2024 (continued)



Fresh Vegetables Inc., American & Efird, Mann+Hummel, Pharr Yarns, Arcadium Lithium (formerly Livent), Parker Hannifin, Bridgestone, Daimler, and Buckeye Technologies are just some of the major corporations that have established roots in Gaston County. These businesses have a major investment in Gaston County, and their employees and leaders represent many countries around the world, bringing diversity and a global heritage to the region.



As the third-largest county in the Charlotte region, Gaston County has a great deal to offer businesses and residents. Most of the county is within a 30-minute drive of the Charlotte Douglas International Airport, which provides a portal for business and leisure to the world. Interstate 85 and U.S. Highway 321 provide our residents with the ability to travel quickly and efficiently throughout the region. Gaston's long heritage as a hard-working, manufacturing center has been enhanced in recent years with a steady growth in high-tech manufacturing, service-related firms, and the rapid expansion of retail stores and shopping centers.



Residents of the county's many communities enjoy a proximity to nationally-ranked public schools, institutions of higher education, abundant training resources, and a future workforce of qualified, local graduates. The county is fortunate to have Gaston College, a public, two-year institution, and Belmont Abbey College, a private, four-year Catholic institution, as partners in the training and education of the residents and workers in the area. Other higher education institutions that have a direct influence in Gaston County include the University of North Carolina at Charlotte and Gardner-Webb University. With the continued help of our local businesses, residents, and educational professionals, the economic outlook for Gaston County is strong.

Other higher education institutions that have a direct influence in Gaston County include the University of North Carolina at Charlotte and Gardner-Webb University. With the continued help of our local businesses, residents, and educational professionals, the economic outlook for Gaston County is strong.

LONG-TERM FINANCIAL PLANNING

The Board's long-term financial plans are guided by its Strategic Plan. This plan provides a focus for student success, student safety, and the continuing plan to provide current technology for students. The Strategic Plan was updated during fiscal year 2018-19. The five-year plan is currently being updated and will guide the Board not only for student outcomes, but also for the funding necessary to achieve these goals.



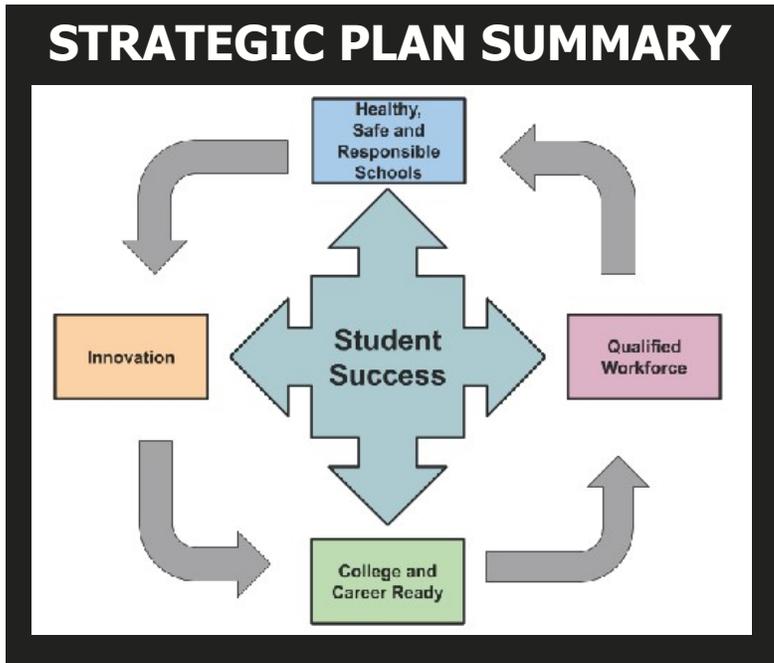
Another focus of long-term financial planning for Gaston County Schools has been capital funding. Gaston County Schools has identified almost a billion dollars in capital needs throughout the district. The Board of Education has been working with the Board of County Commissioners to address some of these funding needs for building maintenance and refurbishment.

LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2024 (continued)



In May 2018, the citizens of Gaston County voted in favor of a \$250 million school bond referendum and a quarter of one cent sales tax increase to pay for the bonds. The bonds will pay for new school construction, renovations and additions, and critical school facility repairs. Approximately 70 percent of Gaston County Schools are 40 years old or older.

The funding Gaston County Schools receives from the state comprises approximately 51 percent of operating funds. This percent has decreased the last few years as federal COVID funds have been added to assist with funding. However, those COVID funds will expire by the end of 2024.



CURRENT YEAR ACCOMPLISHMENTS

Gaston County Schools is the twelfth largest public school district in North Carolina, and the district is fully accredited as a quality school system by Cognia, which is the organization that is responsible for granting school accreditation. Additionally, each school has earned full accreditation and the "quality school" distinction.

Year after year, our schools continue to make us proud. All schools have a comprehensive instructional program with opportunities for every student at every ability level. The district offers Advanced Placement (AP) and honors courses, Career and Technical Education programs, the Career and College Promise/College Now partnership with Gaston College, services for exceptional children, and many other academic, student support, athletic, fine arts, and extracurricular programs. Gaston County is home to a North Carolina STEM School of Distinction, three North Carolina A+ Schools that focus on integrating the arts across the curriculum, two National Blue Ribbon Schools, and a Leader in Me Light-house School.



Student accomplishments are our most significant points of pride. Over the past few years, students have earned top recognition in a number of areas, including the fine arts, regional and state science and engineering fairs, spelling bee, Battle of the Books, and Scholastic Art and Writing Awards. Additionally, students have won state championships in wrestling, cheerleading, swimming, tennis,

LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2024 (continued)



golf, and track and field and captured awards in robotics, theater, yearbook design, business, and technology/engineering.



State testing and accountability data for the 2023-2024 academic year indicates that Gaston County Schools continues to recover from learning loss that occurred as a result of the COVID-19 pandemic. When compared to 2022-2023, overall student proficiency for grades 3-8 in reading and math declined; proficiency in fifth grade and eighth grade science also declined. However, overall student proficiency in math remains higher when compared to the pandemic years (2020-2021 and 2021-2022), and reading proficiency for third and fifth grades remains higher when compared to the pandemic years. At the high school level, Math I had the most significant increase (+6.6 points) when compared to 2022-2023, and student proficiency in Math III remains higher when compared to the pandemic years.

For 2023-2024, the elementary schools with the highest student proficiency are New Hope, Hawks Nest, North Belmont, Belmont Central, McAdenville, and Rankin. McAdenville (+9.8) leads the elementary schools with the most significant increase in student proficiency. Other elementary schools with a significant increase are Catawba Heights (+5.7), Tryon (+4.8), and Brookside (+4.4). The middle schools with the highest student proficiency are Cramerton and Belmont. Mount Holly (+2.4) had the most significant increase in student proficiency among the middle schools. The high schools with the highest student proficiency are Highland, Gaston Early College, Gaston Early College of Medical Sciences, and South Point. The high schools with the most significant increase in student proficiency are Stuart Cramer (+4.5) and East Gaston (+3.1).



Fifty-three percent of schools (27 of 51) in Gaston County met or exceed the overall academic growth expectations for 2023-2024. At the elementary school level, Gardner Park, Lowell, New Hope, North Belmont, and Rankin exceeded overall academic growth expectations. John Chavis, Cramerton, and York Chester exceeded overall expectations among the middle schools. At the high school level, Cherryville, Gaston early College, Gaston Early College of Medical Sciences, Highland, and South Point exceeded overall expectations.

The Gaston County graduation rate for the Class of 2024 is 86.7 percent. Seven schools have a graduation rate of 90 percent or higher: Gaston Early College of Medical Science (100 percent), Highland (99.2 percent), Gaston Early College (97.8 percent), South Point (97.2 percent), Cherryville (95.3 percent), East Gaston (92.3 percent), and Stuart Cramer (90.4 percent). North Gaston (+10.0) and Bessemer City (+5.9) had the most significant increases when compared to the previous year. When the state first calculated the graduation rate in 2005-2006, Gaston County's rate was a mere 68.1 percent.

LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2024 (continued)



Gaston County Schools is proud to offer numerous magnet school and academy options for students, including programs that focus on seven specific areas: Careers, Collegiate Prep, Health Sciences, Leadership, Performing Arts, Public Service, and Technology and Industrial Engineering. The magnet school and academy options provide more choices for students with opportunities to focus on a particular area or pathway to ensure college and career readiness.

Gaston County Schools Career Exploration Center, which is housed in a portion of the former Forest Heights Elementary School, opened in August 2024. This center allows students in all grade levels an opportunity to gain hands-on knowledge of different careers through simulations, demonstrations, and seminars. Students are also able to connect with local businesses to see how what they experience in simulation format translates to real-world job opportunities. Along with the Career Exploration Center, a new state-of-the-art cosmetology lab has opened at Hunter Huss High School. In addition to learning how to cut, color, perm, and style hair and provide other services that are offered in a salon, students will find out what it is like to work with clients, provide good customer service, and manage the business aspects of cosmetology.



Of the twelve largest school districts in North Carolina, Gaston County's school safety record continues to rank as one of the best, and our school crime rate has been lower than the state rate for a number of years. Several initiatives are key to our on-going focus on school security, including a buzz-in entrance system and visitor check-in system at each school, updated camera and surveillance equipment, comprehensive school safety plans, and having a resource officer assigned to every school. Our strong partnership with local law enforcement is an important factor in our efforts to ensure school safety.

Without question, there are many reasons to be proud of Gaston County Schools. Our students continue to excel in every arena: in the classroom, on the athletic field, in the performing arts, and through extracurricular activities. Our employees are highly-qualified professionals who care deeply about the success of children, and the significant support from our parents, volunteers, and community partners makes our schools even better. Working together as a school family, Gaston County Schools is able to fulfill its vision of "inspiring success and a lifetime of learning."

FUTURE INITIATIVES

Looking ahead to the 2024-2025 academic year and beyond, it is an exciting time for Gaston County Schools.

Construction of the new W.P. Grier Middle School campus in Gastonia will continue throughout the rest of the school year with plans to officially open in August 2025. This new school is located on the same 25 acres of land where the existing school sits. Construction is happening in two phases – the 155,000 square-foot school will be built first on land that was used previously for the football field and then the old building will be demolished to make space for a new sports complex. Once



LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2024 (continued)



the school opens in 2025, constructions on the new football, softball, and baseball fields will begin. The new, two-story school will house 1,000 students with the ability to accommodate as many as 1,200. It will include more than 40 contemporary classrooms; various instructional, office, and conference spaces; a multi-use media center and library; a large cafeteria and multi-purpose room; and a modern gymnasium, which will be located behind the main building. The site plan includes more space for parking and additional entrances to improve on-campus traffic flow.

The cost to build the new Grier campus is estimated at \$55-\$60 million, a price that is higher than previous middle school construction projects because of inflation. School bonds, which were approved by voters in May 2018, will be used to pay for the new school. Building on the existing campus saves taxpayer funds because no land had to be purchased. Beam Construction Company is building the new school, and LS3P Associates is the architect. LS3P Associates also designed the new Stanley Middle School, which opened in March 2018, and the new Belmont Middle School, which opened in August 2021. The new W.P. Grier Middle School is similar in design to both Belmont Middle School and Stanley Middle School. Beam Construction also built the new Belmont Middle School and the new Pleasant Ridge Elementary School in Gastonia, which opened in August 2017.



In addition to finishing the construction of a new W.P. Grier Middle School, Gaston County Schools will work on completing significant renovation and repair projects at many schools. In recent months, many projects have been completed at schools across the county. School bonds and capital funds were used to fund these projects. Additional projects being completed this year include roofing, lighting, painting, carpet and flooring, life safety, security vestibules, and other upgrades.



The Board of Education elected Dr. Morgan Houchard, Ed.D. as Gaston County Schools new leader in January 2024. As our superintendent, he is responsible for guiding the school district and working with the Board of Education to move us forward and to further enhance public education in our

community. One focus Dr. Houchard oversees is the strategic planning process, which is intended to determine the school district's vision and mission, identify priorities, and set goals for the next five years. Strategic planning includes all stakeholders and involves a robust effort to gain feedback and input from students, employees, parents, community leaders, elected officials, and others regarding the future of Gaston County Schools.

Students, parents, employees, and the community are encouraged to stay connected with Gaston County Schools by visiting the district website (www.gaston.k12.nc.us), each school website, following us on social media (Facebook, Twitter, and Instagram), watching us on Spec-

LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2024 (continued)



trum Cable Channel 21 and YouTube, and downloading our free mobile app, which is available in the Google Play and Apple online stores.

BUDGETARY AND INTERNAL CONTROL STRUCTURES

As required by North Carolina's School Budget and Fiscal Control Act, Gaston County Schools adopts balanced annual budgets for the governmental and propriety funds. The law specifies that the budgets be prepared on the modified accrual basis of accounting. The same method is used to record all financial transactions.



Expenditures may not legally exceed budgeted amounts. All purchase orders are pre-audited to ensure that budgeted funds are available before any expenditures are authorized.

Gaston County Schools maintains a system of internal accounting controls to provide the citizens of Gaston County and the schools' management with reasonable assurance that assets are being safeguarded and that all transactions are properly authorized and recorded. Every effort has been made to establish an effective system of checks and balances and to maintain a proper segregation of duties in order to protect the public interest.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.



INDEPENDENT AUDIT

North Carolina's Public School Budget and Fiscal Control Act mandates that the financial statements be audited at the end of each fiscal year. Our selection of an independent auditor has been approved by the state's Local Government Commission as qual-

ified to audit local government accounts.

The Basic Financial Statements and Individual Fund Statements and Schedules have been audited by Forvis Mazars, LLP. These statements, as well as the auditor's unmodified opinion on these statements, appear in the Financial Section of this report.

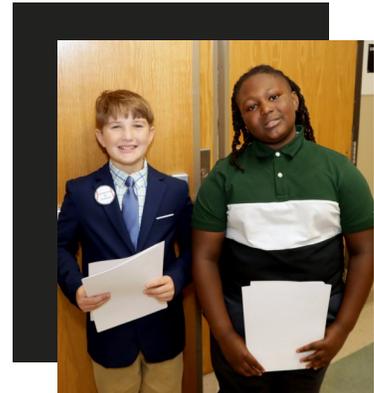
These financial statements have also been audited by the independent auditor under requirements of the Single Audit Act. Information related to this audit can be found in the compliance section of this report.

LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2024 (concluded)



FINANCIAL REPORTING AWARDS

Since 1993 and 1997, respectively, our Annual Comprehensive Financial Report earned the Government Finance Officers Association of the United States and Canada (GFOA) *Certificate of Achievement for Excellence in Financial Reporting* and the Association of School Business Officials International (ASBO) *Certificate of Excellence in Financial Reporting* awards.



In order to receive these prestigious awards, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe our current report continues to conform to the GFOA and ASBO requirements, and we will submit it for determination of its eligibility for renewed awards.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report in a timely manner could not have been accomplished without the efforts and dedication of our Finance Department, the Communications Department, and our independent audit firm, Forvis Mazars, LLP. We would like to express our appreciation to all the staff members who contributed in the development of this report. Also, our appreciation is expressed to the Gaston County Finance Department, the Gaston County Economic Development Commission, the Gaston County Inspection Department, and the State of North Carolina Banking Commission for providing certain statistical data.

A handwritten signature in black ink, appearing to read "Morgen A. Houchard".

Morgen A. Houchard, Ed.D.
Superintendent

A handwritten signature in black ink, appearing to read "Gary F. Hoskins".

Gary F. Hoskins
Associate Superintendent and Chief Financial Officer

Certificate Of Achievement For Excellence In Financial Reporting



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Gaston County Board of Education
North Carolina

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended
June 30, 2023

Christopher P. Morill

Executive Director/CEO

Certificate Of Excellence In Financial Reporting



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Gaston County Board of Education

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.

The district report meets the criteria established for ASBO
International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading "Ryan S. Stechschulte".

Ryan S. Stechschulte

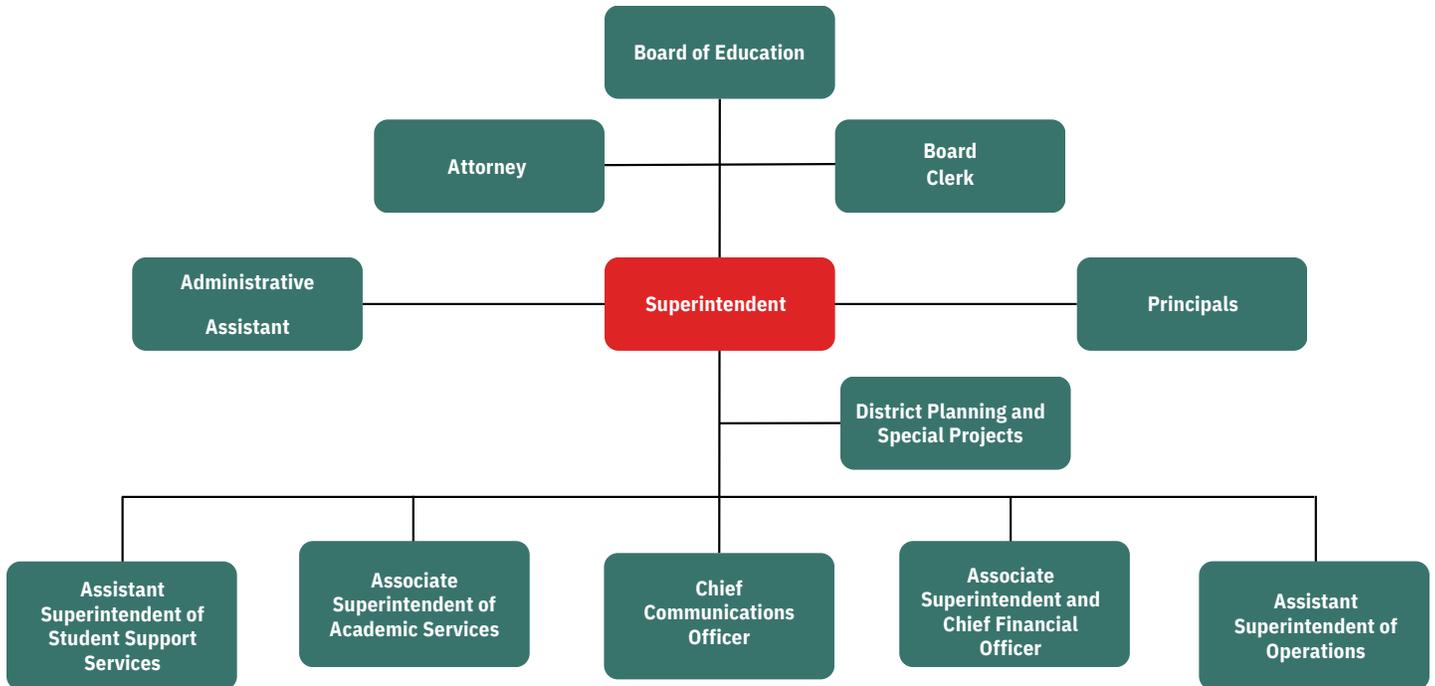
President

A handwritten signature in black ink, reading "James M. Rowan".

James M. Rowan, CAE, SFO

CEO/Executive Director

GASTON COUNTY SCHOOLS ORGANIZATIONAL CHART



Independent Auditor's Report

Board of Education
Gaston County Schools
Gastonia, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Gaston County Schools ("Board"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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 the Board, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Other Specific Revenue, State Public School and Federal Grants Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10 and the Teachers' and State Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Board Contributions, on pages 48 through 49, respectively, and the Retiree Health Benefit Fund's Schedules of Proportionate Share of the Net OPEB Liability and Board Contributions, on pages 50 through 51, respectively, and the Disability Income Plan of North Carolina's Schedules of the Proportionate Share of the Net OPEB Asset (Liability) and Board Contributions, on pages 52 through 53, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

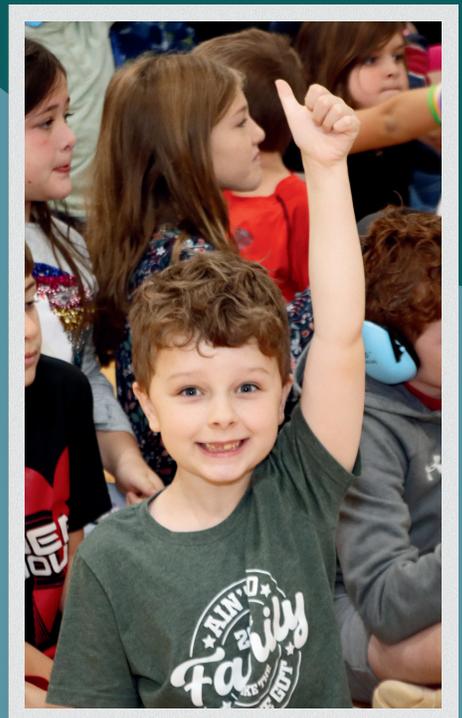
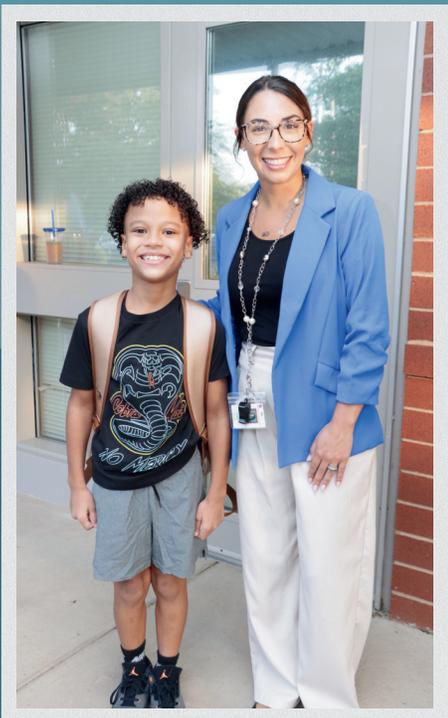
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The individual fund budgetary schedules and the accompanying schedule of expenditures of federal and state awards as required by Title 2 U.S. Code 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary schedules and the accompanying schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board'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 Board's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Raleigh, North Carolina
December 20, 2024**



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2024



This section of the Board of Education of Gaston County School's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2024. We encourage readers to read the information presented there in conjunction with additional information that we have furnished in the Board's financial statements, which follow this narrative.

Financial Highlights

- Unassigned fund balance for the Board increased from \$5.54 million as of June 30, 2023 to \$6.18 million as of June 30, 2024. This represents an increase of \$640,000, or 11.5%.
- District enrollment remained consistent for the current year at 29,937 students, as compared to enrollment of 29,936 students the previous year.
- Cash position remains strong at \$38.7 million at June 30, 2024, compared to \$45.1 million at June 30, 2023.
- The operational expenditures per pupil decreased to \$11,168 this year compared to \$11,626 for the previous year.



Overview of the Financial Statements

The audited financial statements of the Board consist of four components. They are as follows:

- *Independent Auditor's Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental information and supplemental information section presents schedules for Teachers' and State Employees' Retirement System, Retiree Health Benefit Fund, Disability Income Plan of North Carolina, and budgetary statements for the governmental and proprietary funds.*

The Basic Financial Statements include two types of statements that present different views of the Board's finances. The first is the Government-Wide Statements. The government-wide statements are presented on the full accrual basis of accounting and include the Statement of Net Position (Deficit) and the Statement of Activities. The Statement of Net Position (Deficit) includes all of the Board's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets and deferred outflows of resources and obligations to creditors and deferred inflows of resources. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second set of statements included in the basic financial statements are the Fund Financial Statements, which are presented for the Board's governmental funds, proprietary funds, and fiduciary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near-term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary and fiduciary funds are presented on the full accrual basis of accounting.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024 (continued)



The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.



Government-wide Statements

The Government-wide Statements report information about the Board as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Board's assets, deferred inflows of resources and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two Government-wide Statements report the Board's net position and how it has changed. Net position – the difference between the Board's assets plus deferred outflows and the total of liabilities and deferred inflows – is one way to measure the unit's financial health or position.



- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.

- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of its school buildings and other physical assets.

The unit's activities are divided into two categories in the Government-wide Statements:

- **Governmental activities:** Most of the Board's basic services are included here, such as regular and special education, transportation and administration. County funding and State and federal aid finance most of these activities.

- **Business-type activities:** The Board charges fees to help it cover the costs of school food services.

The Government-wide Statements are shown as Exhibits 1 and 2 of this report.

Fund Financial Statements

The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

The Fund Financial Statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds – not the unit as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The Board has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants Fund and Other Specific Revenue Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024 (continued)



Gaston County Board of Education has two types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs.



Because this information does not encompass the additional long-term focus of the Government-wide Statements, additional information at the bottom of the governmental funds statements, in the form of a reconciliation, explains the relationship (or differences) between the Government-wide and the Fund Statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Capital Outlay Fund, the Federal Grants Fund and the Other Specific Revenue Fund.

The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

Proprietary fund: Services for which the Board charges a fee are generally reported in the proprietary fund. The Proprietary Fund Statements are reported on the same basis of accounting as the Government-wide Statements - full accrual. Gaston County Board of Education has one proprietary fund - an enterprise fund - the School Food Service Fund.

The proprietary fund statements are shown as Exhibits 7, 8 and 9 of this report.

Financial Analysis of the Schools as a Whole

The net deficit is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$70.4 million as of June 30, 2024.

The primary reason for the total net deficit and unrestricted net deficit in the current year is the presentation of the board's proportionate share of the net pension liability and net OPEB liability in accordance with Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, and Governmental Accounting Standards Board Statement No 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The net pension liability, net OPEB liabilities, and related components has a \$352.6 million negative effect to the Board's overall net deficit.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024 (continued)



Following is a summary of the Statement of Net Position (Deficit):

CONDENSED STATEMENT OF NET POSITION (DEFICIT) AS OF JUNE 30, 2024 AND 2023

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current assets	\$ 37,866,589	\$ 43,217,298	\$ 5,618,499	\$ 7,288,081	\$ 43,485,088	\$ 50,505,379
Capital assets	286,839,253	243,750,358	2,474,627	1,974,025	289,313,880	245,724,383
Total assets	324,705,842	286,967,656	8,093,126	9,262,106	332,798,968	296,229,762
Deferred outflows of resources	149,857,100	143,801,096	4,460,031	4,279,683	154,317,131	148,080,779
Current liabilities	30,141,390	24,786,715	1,542,524	210,406	31,683,914	24,997,121
Long-term liabilities	412,658,764	402,822,442	12,573,817	12,264,340	425,232,581	415,086,782
Total liabilities	442,800,154	427,609,157	14,116,341	12,474,746	456,916,495	440,083,903
Deferred inflows of resources	97,763,930	126,836,728	2,884,330	3,768,225	100,648,260	130,604,953
Net investment in capital assets	286,839,253	243,750,358	2,188,881	1,974,025	289,028,134	245,724,383
Restricted net position	3,967,088	12,665,239	-	-	3,967,088	12,665,239
Unrestricted net deficit	(356,807,483)	(380,092,730)	(6,636,395)	(4,675,207)	(363,443,878)	(384,767,937)
Total net deficit	\$ (66,001,142)	\$ (123,677,133)	\$ (4,447,514)	\$ (2,701,182)	\$ (70,448,656)	\$ (126,378,315)

The following table shows the revenues and expenses for the Board for the current and prior fiscal year.

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 7,404,684	\$ 1,225,629	\$ 2,415,913	\$ 3,254,830	\$ 9,820,597	\$ 4,480,459
Operating grants and contributions	271,233,093	290,298,609	18,501,408	17,084,382	289,734,501	307,382,991
Capital grants and contributions	-	-	354,027	-	354,027	-
General revenues:						
Unrestricted county appropriations	98,105,811	66,494,984	-	-	98,105,811	66,494,984
Other revenues	15,272,002	21,564,109	63,576	45,502	15,335,578	21,609,611
Total revenues	392,015,590	379,583,331	21,334,924	20,384,714	413,350,514	399,968,045
Expenses:						
Governmental activities:						
Instructional services	265,330,340	276,403,619	-	-	265,330,340	276,403,619
System-wide support services	58,440,847	59,095,835	-	-	58,440,847	59,095,835
Ancillary services	326,581	1,203,592	-	-	326,581	1,203,592
Non-programmed charges	6,486,861	11,340,634	-	-	6,486,861	11,340,634
Unallocated depreciation expense	3,754,970	1,514,268	-	-	3,754,970	1,514,268
Business-type activities:						
School food service	-	-	23,081,256	21,497,086	23,081,256	21,497,086
Total expenses	334,339,599	349,557,948	23,081,256	21,497,086	357,420,855	371,055,034
Transfers in (out)	-	(64,609)	-	64,609	-	-
Change in net deficit	57,675,991	29,960,774	(1,746,332)	(1,047,763)	55,929,659	28,913,011
Net deficit, beginning	(123,677,133)	(153,637,907)	(2,701,182)	(1,653,419)	(126,378,315)	(155,291,326)
Net deficit, ending	\$ (66,001,142)	\$ (123,677,133)	\$ (4,447,514)	\$ (2,701,182)	\$ (70,448,656)	\$ (126,378,315)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024 (continued)



Total governmental activities generated revenues of \$392.0 million while expenses in this category totaled \$334.3 million for the year ended June 30, 2024. Comparatively, revenues were \$379.6 million and expenses totaled \$349.6 million for the year ended June 30, 2023. After transfers to the business-type activities, the decrease in net position totaled \$57.7 million in 2024, compared to an increase of \$30.0 million in 2023.



Instructional services expenses comprised 79.4% of total governmental-type expenses while system-wide support services made up 17.5% of those expenses for 2024. County funding, for operating and capital, comprised 25.0% of total governmental revenue for 2024 as compared to 17.5% in 2023. A significant portion of the remaining 75.0% of total governmental revenue for 2024 consisted of restricted state and federal grants. For the 2023-2024 fiscal year, business-type activities generated revenue of \$21.3 million and had expenses of \$23.1 million. Net position in the business-type activities decreased by \$1.7 million.

Financial Analysis of the Board's Funds

Governmental Funds: The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$13.9 million at June 30, 2024, a \$4.3 million decrease when compared to the prior year. Overall, total revenues increased by \$16.8 million compared to the prior year, while total expenditures increased by \$22.5 million.

For the fiscal year ended June 30, 2024, the Board's General Fund and the Other Specific Revenues Fund experienced a change in in fund balance of \$396 thousand and \$(5.1) million, respectively. Specifically related to the General Fund, County revenues during this same period increased by \$500 thousand to \$53 million. Expenditures in the General Fund increased \$843 thousand related to an increase in technology support expenditures and non-programmed charges expenditures of \$619 thousand and \$545 thousand, respectively. The Other Specific Revenues Fund recognized a decrease in total revenues of \$1.4 million when compared to the prior year. During the same period, the Board experienced an increase in expenditures of \$4.1 million in the Other Specific Revenue Fund.

The Board's State Public School Fund and Federal Grants Fund recognized changes in revenues of \$11 million thousand or 5.1% and \$(26.2) million or (35.3%), respectively. The decrease in Federal Grants Fund is attributable to decreases in the Education Stabilization and relief funds related to the COVID-19 Pandemic.

The Board's Individual Schools Fund and Capital Outlay Fund had a net change in fund balance of \$(5) thousand and \$429 thousand, respectively. In comparison to the prior year, the Individual Schools Fund and Capital Outlay Fund had a net change of \$360 thousand and \$(157) thousand, respectively.

Proprietary Fund: The Board's business-type fund, the School Food Service Fund, generated an increase in the net deficit of \$1.7 million during the year ended June 30, 2024, compared to an increase in the net deficit of \$1 million during the year ended June 30, 2023. The increase in change in net deficit in the current period is related to a decrease in food sales of \$828 thousand due to decreases in participation.



Financial Operations

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and to reduce or increase appropriations in light of the changed revenue estimates. Also, budget amendments were made because at the time of the original resolution some funding sources amounts were not known.

The budget variances for the General Fund are within normally expected variance amounts.



Capital Assets

During the fiscal year ended June 30, 2024, capital assets, net of accumulated depreciation/amortization, increased by \$43 million for governmental activities and increased by \$500 thousand for business-type activities, compared to the prior year. Total depreciation/amortization charges for the year ended June 30, 2024 was \$4.2 million for governmental activities. Total depreciation charges for the year ended June 30, 2024 was \$354 thousand for business-type activities. For more detailed information, please see Capital Assets in Note 3 in the accompanying notes to the financial statements.

SUMMARY OF CAPITAL ASSETS AS OF JUNE 30, 2024 AND 2023

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 23,252,002	\$ 22,709,575	\$ -	\$ -	\$ 23,252,002	\$ 6,776,775
Construction in progress	26,776,870	-	-	-	26,776,870	24,716
Buildings and improvements	225,887,831	210,934,890	-	-	225,887,831	104,436,797
Equipment and furniture	4,322,782	3,212,134	2,202,022	1,974,025	6,524,804	1,106,372
Vehicles	6,599,768	6,893,759	-	-	6,599,768	2,726,748
Right-to-use subscription assets	-	-	272,605	-	272,605	2,726,748
Total	\$286,839,253	\$243,750,358	\$ 2,474,627	\$ 1,974,025	\$289,313,880	\$ 117,798,156

Debt Outstanding

During The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used.



During the year ended June 30, 2024, the Board issued a subscription liability for business-type activities. For more detailed information, please see Long-Term Obligations in Note 3 in the accompanying notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024 (continued)



Economic Factors

County funding is a significant source of income for the Board; therefore the County's economic outlook directly affects that of the school district. The following factors affect the economic outlook of Gaston County:

- For the fiscal year 2023-2024, the County provided approximately \$99.6 million for local current operating and capital expenditures.
- Gaston County has over 4,100 businesses and government entities, with the largest employment numbers in the following sectors: Services, Retail Trade, Construction, Manufacturing, Finance, Insurance and Real Estate.



The following are key economic indicators for Gaston County and the State of North Carolina:

Indicator	Gaston County	North Carolina
Homeownership rate (2017-2021)	65.70%	65.90%
Median value of owner-occupied housing units (2017-2021)	\$170,500	\$197,500
Persons below poverty level (2017-2021)	14.90%	13.40%
Employed (June 2024)	118,738	5,290,496
Unemployment rate (June 2024)	4.00%	4.10%
Per Capital Personal Income (2017-2021)	\$30,607	\$34,209
Median Household Income (2017-2021)	\$56,819	\$60,516

Data source: North Carolina Office of State Budget and Management, North Carolina Employment Security Commission, U.S. Bureau of Economic Analysis, the U.S. Census Bureau and North Carolina Department of Commerce, Labor and Economic Analysis Division



Requests for Information

This report is intended to provide a summary of the financial condition of the Board of Education of Gaston County Schools. Questions or requests for additional information should be addressed to:

Gary F. Hoskins
Associate Superintendent and Chief Financial Officer
Board of Education of Gaston County Schools
1351 Bradford Heights Road
Gastonia, North Carolina 28054



Basic Financial Statements

Board of Education of Gaston County Schools
Statement of Net Position (Deficit)
June 30, 2024

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 32,245,969	\$ 6,451,541	\$ 38,697,510
Receivables	60,295	-	60,295
Due from other governments	3,646,191	248,841	3,895,032
Inventories	-	832,251	832,251
Internal balances	1,914,134	(1,914,134)	-
Capital assets:			
Land and construction in process	50,028,872	-	50,028,872
Other capital assets, net of depreciation	236,810,381	2,474,627	239,285,008
Total assets	<u>324,705,842</u>	<u>8,093,126</u>	<u>332,798,968</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>149,857,100</u>	<u>4,460,031</u>	<u>154,317,131</u>
LIABILITIES			
Accounts payable and accrued expenses	6,207,514	236,870	6,444,384
Accrued salaries and wages payable	1,985,008	-	1,985,008
Unearned revenues	15,117,058	877,150	15,994,208
Long-term liabilities:			
Due within one year	6,831,810	428,504	7,260,314
Due in more than one year	412,658,764	12,573,817	425,232,581
Total liabilities	<u>442,800,154</u>	<u>14,116,341</u>	<u>456,916,495</u>
DEFERRED INFLOWS OF RESOURCES	<u>97,763,930</u>	<u>2,884,330</u>	<u>100,648,260</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	286,839,253	2,188,881	289,028,134
Restricted for:			
Stabilization by State Statute	442,271	-	442,271
Individual Schools	3,524,817	-	3,524,817
Unrestricted	<u>(356,807,483)</u>	<u>(6,636,395)</u>	<u>(363,443,878)</u>
Total net position (deficit)	<u>\$ (66,001,142)</u>	<u>\$ (4,447,514)</u>	<u>\$ (70,448,656)</u>

See Notes to Financial Statements

**Board of Education of Gaston County Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2024**

Exhibit 2

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Primary Government		
						Governmental Activities	Business-Type Activities	Total
Primary Government								
Governmental activities								
Instructional services								
Regular instructional	\$ 147,101,863	\$ -	\$ 139,892,203	\$ -	\$ (7,209,660)	\$ -	\$ (7,209,660)	
Special populations	35,586,991	-	35,261,173	-	(325,818)	-	(325,818)	
Alternative programs	23,807,502	-	18,907,202	-	(4,900,300)	-	(4,900,300)	
School leadership	20,752,622	-	15,471,113	-	(5,281,509)	-	(5,281,509)	
Co-curricular	9,786,824	-	210,078	-	(9,576,746)	-	(9,576,746)	
School-based support	28,294,538	7,404,684	26,567,943	-	5,678,089	-	5,678,089	
System-wide support services								
Support and development	3,124,624	-	2,116,368	-	(1,008,256)	-	(1,008,256)	
Special population support and development	1,447,011	-	1,381,682	-	(65,329)	-	(65,329)	
Alternative programs and services support and development	881,753	-	517,690	-	(364,063)	-	(364,063)	
Technology support	3,598,682	-	1,301,228	-	(2,297,454)	-	(2,297,454)	
Operational support	37,905,527	-	21,585,695	-	(16,319,832)	-	(16,319,832)	
Financial and human resources	7,475,638	-	3,484,805	-	(3,990,833)	-	(3,990,833)	
Accountability	621,540	-	292,560	-	(328,980)	-	(328,980)	
System-wide pupil support	677,831	-	133,534	-	(544,297)	-	(544,297)	
Policy, leadership and public relations	2,708,241	-	956,221	-	(1,752,020)	-	(1,752,020)	
Ancillary services	326,581	-	174,466	-	(152,115)	-	(152,115)	
Non-programmed charges	6,486,861	-	2,979,132	-	(3,507,729)	-	(3,507,729)	
Unallocated depreciation expense, excluding direct depreciation expense charged to programs								
Total governmental activities	375,970	7,404,684	271,233,093	-	(3,754,970)	-	(3,754,970)	
Business-type activities								
School food service	23,081,256	2,415,913	18,501,408	354,027	-	(1,809,908)	(1,809,908)	
Total business-type activities	23,081,256	2,415,913	18,501,408	354,027	-	(1,809,908)	(1,809,908)	
Total primary government	\$ 357,420,855	\$ 9,820,597	\$ 289,734,501	\$ 354,027	(55,701,822)	(1,809,908)	(57,511,730)	
General Revenues								
Unrestricted county appropriations - operating								
Unrestricted county appropriations - capital								
Investment earnings, unrestricted								
State OPEB contribution - non-capital								
Miscellaneous, unrestricted								
Total general revenues								
Change in Net Position								
Net Deficit, Beginning								
Net Deficit, Ending								

Board of Education of Gaston County Schools
Balance Sheet
Governmental Funds
June 30, 2024

Exhibit 3

	Major Funds						Total
	General	State Public School	Federal Grants	Capital Outlay	Individual Schools	Other Specific Revenue	Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 15,606,067	\$ -	\$ -	\$ 4,771	\$ 3,524,817	\$ 13,110,314	\$ 32,245,969
Receivables	-	-	-	-	-	60,295	60,295
Due from other governments	230,430	8,523	137,085	3,118,607	-	151,546	3,646,191
Due from other funds	-	-	-	-	-	5,943,246	5,943,246
Total assets	<u>\$ 15,836,497</u>	<u>\$ 8,523</u>	<u>\$ 137,085</u>	<u>\$ 3,123,378</u>	<u>\$ 3,524,817</u>	<u>\$ 19,265,401</u>	<u>\$ 41,895,701</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ 2,097,947	\$ -	\$ -	\$ 2,928,328	\$ -	\$ 1,181,239	\$ 6,207,514
Accrued salaries and benefits payable	1,432,339	-	-	-	-	552,669	1,985,008
Due to other funds	4,024,340	-	-	4,772	-	-	4,029,112
Unearned revenue	1,753,622	-	-	-	-	13,363,436	15,117,058
Total liabilities	<u>9,308,248</u>	<u>-</u>	<u>-</u>	<u>2,933,100</u>	<u>-</u>	<u>15,097,344</u>	<u>27,338,692</u>
Deferred Inflows of Resources	<u>120,800</u>	<u>8,523</u>	<u>137,085</u>	<u>190,278</u>	<u>-</u>	<u>151,334</u>	<u>608,020</u>
Fund Balances							
Restricted							
Stabilization by State Statute	230,430	-	-	-	-	211,841	442,271
Individual Schools	-	-	-	-	3,524,817	-	3,524,817
Assigned							
Other Special Programs	-	-	-	-	-	3,804,882	3,804,882
Unassigned	6,177,019	-	-	-	-	-	6,177,019
Total fund balances	<u>6,407,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,524,817</u>	<u>4,016,723</u>	<u>13,948,989</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,836,497</u>	<u>\$ 8,523</u>	<u>\$ 137,085</u>	<u>\$ 3,123,378</u>	<u>\$ 3,524,817</u>	<u>\$ 19,265,401</u>	
Amounts Reported for Governmental Activities in the Statement of Net Position (Deficit) (Exhibit 1) are Different Because							
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.							286,839,253
Deferred outflows of resources related to pensions							29,023,002
Deferred outflows of resources related to OPEB							120,834,098
Some liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.							(14,193,276)
Net pension liability							(167,091,927)
Net OPEB liabilities							(238,205,371)
Deferred inflows of resources related to pensions							(725,224)
Deferred inflows of resources related to OPEB							(96,430,686)
Net position of governmental activities							<u>\$ (66,001,142)</u>

See Notes to Financial Statements

Board of Education of Gaston County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Capital Outlay	Individual Schools	Other Specific Revenue	
Revenues							
Intergovernmental							
State of North Carolina	\$ -	\$ 223,101,488	\$ -	\$ -	\$ -	\$ 5,606,933	\$ 228,708,421
Gaston County							
Local current expense	53,001,704	-	-	-	-	-	53,001,704
Other	-	-	-	45,104,107	-	908,693	46,012,800
U.S. Government	-	-	48,131,605	-	-	342,687	48,474,292
Other	1,993,326	-	-	-	7,404,684	9,301,579	18,699,589
Total revenues	<u>54,995,030</u>	<u>223,101,488</u>	<u>48,131,605</u>	<u>45,104,107</u>	<u>7,404,684</u>	<u>16,159,892</u>	<u>394,896,806</u>
Expenditures							
Current							
Instructional services							
Regular instructional	11,368,979	135,454,504	4,437,699	-	-	5,118,272	156,379,454
Special populations	1,782,120	26,767,490	8,493,683	-	-	737,050	37,780,343
Alternative programs	351,772	6,402,708	12,504,494	-	-	5,828,394	25,087,368
School leadership	5,676,679	15,373,737	97,376	-	-	1,100,000	22,247,792
Co-curricular	2,103,709	210,078	-	-	7,409,941	249,952	9,973,680
School-based support	1,860,358	19,874,178	6,693,765	-	-	1,420,418	29,848,719
System-wide support services							
Support and development	1,071,251	797,103	1,319,265	-	-	135,969	3,323,588
Special population support and development	145,461	568,945	812,737	-	-	23,180	1,550,323
Alternative programs and services support and development	137,690	115,506	402,184	-	-	289,278	944,658
Technology support	2,426,922	1,301,228	-	-	-	32,600	3,760,750
Operational support	16,482,484	11,507,032	10,078,663	-	-	2,978,394	41,046,573
Financial and human resources	1,418,072	3,281,872	202,933	-	-	2,867,980	7,770,857
Accountability	367,533	292,560	-	-	-	-	660,093
System-wide pupil support	521,491	109,349	24,185	-	-	67,580	722,605
Policy, leadership and public relations	1,795,663	956,221	-	-	-	80,644	2,832,528
Ancillary services	6,730	88,977	85,489	-	-	155,560	336,756
Non-programmed charges	6,546,248	-	2,979,132	-	-	155,316	9,680,696
Capital outlay							
Real property and buildings	-	-	-	45,007,808	-	-	45,007,808
Furnishings and equipment	-	-	-	202,758	-	-	202,758
Total expenditures	<u>54,063,162</u>	<u>223,101,488</u>	<u>48,131,605</u>	<u>45,210,566</u>	<u>7,409,941</u>	<u>21,240,587</u>	<u>399,157,349</u>
Excess (deficiency) of revenues over expenditures	<u>931,868</u>	<u>-</u>	<u>-</u>	<u>(106,459)</u>	<u>(5,257)</u>	<u>(5,080,695)</u>	<u>(4,260,543)</u>
Other Financing Sources (Uses)							
Transfer from (to) other funds	(535,626)	-	-	535,626	-	-	-
Net change in fund balance	396,242	-	-	429,167	(5,257)	(5,080,695)	(4,260,543)
Fund balances, beginning of year	6,011,207	-	-	(429,167)	3,530,074	9,097,418	18,209,532
Fund balances, end of year	<u>\$ 6,407,449</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,524,817</u>	<u>\$ 4,016,723</u>	<u>\$ 13,948,989</u>

See Notes to Financial Statements

**Board of Education of Gaston County Schools
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2024**

Exhibit 5

**Amounts Reported for Governmental Activities in the Statement of Activities are
 Different Because**

Net changes in fund balances - total governmental funds	\$ (4,260,543)
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.	 43,088,895
 Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	 8,959,312
 Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities	 34,492,186
 State OPEB contribution	 312,619
Net OPEB benefit	14,982,979
 The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	 3,552,041
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension expense	<u>(43,451,498)</u>
 Total changes in net deficit of governmental activities	 <u><u>\$ 57,675,991</u></u>

Board of Education of Gaston County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2024

Exhibit 6
Page 1 of 4

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental				
State of North Carolina	\$ -		\$ -	\$ -
Gaston County	53,001,704	53,001,704	53,001,704	-
U.S. Government	-		-	-
Other	750,000	792,780	1,993,326	1,200,546
Total revenues	<u>53,751,704</u>	<u>53,794,484</u>	<u>54,995,030</u>	<u>1,200,546</u>
Expenditures				
Current				
Instructional services				
Regular instructional	10,890,547	11,144,327	11,368,979	(224,652)
Special populations	1,902,608	1,774,866	1,782,120	(7,254)
Alternative programs	325,823	353,268	351,772	1,496
School leadership	5,502,286	5,672,315	5,676,679	(4,364)
Co-curricular	2,377,444	2,103,709	2,103,709	-
School-based support	2,978,530	1,729,591	1,860,358	(130,767)
System-wide support services				
Support and development	880,378	1,070,288	1,071,251	(963)
Special population support and development	183,300	145,461	145,461	-
Alternative programs and services support and development	163,832	137,690	137,690	-
Technology support	1,814,363	2,342,936	2,426,922	(83,986)
Operational support	16,781,662	16,443,430	16,482,484	(39,054)
Financial and human resources	1,343,529	1,589,968	1,418,072	171,896
Accountability	481,294	418,738	367,533	51,205
System-wide pupil support	556,672	522,490	521,491	999
Policy, leadership, and public relations	1,769,436	1,792,336	1,795,663	(3,327)
Ancillary services	-	6,730	6,730	-
Non-programmed charges	5,800,000	6,546,341	6,546,248	93
Total expenditures	<u>53,751,704</u>	<u>53,794,484</u>	<u>54,063,162</u>	<u>(268,678)</u>
Revenues over (under) expenditures	-	-	931,868	931,868
Other Financing Uses				
Transfers to other funds	-	-	(535,626)	(535,626)
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	396,242	<u>\$ 396,242</u>
Fund balances, beginning of year			6,011,207	
Fund balances, end of year			<u>\$ 6,407,449</u>	

See Notes to Financial Statements

Board of Education of Gaston County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2024

	State Public School Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
State of North Carolina	\$ 215,620,031	\$ 230,905,245	\$ 223,101,488	\$ (7,803,757)
Gaston County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	<u>215,620,031</u>	<u>230,905,245</u>	<u>223,101,488</u>	<u>(7,803,757)</u>
Expenditures				
Current:				
Instructional services				
Regular instructional	133,579,540	140,034,302	135,454,504	4,579,798
Special populations	25,675,731	26,767,490	26,767,490	-
Alternative programs	11,105,258	6,458,923	6,402,708	56,215
School leadership	14,317,653	15,378,377	15,373,737	4,640
Co-curricular	-	210,078	210,078	-
School-based support	14,623,040	20,115,142	19,874,178	240,964
System-wide support services				
Support and development	636,013	797,106	797,103	3
Special population support and development	341,445	568,945	568,945	-
Alternative programs and services support and development	141,002	121,245	115,506	5,739
Technology support	2,241,172	1,807,431	1,301,228	506,203
Operational support	9,007,754	13,691,677	11,507,032	2,184,645
Financial and human resources	2,821,336	3,281,874	3,281,872	2
Accountability	233,778	292,560	292,560	-
System-wide pupil support	89,979	109,349	109,349	-
Policy, leadership, and public relations	709,855	1,041,060	956,221	84,839
Ancillary services	96,475	229,686	88,977	140,709
Non-programmed charges	-	-	-	-
Total expenditures	<u>215,620,031</u>	<u>230,905,245</u>	<u>223,101,488</u>	<u>7,803,757</u>
Revenues over (under) expenditures	-	-	-	-
Other Financing Uses				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

See Notes to Financial Statements

Board of Education of Gaston County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2024

	Other Specific Revenue Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
State of North Carolina	\$ 5,000,000	\$ 6,634,639	\$ 5,606,933	\$ (1,027,706)
Gaston County	-	908,693	908,693	-
U.S. Government	-	309,963	342,687	32,724
Other	9,136,623	27,399,421	9,301,579	(18,097,842)
	<u>14,136,623</u>	<u>35,252,716</u>	<u>16,159,892</u>	<u>(19,092,824)</u>
Total revenues				
Expenditures				
Current:				
Instructional services				
Regular instructional	927,512	6,038,672	5,118,272	920,400
Special populations	2,409,584	6,707,265	737,050	5,970,215
Alternative programs	6,441,072	7,037,409	5,828,394	1,209,015
School leadership	1,451	1,125,411	1,100,000	25,411
Co-curricular	9,605	267,002	249,952	17,050
School-based support	981,017	3,142,374	1,420,418	1,721,956
System-wide support services				
Support and development	106,150	238,170	135,969	102,201
Special population support and development	-	26,000	23,180	2,820
Alternative programs and services support and development	193,567	290,003	289,278	725
Technology support	-	32,600	32,600	-
Operational support	-	5,712,488	2,978,394	2,734,094
Financial and human resources	2,788,673	3,471,903	2,867,980	603,923
Accountability	-	-	-	-
System-wide pupil support	164,155	723,160	67,580	655,580
Policy, leadership, and public relations	-	117,552	80,644	36,908
Ancillary services	-	157,258	155,560	1,698
Non-programmed charges	113,837	165,449	155,316	10,133
	<u>14,136,623</u>	<u>35,252,716</u>	<u>21,240,587</u>	<u>14,012,129</u>
Total expenditures				
Revenues over (under) expenditures	-	-	(5,080,695)	(5,080,695)
Other Financing Uses				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(5,080,695)</u>	<u>\$ (5,080,695)</u>
Fund balances, beginning of year			<u>9,097,418</u>	
Fund balances, end of year			<u>\$ 4,016,723</u>	

See Notes to Financial Statements

Board of Education of Gaston County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2024

	Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
State of North Carolina	\$ -		\$ -	\$ -
Gaston County	-		-	-
U.S. Government	52,839,591	53,773,368	48,131,605	(5,641,763)
Other	-		-	-
Total revenues	<u>52,839,591</u>	<u>53,773,368</u>	<u>48,131,605</u>	<u>(5,641,763)</u>
Expenditures				
Current:				
Instructional services				
Regular instructional	3,381,127	4,437,699	4,437,699	-
Special populations	9,419,163	9,927,710	8,493,683	1,434,027
Alternative programs	14,531,562	14,809,595	12,504,494	2,305,101
School leadership	97,376	97,376	97,376	-
Co-curricular	-	-	-	-
School-based support	7,525,595	7,570,868	6,693,765	877,103
System-wide support services				
Support and development	2,539,827	1,319,265	1,319,265	-
Special population support and development	807,964	823,142	812,737	10,405
Alternative programs and services support and development	628,649	796,626	402,184	394,442
Technology support	-	-	-	-
Operational support	9,906,737	10,212,797	10,078,663	134,134
Financial and human resources	407,692	206,759	202,933	3,826
Accountability	-	-	-	-
System-wide pupil support	-	24,185	24,185	-
Policy, leadership, and public relations	-	-	-	-
Ancillary services	85,690	179,309	85,489	93,820
Non-programmed charges	<u>3,508,209</u>	<u>3,368,037</u>	<u>2,979,132</u>	<u>388,905</u>
Total expenditures	<u>52,839,591</u>	<u>53,773,368</u>	<u>48,131,605</u>	<u>5,641,763</u>
Revenues over (under) expenditures	-	-	-	-
Other Financing Uses				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

See Notes to Financial Statements

Board of Education of Gaston County Schools
Statement of Net Position (Deficit)
Proprietary Fund
June 30, 2024

Exhibit 7

	<u>Enterprise Major Fund School Food Service</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 6,451,541
Due from other governments	248,841
Inventories	832,251
	<hr/>
Total current assets	7,532,633
Noncurrent Assets	
Capital assets:	
Furniture and equipment, net	2,202,022
Right-to-use subscription asset, net	272,605
	<hr/>
Total noncurrent assets	2,474,627
	<hr/>
Total assets	10,007,260
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	4,460,031
	<hr/>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	236,870
Due to other funds	1,914,134
Unearned revenue	877,150
Current portion of long-term obligations	428,504
	<hr/>
Total current liabilities	3,456,658
Noncurrent Liabilities	
Net pension liability	4,972,941
Net OPEB liability	7,089,547
Subscription liability	191,444
Compensated absences	319,885
	<hr/>
Total noncurrent liabilities	12,573,817
	<hr/>
Total liabilities	16,030,475
	<hr/>
DEFERRED INFLOWS OF RESOURCES	2,884,330
	<hr/>
NET POSITION (DEFICIT)	
Net investment in capital assets	2,188,881
Unrestricted	(6,636,395)
	<hr/>
Total net deficit	\$ (4,447,514)
	<hr/> <hr/>

See Notes to Financial Statements

Board of Education of Gaston County Schools
Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)
Proprietary Fund
For the Fiscal Year Ended June 30, 2024

Exhibit 8

	<u>Enterprise</u> <u>Major Fund</u> <u>School Food</u> <u>Service</u>
Operating Revenues	
Food sales	\$ 2,415,913
Operating Expenses	
Food cost:	
Purchase of food	7,331,011
Food processing supplies	1,503,553
Donated commodities	1,441,805
Salaries and benefits	10,905,605
Purchased services	285,051
Supplies and materials	272,978
Depreciation and amortization	353,600
Indirect costs	902,932
Non-capitalized equipment	84,721
Total operating expenses	<u>23,081,256</u>
Operating loss	<u>(20,665,343)</u>
Nonoperating Revenues (Expenses)	
Federal reimbursements	17,055,872
Federal commodities	1,441,805
State reimbursement	3,731
State OPEB contribution	9,310
Contributed capital	354,027
Other	54,266
Total nonoperating revenues	<u>18,919,011</u>
Change in net deficit	(1,746,332)
Total net deficit, beginning	<u>(2,701,182)</u>
Total net deficit, ending	<u>\$ (4,447,514)</u>

**Board of Education of Gaston County Schools
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2024**

Exhibit 9

	<u>Enterprise Major Fund School Food Service</u>
Cash Flows from Operating Activities	
Cash received from customers	\$ 2,511,406
Cash paid for goods and services	(8,823,336)
Cash paid to employees for services	(11,508,303)
Other cash received	54,266
Net cash used by operating activities	<u>(17,765,967)</u>
Cash Flows from Noncapital Financing Activities	
Federal and state reimbursements	<u>17,820,155</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(136,701)
Principal payment of subscription liability	(77,728)
Net cash used by capital and related financing activities	<u>(214,429)</u>
Net increase in cash and cash equivalents	(160,241)
Cash and cash equivalents, beginning of year	<u>6,611,782</u>
Cash and cash equivalents, end of year	<u>\$ 6,451,541</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating loss	<u>\$ (20,665,343)</u>
Adjustments to reconcile operating loss to net cash used by operating activities	
State OPEB contribution	9,310
Depreciation	353,600
Donated commodities	1,441,805
Other	54,266
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources	
Change in inventories	(130,188)
Change deferred outflows of resources	(180,348)
Change in accounts payable and accrued liabilities	93,551
Change in due to other funds	1,593,547
Change in unearned revenue	95,493
Change in compensated absences payable	(149,924)
Change in net pension liability	152,639
Change in net OPEB liability	449,520
Change deferred inflows of resources	(883,895)
Total adjustments	<u>2,890,066</u>
Net cash used by operating activities	<u>\$ (17,765,967)</u>

NONCASH OPERATING, NONCAPITAL FINANCING, AND CAPITAL ACTIVITIES

The School Food Service Fund received donated commodities with a value of \$1,441,805 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8.

During the fiscal year, the State Health Plan transferred assets to the Retiree Health Benefit Fund as a result of cost savings to the State Health Plan. In accordance with GASB 75, the School Food Service Fund recorded \$9,310 as a nonoperating revenue on Exhibit 8 as a result of this transfer.

During the fiscal year, the School Food Service Fund entered into a subscription liability to finance the right-to-use subscription asset totaling \$363,474

During the fiscal year, capital assets of \$354,027 were contributed to the School Food Service Fund. The receipt of these items is reflected as nonoperating revenue on Exhibit 8.

See Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Board of Education of Gaston County Schools (the "Board") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Board is a Local Education Agency empowered by state law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Gaston County, North Carolina. The members of the Board are elected by the public and have decision making authority. Although the County levies all taxes, the Board determines how the school system will spend the funds generated for schools. The County cannot modify the school system's budget, nor is the County entitled to share in any surpluses or required to finance any deficits of the school system. For these reasons, the Board as a whole is not fiscally dependent on or financially accountable to the County and therefore is recognized as a primary government.

The Board receives state, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board does not have any component units for which it is financially accountable, and as such, there are no component units included in the accompanying financial statements.

B. Basis of Presentation

Government-Wide Statements: The Statement of Net Position (Deficit) and the Statement of Activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary funds. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. 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 Board. Governmental activities generally are financed through 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 Board and for each function of the Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

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

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

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Use of 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, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the is mandated by State law [G.S. 115C-426].

State Public School Fund. The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

Federal Grants Fund. The Federal Grants Fund includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities, real property, furniture and equipment (other than those financed by the proprietary fund). It is mandated by State law [G.S. 115C-426]. Capital projects are funded by Gaston County appropriations, restricted sales tax monies, proceeds of Gaston County bonds issued for public school construction, lottery proceeds, as well as certain State assistance.

Individual Schools Fund. The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

Other Specific Revenues Fund. The Other Specific Revenue Fund is used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to the school administration units and funds received for pre-kindergarten programs.

The Board reports the following major enterprise fund:

School Food Service Fund. The School Food Service Fund is used to account for the food service program within the school system.

C. Measurement Focus and 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 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 Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end. These could include federal, state, and county grants, and some charges for services. Expenditures are recorded when the related fund liability

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

is incurred, except for claims and judgments and compensated absences that are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under leases and subscriptions are reported as other financing sources.

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement 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 Board's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by North Carolina General Statutes. No budget is required by state law for individual school funds. All appropriations lapse at the fiscal year end. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Superintendent is authorized by the Board of Education to transfer monies within a function without limitation. The Superintendent may also transfer between functions with a report on such transfers being required at the next meeting of the Board of Education. Transfers or amendments not authorized by the Superintendent require Board approval. Amendments which alter or transfer the County current expense appropriation to or from the Capital Outlay Fund require the approval of the County Commissioners. During the year, several amendments to the original budget were necessary. The budget ordinances 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 budget ordinance can be adopted.

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

(1) Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by state law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

State law [G.S. 115C-443] authorizes the Board 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; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF).

The Short-Term Investment Fund (STIF) is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is a SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAM by S&P and AAAMf by Moody's Investor Services and reported at fair value.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

The Board's investments are reported at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost.

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2024 of 1.4 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

Cash and Cash Equivalents

The Board 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.

(2) Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

(3) Capital Assets

The Board's capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are tangible and intangible assets. Tangible assets include buildings and improvements, equipment, furniture, and vehicles. For capital assets utilized in governmental activities and business-type activities, it is the policy of the Board to capitalize those assets costing more than \$5,000 with an estimated useful life of three or more years. The cost of normal repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Intangible assets include right-to-use subscription-based information technology arrangement assets. Intangible assets follow the same policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Right-to-use subscription-based information technology are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the information technology subscription vendor at the start of the subscription term.

Gaston County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board give the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Land and construction in progress are not depreciated. Right-to-use subscription-based information technology assets are amortized on a straight-line basis over the related subscription term. The other tangible and intangible property, plant, and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 to 50 years
Equipment and furniture	3 to 20 years
Vehicles	5 to 20 years

Depreciation/amortization for building and equipment that serve multiple purposes cannot be allocated ratably and is therefore reported as “unallocated depreciation/amortization” on the Statement of Activities.

(4) *Deferred Outflows and Inflows of Resources*

In addition to assets, the Statement of Net Position (Deficit) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has several items that meet this criterion - a pension and OPEB-related deferral and contributions made to the plans subsequent to the measurement date. The Statement of Net Position (Deficit) also reports 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 Board has pension and OPEB-related deferrals and sales tax refund receivables that meet this criterion.

(5) *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

(6) *Compensated Absences*

The Board follows the state’s policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2024 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made, based on prior years’ records, of the current portion of compensated absences.

The sick leave policy of the Board 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 Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

(7) *Net Position (Deficit)*

Net position (deficit) in the government-wide and proprietary fund financial statements is 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, or the laws or regulations of other governments, or imposed by law through State Statute.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

(8) Fund Balance

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

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

Restricted for Stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].

Restricted for Individual Schools - revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for which they were collected.

Assigned fund balance - portion of fund balance that the Board intends to use for specific purposes.

Other special programs - portion of fund balance that will be used by the Other Specific Revenues Fund activities, as determined by the governing body.

Unassigned fund balance - the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds and is only recorded in the general fund.

The Board has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: revenues restricted as to use, then general unrestricted revenues. 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 Board.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

F. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position (Deficit)

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position (deficit) - governmental activities* as reported in the government-wide Statement of Net Position (Deficit). The net adjustment of \$(79,950,131) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 568,016,508
Less accumulated depreciation	<u>(281,177,255)</u>
Net capital assets	286,839,253
Pension-related deferred outflows of resources	29,023,002
OPEB-related deferred outflows of resources	120,834,098
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Compensated absences	(14,193,276)
Net pension liability	(167,091,927)
Net OPEB liability	(238,205,371)
Deferred inflows of resources related to pensions	(725,224)
Deferred inflows of resources related to OPEB	<u>(96,430,686)</u>
Total adjustment	<u>\$ (79,950,131)</u>

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of \$61,936,534 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 47,318,803
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(4,229,908)
Contributions to the pension plan in the current fiscal year not included in the Statement of Activities	8,959,312
Contributions to the OPEB plans in the current fiscal year not included in the Statement of Activities	34,492,186
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Pension expense	(43,451,498)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
State OPEB contribution	312,619
Net OPEB benefit	14,982,979
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	3,552,041
Total adjustment	<u>\$ 61,936,534</u>

G. Defined Benefit Pension Plans and OPEB Plans

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

Note 2. Stewardship, Compliance, and Accountability

Excess Expenditures over Appropriations

During the fiscal year ended June 30, 2024, the Board reported expenditures within the General Fund and School Food Service Fund that violated state law [G.S. 115C-441] because they exceeded the amounts appropriated in the budget ordinance.

At the legal level of budgetary control, the General Fund exceeded the amounts appropriated in the budget ordinance by an aggregate amount of \$494,367. This included spending in excess of budget in the following categories: Regular instructional, special population, school leadership, school-based support, support and development, technology support, operation support, and policy, leadership, and public relations.

At the legal level of budgetary control, expenditures for business support services in the School Food Service Fund exceeded the amounts appropriated in the budget ordinance by an aggregate amount of \$1,745,011.

This violation occurred because the Board was not appropriately monitoring expenditures against the budget. See additional detail on Schedule 9 and 10.

Note 3. Detail Notes on All Funds

A. Assets

(1) Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit'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 Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2024, the Board had deposits with financial institutions with a carrying amount of \$23,490,991 and with the State Treasurer of \$12,707. The bank balances with the financial institutions and the State Treasurer were \$26,532,965 and \$(54,748), respectively. Of these balances, \$876,280 was covered by federal depository insurance and \$25,601,937 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

(2) Investments

At June 30, 2024, the Board had \$15,189,041 invested with the State Treasurer in the Short-Term Investment Fund (STIF). The STIF is classified as a Level 2 fair value investment. At June 30, 2024, the Board of Education had \$4,771 invested with the North Carolina Capital Management Trust's Cash Portfolio

Interest Rate Risk. The Board of Education does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Credit Risk. The STIF is unrated and is authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries and agencies, and money market instruments. The Board has no policy on credit risk.

Concentration of Credit Risk. The Board places no limit on the amount the Board may invest in any one issuer.

(3) Receivables

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

	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 230,430	\$ -	\$ 230,430
Other governmental activities	<u>3,415,761</u>	<u>60,295</u>	<u>3,476,056</u>
Total governmental activities	<u>\$ 3,646,191</u>	<u>\$ 60,295</u>	<u>\$ 3,706,486</u>
Business-type activities:			
School Food Service Fund	<u>\$ 248,841</u>	<u>\$ -</u>	<u>\$ 248,841</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 230,430	Fines & forfeitures, sales tax refund
State Public School Fund	8,523	Sales tax refund
Federal Grants Fund	137,085	Sales tax refund
Capital Outlay Fund	3,118,607	Capital reimbursements from County
Other Specific Revenue Fund	<u>151,546</u>	Sales tax refund
	<u>\$ 3,646,191</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 248,841</u>	USDA reimbursements

Due from (to) other funds at the government-wide level at June 30, 2024 were as follows:

	<u>Due from (to) Other Funds</u>
Governmental activities:	
General Fund	\$ (4,024,340)
Other governmental activities	<u>5,943,246</u>
Total governmental activities	<u>\$ 1,914,134</u>
Business-type activities:	
School Food Service Fund	<u>\$ (1,914,134)</u>

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Internal balances consist of administrative costs due from the General Fund and the School Food Service Fund and Scholarship reimbursement costs due to the Other Special Revenues Fund from the Private Purpose Trust Fund.

(4) Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 22,709,575	\$ 542,427	\$ -	\$ -	\$ 23,252,002
Construction in progress	-	26,776,870	-	-	26,776,870
Total capital assets not being depreciated	<u>22,709,575</u>	<u>27,319,297</u>	<u>-</u>	<u>-</u>	<u>50,028,872</u>
Capital assets being depreciated:					
Buildings and improvements	439,449,337	17,711,348	-	-	457,160,685
Equipment and furniture	33,825,918	1,853,849	-	-	35,679,767
Vehicles	24,712,875	434,309	-	-	25,147,184
Total capital assets being depreciated	<u>497,988,130</u>	<u>19,999,506</u>	<u>-</u>	<u>-</u>	<u>517,987,636</u>
Less accumulated depreciation for:					
Buildings and improvements	228,514,447	2,758,407	-	-	231,272,854
Equipment and furniture	30,613,784	743,201	-	-	31,356,985
Vehicles	17,819,116	728,300	-	-	18,547,416
Total accumulated depreciation	<u>276,947,347</u>	<u>4,229,908</u>	<u>-</u>	<u>-</u>	<u>281,177,255</u>
Total capital assets being depreciated, net	<u>221,040,783</u>				<u>236,810,381</u>
Governmental activity capital assets, net	<u>\$ 243,750,358</u>				<u>\$ 286,839,253</u>
Business-type activities:					
Capital assets being depreciated/amortized:					
Equipment and furniture	\$ 10,453,641	\$ 490,728	\$ -	\$ -	\$ 10,944,369
Right-to-use subscription assets	-	363,474	-	-	363,474
Total capital assets being depreciated/amortized	<u>10,453,641</u>	<u>854,202</u>	<u>-</u>	<u>-</u>	<u>11,307,843</u>
Less accumulated depreciation/amortization for:					
Equipment and furniture	8,479,616	262,731	-	-	8,742,347
Right-to-use subscription assets	-	90,869	-	-	90,869
Total capital assets being depreciated/amortized	<u>8,479,616</u>	<u>353,600</u>	<u>-</u>	<u>-</u>	<u>8,833,216</u>
Business-type activities capital assets, net	<u>\$ 1,974,025</u>				<u>\$ 2,474,627</u>

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Depreciation/amortization was charged to governmental functions as follows:

Unallocated depreciation/amortization	\$ 3,754,970
Operational support services	<u>474,938</u>
	<u>\$ 4,229,908</u>

(5) Construction and Other Significant Commitments

The Board has an active construction project as of June 30, 2024. This project is for the construction of a new middle school. At year-end, the Board's commitment with the contractors for this project is as follows:

<u>Project</u>	<u>Remaining Commitment</u>
New middle school	<u>\$ 25,582,201</u>

B. Liabilities

(1) Pension Plan and Other Postemployment Obligations

(a) Teachers' and State Employees' Retirement System

Plan Description. The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS 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 Teachers' and State Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% 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. General employee 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. General employee 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. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age 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.

TSERS plan members who are law enforcement officers (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

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

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 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate was 17.63 percent of covered payroll from July 1, 2023 to June 30, 2024. These actuarially determined contribution rates were 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 Board were \$31,868,012 for the year ended June 30, 2024.

Refunds of Contributions. Board employees who have terminated service as a contributing member of TSERS, 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 TSERS.

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

At June 30, 2024, the Board reported a liability of \$172,064,868 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board'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 TSERS employers, actuarially determined. The Board's proportion was 1.03% and 1.12% at June 30, 2024 and June 30, 2023, respectively.

For the year ended June 30, 2024, the Board recognized pension expense of \$39,598,507. At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,027,357	\$ 1,269,960
Changes of assumptions	6,042,691	-
Net difference between projected and actual earnings on pension plan investments	47,920,053	-
Changes in proportions and differences between Board contributions and proportionate share of contributions	-	8,488,314
Board contributions subsequent to the measurement date	<u>31,868,012</u>	<u>-</u>
Total	<u>\$ 99,858,113</u>	<u>\$ 9,758,274</u>

The Board reported \$31,868,012 as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows for the year ended June 30:

2025	\$ 17,996,196
2026	9,385,855
2027	28,802,777
2028	<u>2,046,999</u>
	<u>\$ 58,231,827</u>

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

Inflation	2.5 percent
Salary increases	3.25 to 8.05 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

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

The assumptions used for the December 31, 2022 actuarial valuation are based on the experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic Fixed Income	7.0%	5.3%
Inflation Sensitive	<u>6.0%</u>	4.3%
Totals	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 asset, liability, and investment policy study for the North Carolina Retirement Systems, including TSERS. The

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.5%. The discount rate used is consistent with the prior measurement date. 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 Board’s proportionate share of the net pension liability to changes in the discount rate. The following presents the Board’s proportionate share of the net pension liability calculated using the discount rate of 6.5 percent, as well as what the Board’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5 percent) or 1 percentage point higher (7.5 percent) than the current rate:

	<u>1% Decrease (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Net pension liability	\$ 295,395,058	\$ 172,064,868	\$ 70,321,462

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued ACFR for the state of North Carolina.

(b) Other Postemployment Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the state, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members - eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the state of North Carolina’s ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits provided. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the state will pay 50% of the State Health Plan's noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. The Board's contractually required contribution rate was 7.14 percent of covered payroll from July 1, 2023 to June 30, 2024. Board contributions to the plan were \$12,906,274 for the year ended June 30, 2024. During the year ended June 30, 2024, the North Carolina State Health Plan ("SHP") contributed \$475.2 million to the Retiree Health Benefit Fund. In accordance with GASB, the Board recognized revenue of \$321,929 as a result of this non-employer contribution.

RHBF OPEB Liability

At June 30, 2024, Board reported a liability of \$245,055,336 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December, 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2024 and 2023, the Board's proportion was 0.920% and 0.966% respectively.

The Board reported \$12,906,274 as deferred outflows of resources related to RHBF OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ended June 30, 2025.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB benefit as follows for the year ended June 30:

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

2025	\$ (19,245,500)
2026	(20,499,877)
2027	(10,622,002)
2028	<u>1,083,720</u>
	<u>\$ (49,283,659)</u>

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	2.5%
Salary increases based on service	3.25% to 8.05%, including inflation and productivity factor
Investment rate of return	6.5%
Healthcare cost trend rates:	
Medical	5.0% to 6.0%
Prescription drug	5.0% to 10.0%
Administrative costs	3.0%
Post-Retirement Mortality Rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic Fixed Income	7.0%	5.3%
Inflation Sensitive	<u>6.0%</u>	4.3%
Totals	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 asset, liability, and investment policy study for the North Carolina Retirement Systems, including RHBF. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 3.65% at June 30, 2023. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.65% was used as the discount rate used to measure the total OPEB liability. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current discount rate:

	<u>1% Decrease (2.65%)</u>	<u>Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Net RHBF OPEB liability	\$ 289,089,074	\$ 245,055,336	\$ 209,192,276

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease Medical - 5.5%, Pharmacy - 6.25%, Administrative - 2.0%</u>	<u>Healthcare Trend Rates Medical - 6.5%, Pharmacy - 7.25%, Administrative - 3.0%</u>	<u>1% Increase Medical - 7.5%, Pharmacy - 8.25%, Administrative - 4.00%</u>
Net RHBF OPEB liability	\$ 202,314,921	\$ 245,055,336	\$ 300,167,574

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ACFR for the state of North Carolina.

(c) Other Postemployment Disability Benefits

Plan description. Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan, to the eligible members of TSERS which includes employees of the state, the University of North Carolina System, community colleges, certain Local Education Agencies, and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members - eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members.

The financial statements and other required disclosures for the plan are presented in the state of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Benefits Provided. Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment and local supplements to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than \$10 a month. After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits been awarded. When an employee qualifies for an unreduced service retirement allowance from the TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under the Teachers' and State Employees' Retirement System or the University Employees' Optional Retirement Program.

For employees who had less than five years of membership service as of July 31, 2007, and meet the requirements for long-term disability on or after August 1, 2007, during the first 36 months of the long-term disability period, the monthly long-term benefit shall be reduced by an amount equal to the monthly primary Social Security retirement benefit to which the employee might be entitled should the employee become age 62 during the first 36 months. This reduction becomes effective as of the first day of the month following the month of initial entitlement to Social Security benefits. After the first 36 months of the long-term disability, no further benefits are payable under the terms of this section unless the employee has been approved and is in receipt of primary Social Security disability benefits.

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2024, employers made a statutory contribution of 0.11% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$198,836 for the year ended June 30, 2024.

The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

DIPNC OPEB Liability

At June 30, 2024, Board reported a liability of \$239,582 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2024 and 2023, the Board's proportion was 0.901% and 0.986%, respectively.

The Board reported \$198,836 as deferred outflows of resources related to DIPNC OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows for the year ending June 30:

2025	\$	112,753
2026		74,220
2027		100,450
2028		30,680
2029		22,155
Thereafter		<u>15,343</u>
	<u>\$</u>	<u>355,601</u>

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	2.5 percent
Salary increases	3.25 to 8.05 percent, including inflation and productivity factor
Investment rate of return	3.00 percent, net of OPEB plan investment expense, including inflation

Discount rate. The discount rate used to measure the total OPEB liability for the DIPNC was 3% at June 30, 2023. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. In order to develop the blended discount rate of 3%, 3% was used during the period that the plan was projected to have a fiduciary net position, and a municipal bond rate of 3.65% was used during the period that the plan was projected to have no fiduciary net position. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.00 percent) or 1 percentage point higher (4.00 percent) than the current discount rate:

	<u>1% Decrease (2.00%)</u>	<u>Discount Rate (3.00%)</u>	<u>1% Increase (4.00%)</u>
Net DIPNC OPEB liability	\$ 288,010	\$ 239,582	\$ 190,271

Common actuarial assumptions for both OPEB plans. The OPEB plans currently uses mortality tables that vary by age, gender, employee group (i.e., teacher, 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 mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuations were generally based on the results of an actuarial experience study prepared as of December 31, 2019, as amended for updates to certain assumptions (such as medical claims and medical trend rate assumptions) implemented based on annual reviews that have occurred since that experience study.

Total OPEB Expense, OPEB Liabilities, and Deferred Outflows and Inflows of Resources Related to OPEB

Following is information related to the proportionate share and OPEB expense:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB (benefit) expense	\$ (10,533,700)	\$ 327,607	\$ (10,206,093)
OPEB liability	245,055,336	239,582	245,294,918
Proportionate share of the net OPEB liability	0.920%	0.901%	
Deferred outflow s of resources			
Differences between expected and actual experience	2,698,539	209,963	2,908,502
Changes of assumptions	26,546,953	17,458	26,564,411
Net difference between projected and actual earnings on pension plan investments	1,957,628	312,927	2,270,555
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,561,075	49,365	9,610,440
Employer contributions subsequent to the measurement date	12,906,274	198,836	13,105,110
Total	<u>\$ 53,670,469</u>	<u>\$ 788,549</u>	<u>\$ 54,459,018</u>
Deferred inflow s of resources			
Differences between expected and actual experience	\$ 240,105	\$ 132,700	\$ 372,805
Changes of assumptions	65,378,786	40,897	65,419,683
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,428,963	60,515	24,489,478
Total	<u>\$ 90,047,854</u>	<u>\$ 234,112</u>	<u>\$ 90,281,966</u>

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

(2) Payables

Payables as of June 30, 2024 are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:			
General	\$ 2,097,947	\$ 1,432,339	\$ 3,530,286
Other governmental	<u>4,109,567</u>	<u>552,669</u>	<u>4,662,236</u>
Total governmental activities	<u>\$ 6,207,514</u>	<u>\$ 1,985,008</u>	<u>\$ 8,192,522</u>
Business-type activities			
School Food Service	<u>\$ 236,870</u>	<u>\$ -</u>	<u>\$ 236,870</u>

(3) Deferred Outflows and Inflows of Resources

The balance in deferred outflows and inflows of resources at year-end is composed of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience (Pension & OPEB)	\$ 16,935,859	\$ 1,642,765
Changes of assumptions (Pension & OPEB)	32,607,102	65,419,683
Net difference between projected and actual earnings on plan investments (Pension & OPEB)	50,190,608	-
Change in proportion and differences between employer contributions and proportionate share of contributions (Pension & OPEB)	9,610,440	32,977,792
Board contributions subsequent to the measurement date (Pension & OPEB)	44,973,122	-
Unavailable sales tax refunds	<u>-</u>	<u>608,020</u>
Totals	<u>\$ 154,317,131</u>	<u>\$ 100,648,260</u>

(4) Unearned Revenues

The balance in unearned revenues as of June 30, 2024 is composed of the following elements:

Governmental activities:	
Grants not yet earned (General Fund and Other Specific Revenue Fund)	<u>\$ 15,117,058</u>
Business-type activities	
Prepayments of meals (School Food Service Fund)	\$ 151,501
Grants not yet earned (School Food Service Fund)	<u>725,649</u>
	<u>\$ 877,150</u>

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

(5) Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers' Compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent that employees are paid from State funds.

The Board participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time of the Board's funds are performance bonded through a commercial surety bond. The finance officer is bonded for a minimum of \$100,000. The remaining employees that have access to funds are also bonded under a blanket bond.

The Board carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past three fiscal years.

(6) Contingent Liabilities

At June 30, 2024, the Board was a defendant to various lawsuits. In the opinion of the Board's management and the Board's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Board's financial position.

(7) Long-Term Obligations

(a) Subscription liabilities

The Board has one outstanding subscription-based technology arrangement. The subscription-based technology arrangements qualify as other than short-term arrangements under GASB 96 and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inception.

The agreement had an initial term of 48 months which requires annual payments in accordance with the contract. There are no variable payment components of the subscription-based technology arrangements. The subscription liabilities were measured using a discount rate of 1.00%.

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

Year Ending	Subscription liabilities		
	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 94,302	\$ 2,857	\$ 97,159
2026	95,245	1,914	97,159
2027	96,199	962	97,161
	<u>\$ 285,746</u>	<u>\$ 5,733</u>	<u>\$ 291,479</u>

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

(c) Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2024:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Current Portion</u>
Governmental activities:					
Net pension liability	161,966,379	5,125,548	-	167,091,927	-
Net OPEB liability	223,110,746	15,094,625	-	238,205,371	-
Compensated absences	17,745,317	9,620,030	13,172,071	14,193,276	6,831,810
Total	<u>\$ 402,822,442</u>	<u>\$ 29,840,203</u>	<u>\$ 13,172,071</u>	<u>\$ 419,490,574</u>	<u>\$ 6,831,810</u>
Business-type activities:					
Net pension liability	4,820,302	152,639	-	4,972,941	-
Net OPEB liability	6,640,027	449,520	-	7,089,547	-
Subscription liability	-	363,474	77,728	285,746	94,302
Compensated absences	804,011	533,438	683,362	654,087	334,202
Total	<u>\$ 12,264,340</u>	<u>\$ 1,499,071</u>	<u>\$ 761,090</u>	<u>\$ 13,002,321</u>	<u>\$ 428,504</u>

Compensated absences for governmental activities are typically liquidated by the State Public School Fund.

C. Interfund Activity

Transfers to/from other funds during the year ended June 30, 2024 consists of the following:

From the General Fund to the Capital Outlay Fund for reimbursement for construction costs \$ 535,626

Balances due to/from other funds at June 30, 2024 consist of the following:

From the General Fund to the Other Specific Revenues Fund for administrative costs paid on their behalf \$ 4,024,340

From the Capital Outlay Fund to the Other Specific Revenues Fund for administrative costs paid on their behalf \$ 4,772

From the School Food Service Fund to the Other Specific Revenues Fund for administrative costs paid on their behalf \$ 1,914,134

D. Fund Balance

The Board of Education has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: federal funds, State funds, local non-Board of Education funds, Board of Education 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 Board of Education.

Board of Education of Gaston County Schools
Notes to Financial Statements
June 30, 2024

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	\$ 6,407,449
Less:	
Stabilization by State Statute	<u>(230,430)</u>
Unassigned fund balance	<u>\$ 6,177,019</u>

Note 4. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

The Board has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Required Supplementary Information

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

- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Board Contributions
- Schedule of the Proportionate Share of the Net OPEB Liability
- Schedule of Board Contributions
- Schedule of the Proportionate Share of the Net OPEB Liability
- Schedule of Board Contributions

Schedule 1

Board of Education of Gaston County Schools
 Schedules of Required Supplementary Information
 Schedule of the Board's Proportionate Share of the Net Pension Liability
 Teachers' and State Employees' Retirement System
 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Board's proportion of the net pension liability	1.03%	1.12%	1.04%	1.09%	1.10%	1.13%	1.10%	1.09%	1.06%	1.04%
Board's proportionate share of the net pension liability	\$ 172,064,868	\$ 166,786,681	\$ 48,831,568	\$ 131,214,112	\$ 114,362,049	\$ 111,996,045	\$ 87,036,057	\$ 99,920,315	\$ 38,920,465	\$ 12,111,578
Board's covered payroll	\$ 178,041,673	\$ 169,515,850	\$ 164,000,138	\$ 162,562,071	\$ 162,875,827	\$ 157,922,335	\$ 150,821,769	\$ 144,219,980	\$ 142,430,973	\$ 134,199,040
Board's proportionate share of the net pension liability as a percentage of its covered payroll	96.64%	98.39%	29.78%	80.72%	70.21%	70.92%	57.71%	69.28%	27.33%	9.03%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	92.01%	91.89%	89.51%	87.32%	94.64%	98.24%	90.60%

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

Schedule 2

Board of Education of Gaston County Schools
 Schedules of Required Supplementary Information
 Schedule of Board Contributions
 Teachers' and State Employees' Retirement System
 Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 31,868,012	\$ 30,943,643	\$ 27,766,696	\$ 24,239,220	\$ 21,084,301	\$ 20,017,439	\$ 17,024,028	\$ 15,052,013	\$ 13,196,128	\$ 13,032,434
Contributions in relation to the contractually required contribution	31,868,012	30,943,643	27,766,696	24,239,220	21,084,301	20,017,439	17,024,028	15,052,013	13,196,128	13,032,434
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 185,943,065	\$ 178,041,673	\$ 169,515,850	\$ 164,000,138	\$ 162,562,071	\$ 162,875,827	\$ 157,922,335	\$ 150,821,769	\$ 144,219,980	\$ 142,430,973
Contributions as a percentage of covered payroll	17.14%	17.38%	16.38%	14.78%	12.97%	12.29%	10.78%	9.98%	9.15%	9.15%

**Board of Education of Gaston County Schools
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net OPEB Liability
Retiree Health Benefit Fund
Last Eight Fiscal Years***

Schedule 3

	2024	2023	2022	2021	2020	2019	2018	2017
Board's proportion of the net OPEB liability	0.920%	0.966%	0.915%	0.956%	0.974%	0.993%	0.997%	0.941%
Board's proportionate share of the net OPEB liability	\$ 245,055,336	\$ 229,457,377	\$ 282,758,788	\$ 265,123,187	\$ 308,233,938	\$ 282,751,816	\$ 326,892,034	\$ 409,571,482
Board's covered payroll	\$ 178,041,673	\$ 169,515,850	\$ 164,000,138	\$ 162,562,071	\$ 162,875,827	\$ 157,922,335	\$ 150,821,769	\$ 144,219,980
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	137.64%	135.36%	172.41%	163.09%	189.24%	179.04%	216.74%	283.99%
Plan fiduciary net position as a percentage of the total OPEB liability	10.73%	10.58%	7.72%	4.40%	3.52%	3.52%	2.41%	2.41%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
Ten years of data not available.

**Board of Education of Gaston County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Retiree Health Benefit Fund
Last Eight Fiscal Years**

Schedule 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 12,906,274	\$ 12,167,071	\$ 10,662,547	\$ 10,955,209	\$ 10,517,766	\$ 10,212,314	\$ 9,554,301	\$ 8,762,745	\$ 8,076,319	\$ 7,819,460
Contributions in relation to the contractually required contribution	12,906,274	12,167,071	10,662,547	10,955,209	10,517,766	10,212,314	9,554,301	8,762,745	8,076,319	7,819,460
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 185,943,065	\$ 178,041,673	\$ 169,515,850	\$ 164,000,138	\$ 162,562,071	\$ 162,875,827	\$ 157,922,335	\$ 150,821,769	\$ 144,219,980	\$ 142,430,973
Contributions as a percentage of covered payroll	6.94%	6.83%	6.29%	6.68%	6.47%	6.27%	6.05%	5.81%	5.60%	5.49%

Board of Education of Gaston County Schools
 Schedules of Required Supplementary Information
 Schedule of the Board's Proportionate Share of the Net OPEB Asset (Liability)
 Disability Income Plan of North Carolina
 Last Eight Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Board's proportion of the net OPEB asset (liability)	0.901%	0.986%	0.921%	0.955%	0.979%	1.020%	0.958%	0.974%
Board's proportionate share of the net OPEB asset (liability)	\$ (239,582)	\$ (293,396)	\$ 150,475	\$ 469,666	\$ 422,361	\$ 304,450	\$ 594,942	\$ 605,096
Board's covered payroll	\$ 178,041,673	\$ 169,515,850	\$ 164,000,138	\$ 162,562,071	\$ 162,875,827	\$ 157,922,335	\$ 150,821,769	\$ 144,219,980
Board's proportionate share of the net OPEB asset (liability) as a percentage of its covered payroll	-0.13%	-0.17%	0.09%	0.29%	0.26%	0.19%	0.39%	0.42%
Plan fiduciary net position as a percentage of the net OPEB asset (liability)	90.61%	90.34%	105.18%	116.47%	116.37%	116.23%	116.06%	116.06%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
 Ten years of data not available.

**Board of Education of Gaston County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Disability Income Plan of North Carolina
Last Eight Fiscal Years**

Schedule 6

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 198,836	\$ 178,042	\$ 152,564	\$ 147,600	\$ 162,562	\$ 228,026	\$ 221,091	\$ 573,123	\$ 591,302	\$ 583,967
Contributions in relation to the contractually required contribution	198,836	178,042	152,564	147,600	162,562	228,026	221,091	573,123	591,302	583,967
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 185,943,065	\$ 178,041,673	\$ 169,515,850	\$ 164,000,138	\$ 162,562,071	\$ 162,875,827	\$ 157,922,335	\$ 150,821,769	\$ 144,219,980	\$ 142,430,973
Contributions as a percentage of covered payroll	0.11%	0.10%	0.09%	0.09%	0.10%	0.14%	0.14%	0.38%	0.41%	0.41%

Individual Fund Statements and Schedules

Board of Education of Gaston County Schools
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Capital Outlay Fund
For the Fiscal Year Ended June 30, 2024

Schedule 7

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Gaston County			
General county revenues	\$ 3,829,968	\$ 2,830,148	\$ (999,820)
Bonds	97,865,256	42,273,959	(55,591,297)
Total Revenues	<u>101,695,224</u>	<u>45,104,107</u>	<u>(56,591,117)</u>
Expenditures			
Capital outlay			
Real property and buildings		45,007,808	
Furnishings and equipment		202,758	
Total Expenditures	<u>101,695,224</u>	<u>45,210,566</u>	<u>56,484,658</u>
Revenues Under Expenditures	-	(106,459)	(106,459)
Transfer From Other Funds	-	535,626	535,626
Net Change in Fund Balance	-	429,167	429,167
Fund Balance			
Beginning of year		<u>(429,167)</u>	
End of year		<u>\$ -</u>	

Board of Education of Gaston County Schools
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
School Food Service Fund
For the Fiscal Year Ended June 30, 2024

Schedule 8

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues			
Food sales	\$ 3,742,700	\$ 2,415,913	\$ (1,326,787)
Operating Expenditures			
Business support services			
Purchase of food		7,461,199	
Donated commodities		1,441,805	
Food processing supplies		1,503,553	
Salaries and benefits		11,517,613	
Purchased services		362,779	
Supplies and materials		272,978	
Indirect costs		902,932	
Capital outlay		221,422	
Total operating expenditures	<u>21,939,270</u>	<u>23,684,281</u>	<u>(1,745,011)</u>
Operating loss	<u>(18,196,570)</u>	<u>(21,268,368)</u>	<u>(3,071,798)</u>
Nonoperating Revenues			
Federal reimbursements	16,384,570	17,055,872	671,302
Federal commodities	1,400,000	1,441,805	41,805
State reimbursements	-	3,731	3,731
Other	-	54,266	54,266
Total nonoperating revenues	<u>17,784,570</u>	<u>18,555,674</u>	<u>771,104</u>
Excess of revenues over expenditures	<u>\$ (412,000)</u>	<u>(2,712,694)</u>	<u>\$ (2,300,694)</u>
Reconciliation of Modified Accrual to Full Accrual:			
Reconciling items			
Depreciation and amortization		(353,600)	
Contributed capital		354,027	
Equipment purchases		136,701	
Principal payments of subscription liability		77,728	
State OPEB contribution		9,310	
Change in inventories		130,188	
Change in deferred outflows of resources		180,348	
Change in compensated absences payable		149,924	
Change in net pension liability		(152,639)	
Change in net OPEB liabilities		(449,520)	
Change in deferred inflows of resources		883,895	
Change in net deficit (full accrual)		<u>\$ (1,746,332)</u>	

Compliance Section

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

Board of Education
Gaston County Schools
Gastonia, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Gaston County Schools ("Board"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 20, 2024.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be material weaknesses.

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. We consider the deficiency in the accompanying schedule of findings and questioned costs as item 2024-003 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board's responses to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs and the corrective action plan. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Raleigh, North Carolina
December 20, 2024**

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

Independent Auditor's Report

Board of Education
Gaston County Schools
Gastonia, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Board of Education of Gaston County Schools ("Board") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Board's major federal programs for the year ended June 30, 2024. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Raleigh, North Carolina
December 20, 2024**

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

Independent Auditor's Report

Board of Education
Gaston County Schools
Gastonia, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Board of Education of Gaston County Schools ("Board") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Board's major state programs for the year ended June 30, 2024. The Board's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Raleigh, North Carolina
December 20, 2024**

1. Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses X Yes None reported

Noncompliance material to financial statements noted Yes X No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses Yes X None reported

Noncompliance material to federal awards Yes X No

Type of auditors' 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:

Assistance Listing

Names of Federal Program or Cluster

84.040	Title I
84.425	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B Programs:

\$2,009,159

Auditee qualified as low-risk auditee? Yes X No

State Awards

Internal control over major state programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses Yes None reported

Noncompliance material to state awards Yes No

Type of auditors' report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act Yes No

Identification of major state programs:

Program Name

- N.C. Department of Public Instruction:
 - State Public School Fund
 - Career and Technical Education - State Months of Employment
 - Driver Training - SPSF
 - School Technology Fund - SPSF
 - Textbooks and Digital Resources
- N.C. Department of Health and Human Services:
 - N.C. Pre-Kindergarten Program

2. Financial Statement Findings

Finding 2024-001

Reconciliation of Capital Assets Reports

MATERIAL WEAKNESS

Criteria: Detailed capital asset ledgers should be reconciled to underlying accounting records and reviewed on a periodic basis.

Condition: The capital assets ledgers were not reconciled to the underlying financial statements and reviewed resulting in errors within the reports.

Effect: Corrections were needed to the underlying capital asset ledgers which required adjustments to capital assets on the statement of net position (deficit) for both governmental activities and business-type activities as of June 30, 2024.

Cause: The Board did not have an appropriate closing process as adopted within the financial reporting system on a monthly or annual basis.

Recommendation: Capital asset reports should also be reviewed in a timely manner as a detective control to ensure that errors are identified and rectified.

Views of responsible officials and planned corrective actions: Management agrees with this finding. Please refer to Schedule 10 for the Corrective Action Plan.

Finding 2024-002

Reconciliation of Cash Accounts

MATERIAL WEAKNESS

Criteria: Cash accounts should be reconciled to underlying accounting records and subledgers on a periodic basis.

Condition: Local bank reconciliations were not being performed accurately resulting in incorrect reconciling items used to balance the bank accounts.

Effect: Audit adjustments were required subsequent to June 30, 2024 to adjust cash accounts to actual.

Cause: The Board did not have an appropriate closing process as adopted within the financial reporting system on a monthly or annual basis.

Recommendation: Employees responsible for bank reconciliations should receive training how to perform the procedure appropriately. Bank reconciliations should also be reviewed in a timely manner as a detective control to ensure that errors are identified and rectified.

Views of responsible officials and planned corrective actions: Management agrees with this finding. Please refer to Schedule 10 for the Corrective Action Plan.

Finding 2024-003

Expenditures in excess of budget for General Fund and School Food Service Fund

SIGNIFICANT DEFICIENCY

Criteria: General statutes state that all monies received and expended by a local government or public authority should be included in the budget ordinance.

Condition: At the legal level of budgetary control (purpose code), the General Fund exceeded the amounts appropriated in the budget ordinance by an aggregate amount of \$494,367. This included spending in excess of budget in the following categories: Regular instructional, special population, school leadership, school-based support, support and development, technology support, operation support, and policy, leadership, and public relations.

At the legal level of budgetary control, expenditures for business support services in the School Food Service Fund exceeded the amounts appropriated in the budget ordinance by an aggregate amount of \$1,745,011.

Effect: Monies were spent that had not been appropriated.

Cause: The Board expended funds that had not been budgeted for in the budget ordinance and a budget amendment was not adopted.

Recommendation: Budget amendments should be adopted when it is known that funds are going to be expended in a different budgetary control level than what was originally adopted prior to expending the funds.

Views of responsible officials and planned corrective actions: Management agrees with this finding. Please refer to Schedule 10 for the Corrective Action Plan.

3. Federal Award Findings and Questioned Costs

No findings and questioned costs related to the audit of federal awards aggregating \$25,000 or more were noted.

4. State Award Findings and Questioned Costs

No findings and questioned costs related to the audit of state awards aggregating \$25,000 or more were noted.



Gaston County Schools
shaping our future

**Board of Education of Gaston County Schools
Corrective Action Plan
For the Fiscal Year Ended June 30, 2024**

Schedule 10

Finding 2024-001

Name of contact person: Gary F. Hoskins, Associate Superintendent

Corrective action: Capital asset reports and records will be updated on a periodic basis as assets are being purchased and sold to ensure proper accounting treatment and asset monitoring. Capital asset reports will also be reviewed in a timely manner as a detective internal control to ensure that errors are identified and rectified.

Proposed completion date: The Board will implement these procedures immediately.

Finding 2024-002

Name of contact person: Gary F. Hoskins, Associate Superintendent

Corrective action: Cash accounts are reviewed and monitored on a regular basis. There were lingering unreconciled amounts driven by software issues which were not resolved prior to the audit. The cause of these discrepancies was identified and corrected during the audit. All cash accounts will be reconciled on a monthly basis and any unreconciled items will be corrected.

Proposed completion date: The Board will implement these procedures immediately.

Finding 2024-003

Name of contact person: Gary F. Hoskins, Associate Superintendent

Corrective action: At the end of each fiscal year, management reviews the purpose codes for each fund to ensure that there are no overspends. However, there were year-end adjustments that were made after this review was completed. We will adjust our year-end procedures to ensure that the review of overspends is done after all year-end entries have been made.

Proposed completion date: The Board will implement these procedures immediately.

Finding 2023-001

Status: See Finding 2024-001

Finding 2023-003

Status: Corrected

**Board of Education of Gaston County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2024**

**Schedule 12
Page 1 of 2**

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures
Federal Grants			
<u>U.S. Department of Agriculture</u>			
School Nutrition Program (Note 3)			
<u>Child Nutrition Cluster:</u>			
Non-Cash Assistance (Commodities)			
Passed-through the N.C. Department of Agriculture			
National School Lunch Program	10.555	PRC 035	\$ 1,441,805
Cash Assistance			
Passed-through the N.C. Department of Public Instruction			
School Breakfast Program	10.553	PRC 035	4,157,323
National School Lunch Program	10.555	PRC 035	12,346,684
Summer Food Service Program for Children	10.559	PRC 050	349,303
Total Cash Assistance			<u>16,853,310</u>
Total Child Nutrition Cluster:			18,295,115
Child Nutrition Discretionary Grants Limited Availability	10.579	PRC 053	61,730
Child and Adult Food Care Program	10.558	PRC 035	<u>202,562</u>
Total U.S. Department of Agriculture			<u>18,559,407</u>
<u>U.S. Department of Education</u>			
Cash Assistance			
Passed-through the N.C. Department of Public Instruction			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	PRC 050	9,158,807
School Improvement - Title I	84.010	PRC 105 & 115	<u>307,779</u>
			<u>9,466,586</u>
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B) -			
Education of the Handicapped	84.027	PRC 060	8,255,398
Children with Disabilities - Risk Pool	84.027	PRC 114	234,280
Special Needs Target Assistance	84.027	PRC 118	28,912
Special Education - Preschool Grants (IDEA Preschool) -			
Preschool Handicapped	84.173	PRC 049	198,744
Preschool Targeted Assistance	84.173	PRC 119	1,717
ESSER III - ARP IDEA Preschool Grants	84.173X	PRC 186	<u>98,159</u>
Total Special Education Cluster:			<u>8,817,210</u>
Career and Technical Education - Capacity Building Grant			
State Personnel Development	84.048	PRC 017	558,681
English Language Acquisition Grant	84.323	PRC 082	<u>15,972</u>
Supporting Effective Instruction State Grants	84.365	PRC 104/111	<u>264,010</u>
Education for Homeless Children and Youth	84.367	PRC 103	<u>1,344,227</u>
21st Century Community Learning Centers	84.196	PRC 026	<u>51,132</u>
Student Support and Academic Enrichment Program	84.287	PRC 110	<u>431,302</u>
	84.424	PRC 108	<u>522,286</u>
COVID-19 Education Stabilization Fund			
Rethink Education Stipends	84.425B	PRC 146	19,903
ESSER III - K-12 Emergency Relief Fund	84.425U	PRC 181	24,985,969
ESSER III - Homeless I	84.425W	PRC 183	19,243
ESSER III - Homeless II	84.425W	PRC 184	266,111
ESSER III - Summer Career Acceleratory Programs	84.425U	PRC 188	756,060
ESSER III - Math Enrichment Programs	84.425U	PRC 189	230,984
ESSER III - Cyberbullying & Suicide Prevention	84.425U	PRC 192	217,539
ESSER III - NBPTS Certification Fee Reimbursement Program	84.425U	PRC 198	4,750
ESSER III - School Psychologist Grant	84.425U	PRC 204	530
ESSER III - Principal Retention Supplements	84.425U	PRC 206	<u>97,380</u>
Total COVID-19 Education Stabilization Fund	84.425		<u>26,598,469</u>
Total U.S. Department of Education			<u>48,069,875</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
ROTC	NONE	PRC 031	<u>342,687</u>
Total Federal Assistance			<u>66,971,969</u>

**Board of Education of Gaston County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2024**

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Expenditures
State Grants			
Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
State Public School Fund			209,587,659
Driver Training - SPSF		PRC 012	705,363
School Technology Fund - SPSF		PRC 015	1,271,647
Career and Technical Education			
- State Months of Employment		PRC 013	9,259,362
- Program Support Funds		PRC 014	682,008
Textbooks and Digital Resources		PRC 131	1,595,449
Total N.C. Department of Public Instruction			<u>223,101,488</u>
<u>N.C. Department of Agriculture</u>			
State Kindergarten Breakfast Funds			<u>3,731</u>
<u>N.C. Department of Health and Human Services</u>			
Division of Public Health:			
State School Nurse Initiative			100,000
Divison of Child Development			
NC Pre-Kindergarten Program			5,506,933
Total N.C. Department of Health and Human Services			<u>5,606,933</u>
Total State Assistance			<u>228,712,152</u>
Total Federal and State Assistance			<u>\$ 295,684,121</u>

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of the Board of Education of Gaston County Schools (the "Board") under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements 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 Schedule of Expenditures of Federal and State Awards presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Board.

Note 2: Summary of Significant Account 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 allowable or are limited as to reimbursement. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Noncash Assistance

Included in the amounts reported on the SEFSA, the Board received non-cash assistance in the form of food commodities. Non-cash items with a fair value of \$1,441,805 were received during the year ended June 30, 2024. These non-cash items received were included in the determination of federal and State awards expended for the year ended June 30, 2024.



Statistical Section Overview



The Statistical Section provides financial statement users with additional historical perspective, context, and detail to assist in using information in the financial statements, including information to facilitate in understanding the County's economic condition.

Information is presented in five categories:

Financial Trends

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

Debt Capacity

This schedule presents information to help the reader assess the affordability of the Board's current levels of outstanding debt.

Revenue Capacity

These schedules contain information to help the reader assess the Board's most significant local revenue source, the property tax.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place.

Operating Information

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

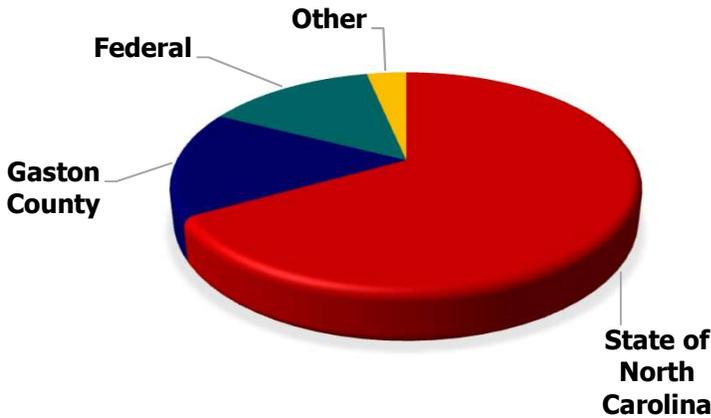
SOURCES: *Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.*



GASTON COUNTY BOARD OF EDUCATION
Financial Perspective
Government and Business-type Activities
June 30, 2024

Table 1

Revenue Sources

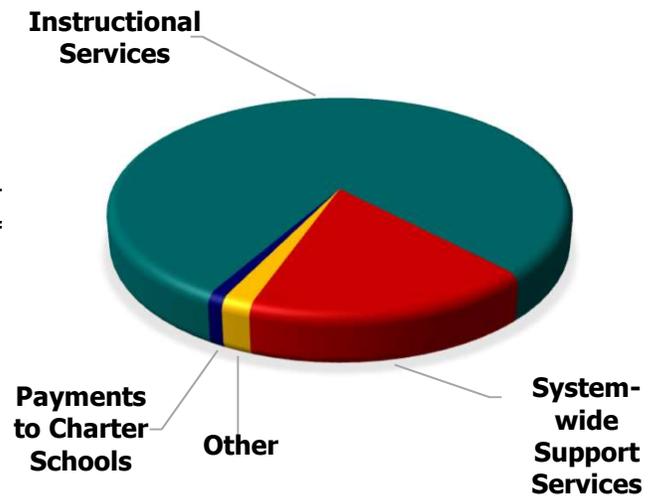


State of North Carolina	\$ 228,708,421
Gaston County	53,910,397
Federal	48,474,292
Other	11,294,905
	<u>\$ 342,388,015</u>

Note: Information taken from Exhibit 4. Revenues Sources do not include Capital Outlay or School receipts.

Expenditures/Expenses

Instructional Services	\$ 281,317,356
System-wide Support Services	62,611,975
Payments to Charter Schools	6,546,248
Other	3,471,204
	<u>\$ 353,946,783</u>

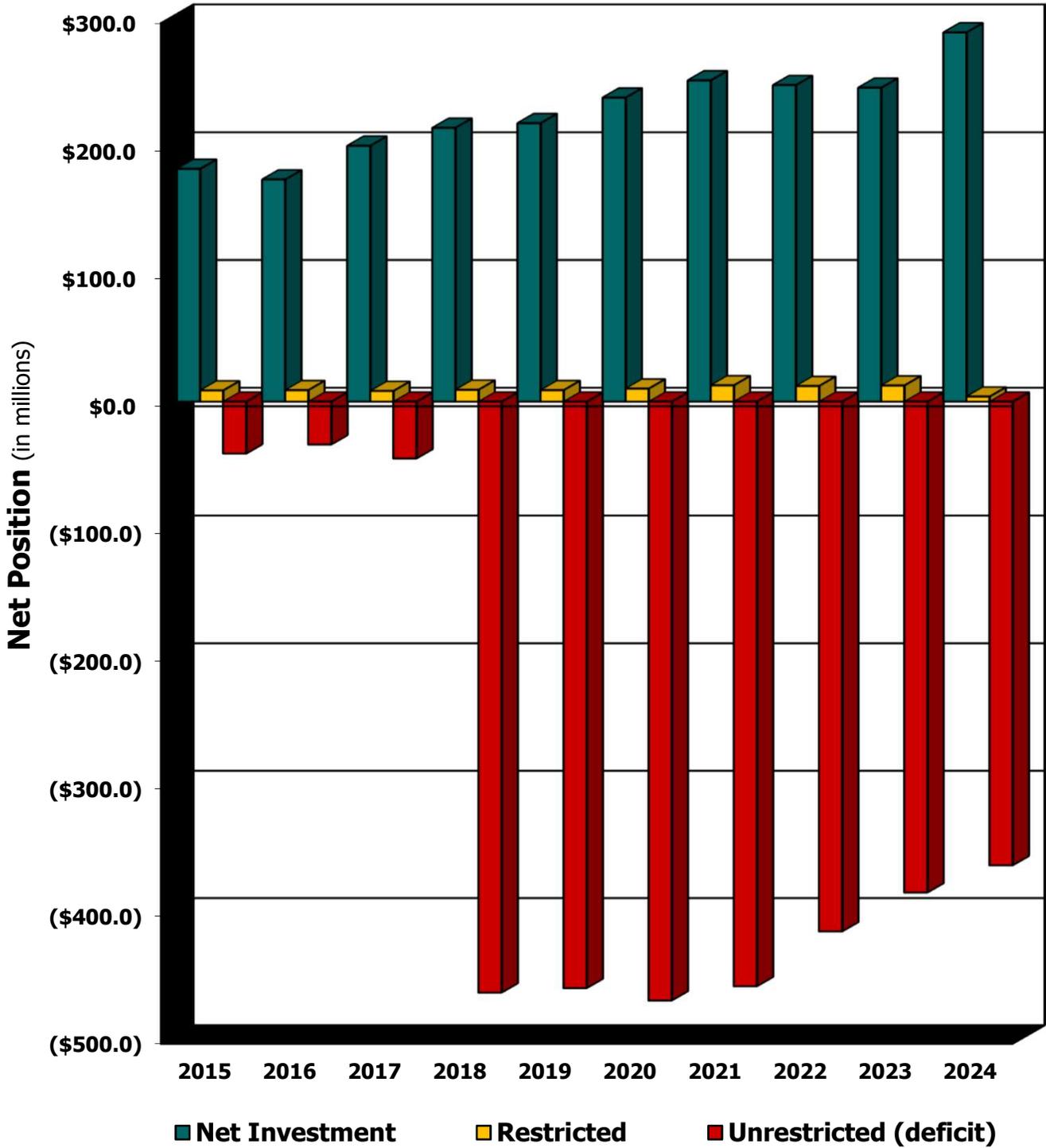


Note: Information taken from Exhibit 4. Expenditures do not include Capital Outlay, but do include payments to charter schools.

Source: Gaston County Board of Education annual financial statements

GASTON COUNTY BOARD OF EDUCATION
Net Position by Component
Last Ten Fiscal Years

Table 2



Source: 2015 - 2024 Gaston County Board of Education annual financial statements

GASTON COUNTY BOARD OF EDUCATION
Net Position by Component
Last Ten Fiscal Years

Table 2

	Year Ended June 30				
	2015	2016	2017	2018	2019
Governmental activities:					
Net investment in capital assets	\$ 180,327,473	\$ 172,131,872	\$ 198,386,759	\$ 212,465,825	\$ 216,211,595
Restricted	8,770,636	9,009,677	8,368,888	9,307,633	9,022,441
Unrestricted (deficit)	(42,572,637)	(35,660,161)	(47,034,759)	(457,338,448)	(453,985,793)
Total	<u>\$ 146,525,472</u>	<u>\$ 145,481,388</u>	<u>\$ 159,720,888</u>	<u>\$ (235,564,990)</u>	<u>\$ (228,751,757)</u>
Business-type activities:					
Net investment in capital assets	\$ 1,867,892	\$ 1,795,280	\$ 1,906,853	\$ 1,894,541	\$ 1,806,784
Unrestricted	1,929,895	2,130,593	2,565,169	(6,076,104)	(5,882,075)
Total	<u>\$ 3,797,787</u>	<u>\$ 3,925,873</u>	<u>\$ 4,472,022</u>	<u>\$ (4,181,563)</u>	<u>\$ (4,075,291)</u>
District-wide:					
Net investment in capital assets	\$ 182,195,365	\$ 173,927,152	\$ 200,293,612	\$ 214,360,366	\$ 218,018,379
Restricted	8,770,636	9,009,677	8,368,888	9,307,633	9,022,441
Unrestricted (deficit)	(40,642,742)	(33,529,568)	(44,469,590)	(463,414,552)	(459,867,868)
Total	<u>\$ 150,323,259</u>	<u>\$ 149,407,261</u>	<u>\$ 164,192,910</u>	<u>\$ (239,746,553)</u>	<u>\$ (232,827,048)</u>

SOURCE: 2015 - 2024 Gaston County Board of Education annual financial statements

GASTON COUNTY BOARD OF EDUCATION
Net Position by Component
Last Ten Fiscal Years

Table 2
(continued)

	Year Ended June 30				
	2020	2021	2022	2023	2024
Governmental activities:					
Net investment in capital assets	\$ 235,525,356	\$ 249,303,302	\$ 245,761,238	\$ 243,750,358	\$ 286,839,253
Restricted	10,210,746	12,810,819	12,253,590	12,665,239	3,967,088
Unrestricted (deficit)	(459,780,674)	(450,741,068)	(411,652,735)	(380,092,730)	(356,807,483)
Total	<u>\$ (214,044,572)</u>	<u>\$ (188,626,947)</u>	<u>\$ (153,637,907)</u>	<u>\$ (123,677,133)</u>	<u>\$ (66,001,142)</u>
Business-type activities:					
Net investment in capital assets	\$ 2,522,255	\$ 2,201,774	\$ 2,027,034	\$ 1,974,025	\$ 2,188,881
Unrestricted	(9,863,883)	(7,614,639)	(3,680,453)	(4,675,207)	(6,636,395)
Total	<u>\$ (7,341,628)</u>	<u>\$ (5,412,865)</u>	<u>\$ (1,653,419)</u>	<u>\$ (2,701,182)</u>	<u>\$ (4,447,514)</u>
District-wide:					
Net investment in capital assets	\$ 238,047,611	\$ 251,505,076	\$ 247,788,272	\$ 245,724,383	\$ 289,028,134
Restricted	10,210,746	12,810,819	12,253,590	12,665,239	3,967,088
Unrestricted (deficit)	(469,644,557)	(458,355,707)	(415,333,188)	(384,767,937)	(363,443,878)
Total	<u>\$ (221,386,200)</u>	<u>\$ (194,039,812)</u>	<u>\$ (155,291,326)</u>	<u>\$ (126,378,315)</u>	<u>\$ (70,448,656)</u>

GASTON COUNTY BOARD OF EDUCATION
Changes in Net Position
Last Ten Fiscal Years

Table 3

	Year Ended June 30				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
Instructional services	\$ 207,118,760	\$ 209,759,726	\$ 226,137,572	\$ 244,365,036	\$ 240,010,632
Support services	45,714,523	44,072,329	46,029,116	47,636,755	46,682,749
Ancillary services	277,824	139,876	144,140	82,844	109,980
Non-programmed charges	2,995,395	3,264,607	3,433,535	3,567,059	3,789,135
Interest on long-term debt	-	-	-	-	-
Unallocated depreciation expense	1,463,849	1,398,508	953,840	1,434,754	1,241,618
Total governmental activities expenses	<u>257,570,351</u>	<u>258,635,046</u>	<u>276,698,203</u>	<u>297,086,448</u>	<u>291,834,114</u>
Business-type activities:					
School food service	18,649,941	19,044,418	18,291,494	18,208,948	17,166,091
Total primary government expenses	<u>\$ 276,220,292</u>	<u>\$ 277,679,464</u>	<u>\$ 294,989,697</u>	<u>\$ 315,295,396</u>	<u>\$ 309,000,205</u>
Program revenues					
Governmental activities:					
Charges for services					
Regular instructional	\$ -	\$ -	\$ -	\$ -	\$ -
Special instructional programs	-	-	-	-	-
Operational support services	1,539,292	594,577	511,750	509,971	780,490
Business support services	-	-	-	-	-
Operating grants and contributions	191,705,543	193,283,584	202,570,091	209,647,960	219,029,025
Total governmental activities program revenues	<u>193,244,835</u>	<u>193,878,161</u>	<u>203,081,841</u>	<u>210,157,931</u>	<u>219,809,515</u>
Business-type activities:					
Charges for services	3,630,453	3,450,282	3,311,309	3,640,725	3,432,214
Operating grants and contributions	13,951,649	15,464,393	15,434,170	14,753,544	13,740,769
Capital grants and contributions	-	-	27,391	8,429	44,325
Total business-type activities program revenues	<u>17,582,102</u>	<u>18,914,675</u>	<u>18,772,870</u>	<u>18,402,698</u>	<u>17,217,308</u>
Total program revenues	<u>\$ 210,826,937</u>	<u>\$ 212,792,836</u>	<u>\$ 221,854,711</u>	<u>\$ 228,560,629</u>	<u>\$ 237,026,823</u>
General revenues and other changes in net position					
Governmental activities:					
Unrestricted county appropriations - operating	\$ 43,816,704	\$ 43,816,704	\$ 45,351,704	\$ 47,751,704	\$ 48,351,704
Unrestricted county appropriations - capital	7,617,271	9,997,818	35,581,481	20,366,466	13,728,484
Unrestricted State appropriation - operating	-	-	-	-	-
Unrestricted State appropriation - capital	419,873	382,120	776,902	1,320,638	1,362,340
Investment earnings, unrestricted	58,235	88,059	129,229	129,229	273,063
Miscellaneous, unrestricted	10,598,204	9,665,190	10,892,473	12,899,878	15,176,401
Transfers	(246,876)	(237,090)	(64,773)	(50,977)	(54,160)
Total governmental activities general revenues	<u>62,263,411</u>	<u>63,712,801</u>	<u>92,667,016</u>	<u>82,416,938</u>	<u>78,837,832</u>
Business-type activities:					
Unrestricted State appropriations - operating	-	-	-	-	-
Investment earnings, unrestricted	-	-	-	-	-
Miscellaneous, unrestricted	85,127	20,739	-	8,429	895
Transfers	246,876	237,090	64,773	50,977	54,160
Total business-type activities general revenues	<u>332,003</u>	<u>257,829</u>	<u>64,773</u>	<u>59,406</u>	<u>55,055</u>
Total general revenues	<u>\$ 62,595,414</u>	<u>\$ 63,970,630</u>	<u>\$ 92,731,789</u>	<u>\$ 82,476,344</u>	<u>\$ 78,892,887</u>
Change in net position					
Governmental activities	\$ (2,062,105)	\$ (1,044,084)	\$ 19,050,654	\$ (4,511,579)	\$ 6,813,233
Business-type activities	(735,836)	128,086	546,149	244,727	106,272
Total primary government change in net position	<u>\$ (2,797,941)</u>	<u>\$ (915,998)</u>	<u>\$ 19,596,803</u>	<u>\$ (4,266,852)</u>	<u>\$ 6,919,505</u>

SOURCE: 2015 - 2024 Gaston County Board of Education annual financial statements

GASTON COUNTY BOARD OF EDUCATION

Changes in Net Position

Table 3
(continued)

	Year Ended June 30				
	2020	2021	2022	2023	2024
Expenses					
Governmental activities:					
Instructional services	\$ 236,667,493	\$ 228,071,190	\$ 248,303,136	\$ 276,403,619	\$ 265,330,340
Support services	55,157,709	50,105,331	50,537,633	59,095,835	58,440,847
Ancillary services	52,964	2,136,770	1,106,544	1,203,592	326,581
Non-programmed charges	4,480,948	6,060,761	7,419,460	11,340,634	6,486,861
Interest on long-term debt	-	-	-	-	-
Unallocated depreciation expense	5,616,203	4,799,469	1,708,452	1,514,268	3,754,970
Total governmental activities expenses	<u>301,975,317</u>	<u>291,173,521</u>	<u>309,075,225</u>	<u>349,557,948</u>	<u>334,339,599</u>
Business-type activities:					
School food service	19,310,936	13,353,190	20,373,046	21,497,086	23,081,256
Total primary government expenses	<u>\$ 321,286,253</u>	<u>\$ 304,526,711</u>	<u>\$ 329,448,271</u>	<u>\$ 371,055,034</u>	<u>\$ 357,420,855</u>
Program revenues					
Governmental activities:					
Charges for services					
Regular instructional	\$ -	\$ -	\$ -	\$ -	\$ -
Special instructional programs	-	-	-	-	-
Operational support services	733,344	328,233	402,555	1,225,629	-
Business support services	-	-	-	-	-
Operating grants and contributions	218,793,807	234,158,532	262,854,495	290,298,609	271,233,093
Total governmental activities program revenues	<u>219,527,151</u>	<u>234,486,765</u>	<u>263,257,050</u>	<u>291,524,238</u>	<u>271,233,093</u>
Business-type activities:					
Charges for services	2,556,257	72,894	674,736	3,254,830	2,415,913
Operating grants and contributions	12,487,566	14,854,423	23,335,555	17,084,382	18,501,408
Capital grants and contributions	457,093	194,318	-	-	354,027
Total business-type activities program revenues	<u>15,500,916</u>	<u>15,121,635</u>	<u>24,010,291</u>	<u>20,339,212</u>	<u>21,271,348</u>
Total program revenues	<u>\$ 235,028,067</u>	<u>\$ 249,608,400</u>	<u>\$ 287,267,341</u>	<u>\$ 311,863,450</u>	<u>\$ 292,504,441</u>
General revenues and other changes in net position					
Governmental activities:					
Unrestricted county appropriations - operating	\$ 50,311,704	\$ 49,811,704	\$ 51,501,704	\$ 52,501,704	\$ 53,001,704
Unrestricted county appropriations - capital	33,486,048	21,266,211	5,149,652	13,993,280	45,104,107
Unrestricted State appropriation - operating	-	-	-	-	-
Unrestricted State appropriation - capital	1,294,495	1,315,528	456,593	-	-
Investment earnings, unrestricted	248,101	248,101	248,101	313,578	591,202
Miscellaneous, unrestricted	12,314,972	9,518,756	23,530,389	21,250,531	14,368,181
Transfers	(499,969)	(55,919)	(79,224)	(64,609)	(535,626)
Total governmental activities general revenues	<u>97,155,351</u>	<u>82,104,381</u>	<u>80,807,215</u>	<u>87,994,484</u>	<u>112,529,568</u>
Business-type activities:					
Unrestricted State appropriations - operating	-	-	-	-	-
Investment earnings, unrestricted	-	-	-	-	-
Miscellaneous, unrestricted	43,715	104,399	42,977	45,502	54,266
Transfers	499,968	55,919	79,224	64,609	535,626
Total business-type activities general revenues	<u>543,683</u>	<u>160,318</u>	<u>122,201</u>	<u>110,111</u>	<u>589,892</u>
Total general revenues	<u>\$ 97,699,034</u>	<u>\$ 82,264,699</u>	<u>\$ 80,929,416</u>	<u>\$ 88,104,595</u>	<u>\$ 113,119,460</u>
Change in net position					
Governmental activities	\$ 14,707,185	\$ 25,417,625	\$ 34,989,040	\$ 29,960,774	\$ (57,701,822)
Business-type activities	(3,266,337)	1,928,763	3,759,446	(1,047,763)	(1,809,908)
Total primary government change in net position	<u>\$ 11,440,848</u>	<u>\$ 27,346,388</u>	<u>\$ 38,748,486</u>	<u>\$ 28,913,011</u>	<u>\$ (57,511,730)</u>

GASTON COUNTY BOARD OF EDUCATION
Governmental Funds
Changes in Fund Balances
Last Ten Fiscal Years

Table 5

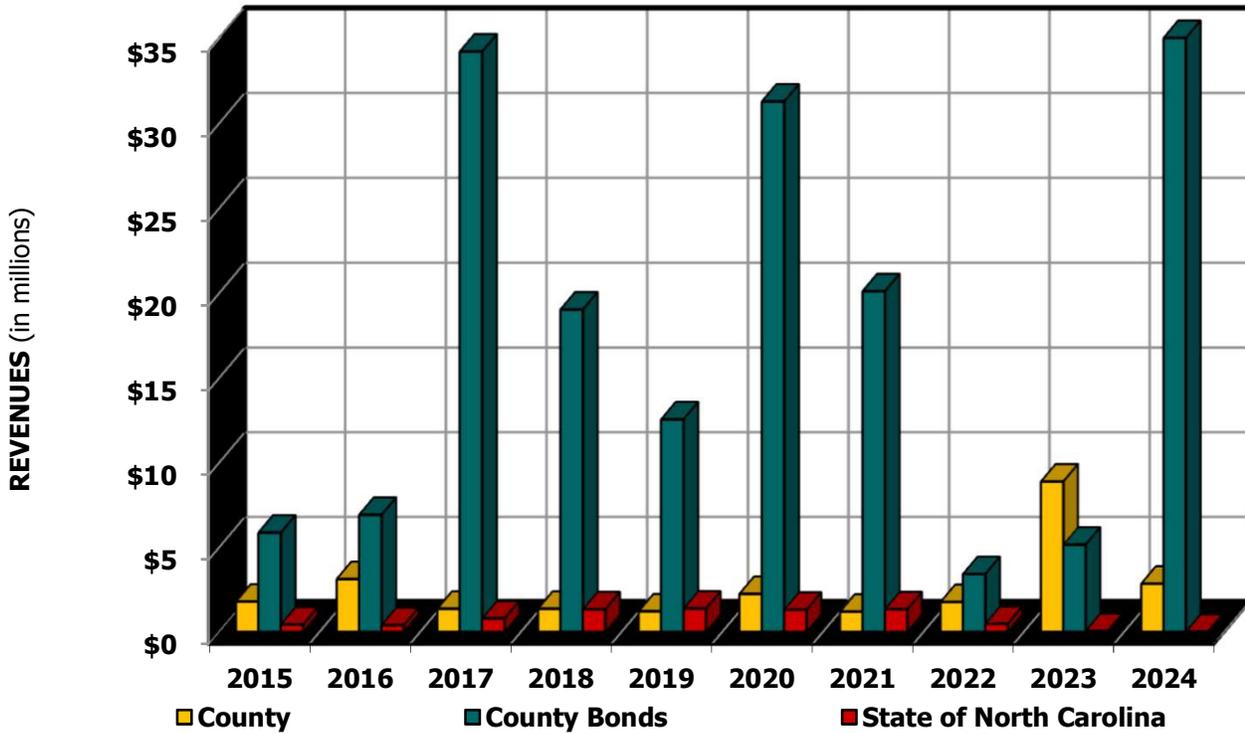
	Year Ended June 30				
	2015	2016	2017	2018	2019
Revenues					
State of North Carolina	\$ 170,570,712	\$ 173,639,054	\$ 181,821,274	\$ 188,738,980	\$ 198,412,573
Gaston County	51,498,975	53,869,522	80,998,185	68,183,170	62,455,733
U.S. Government	20,758,427	18,830,948	21,932,385	23,377,436	20,481,351
School receipts	7,266,206	7,531,290	7,289,187	7,647,441	7,283,918
Other	4,905,760	3,159,808	3,772,599	4,678,817	10,067,934
Total revenues	<u>255,000,080</u>	<u>257,030,622</u>	<u>295,813,630</u>	<u>292,625,844</u>	<u>298,701,509</u>
Expenditures					
Instructional programs	198,628,265	201,343,525	214,112,055	223,027,135	233,958,265
Support services	46,104,517	44,648,312	45,001,043	44,804,721	46,214,484
Ancillary services	932,528	182,525	144,386	76,863	109,644
Non-programmed charges	2,338,628	3,222,438	3,433,535	3,567,059	3,789,135
Debt service					
Principal retirement	321,229	284,706	775,314	1,287,338	1,348,792
Interest and fiscal charges	-	-	-	-	-
Capital outlay	8,417,167	10,352,353	37,243,849	22,948,254	14,959,684
Total expenditures	<u>256,742,334</u>	<u>260,033,859</u>	<u>300,710,182</u>	<u>295,711,370</u>	<u>300,380,004</u>
Revenues over (under) expenditures	<u>(1,742,254)</u>	<u>(3,003,237)</u>	<u>(4,896,552)</u>	<u>(3,085,526)</u>	<u>(1,678,495)</u>
Other financing sources (uses)					
Capital lease obligations issued	641,490	248,431	1,808,610	2,470,742	1,136,173
Transfers to other funds	(246,876)	(237,090)	(64,773)	(50,977)	(54,160)
Capital contributions	-	-	-	-	-
Total other financing sources (uses)	<u>394,614</u>	<u>11,341</u>	<u>1,743,837</u>	<u>2,419,765</u>	<u>1,082,013</u>
Net change in fund balance	<u>\$ (1,347,640)</u>	<u>\$ (2,991,896)</u>	<u>\$ (3,152,715)</u>	<u>\$ (665,761)</u>	<u>\$ (596,482)</u>
Ratio of debt service to total non-capital expenditures	0.12%	0.11%	0.29%	0.47%	0.47%

	Year Ended June 30				
	2020	2021	2022	2023	2024
Revenues					
State of North Carolina	\$ 198,897,201	\$ 201,123,228	\$ 210,171,970	\$ 217,904,707	\$ 228,708,421
Gaston County	84,380,499	71,901,037	57,022,180	67,330,783	99,014,504
U.S. Government	19,948,959	37,021,003	61,098,771	74,640,934	48,474,292
School receipts	6,342,651	2,236,352	5,290,410	7,121,470	7,404,684
Other	7,770,142	7,419,671	10,549,163	12,585,436	11,294,905
Total Revenues	<u>317,339,452</u>	<u>319,701,291</u>	<u>344,132,494</u>	<u>379,583,330</u>	<u>394,896,806</u>
Expenditures					
Instructional programs	229,146,614	236,622,450	273,805,622	289,158,452	281,317,356
Support services	47,031,607	50,003,587	54,719,535	62,233,820	62,611,975
Ancillary services	52,996	2,136,989	1,105,108	1,204,142	336,756
Non-programmed charges	4,480,948	6,060,761	7,419,460	11,340,634	9,680,696
Debt service					
Principal retirement	1,243,131	1,181,300	374,507	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	33,523,173	21,811,508	5,540,570	14,190,427	45,210,566
Total expenditures	<u>315,478,469</u>	<u>317,816,595</u>	<u>342,964,802</u>	<u>378,127,475</u>	<u>399,157,349</u>
Revenues over (under) expenditures	<u>1,860,983</u>	<u>1,884,696</u>	<u>1,167,692</u>	<u>1,455,855</u>	<u>(4,260,543)</u>
Other financing sources (uses)					
Capital lease obligations issued	-	370,052	-	-	-
Transfers to other funds	(499,969)	(55,919)	(79,224)	(64,609)	(535,626)
Capital contributions	-	-	-	-	-
Total other financing sources (uses)	<u>(499,969)</u>	<u>314,133</u>	<u>(79,224)</u>	<u>(64,609)</u>	<u>(535,626)</u>
Net change in fund balance	<u>\$ 1,361,014</u>	<u>\$ 2,198,829</u>	<u>\$ 1,088,468</u>	<u>\$ 1,391,246</u>	<u>\$ (4,796,169)</u>
Ratio of debt service to total non-capital expenditures	0.44%	0.40%	0.11%	0.00%	0.00%

SOURCE: 2015 - 2024 Gaston County Board of Education annual financial statements

GASTON COUNTY BOARD OF EDUCATION
Capital Outlay
Revenues by Source and Expenditures in Total
Last Ten Fiscal Years

Table 6

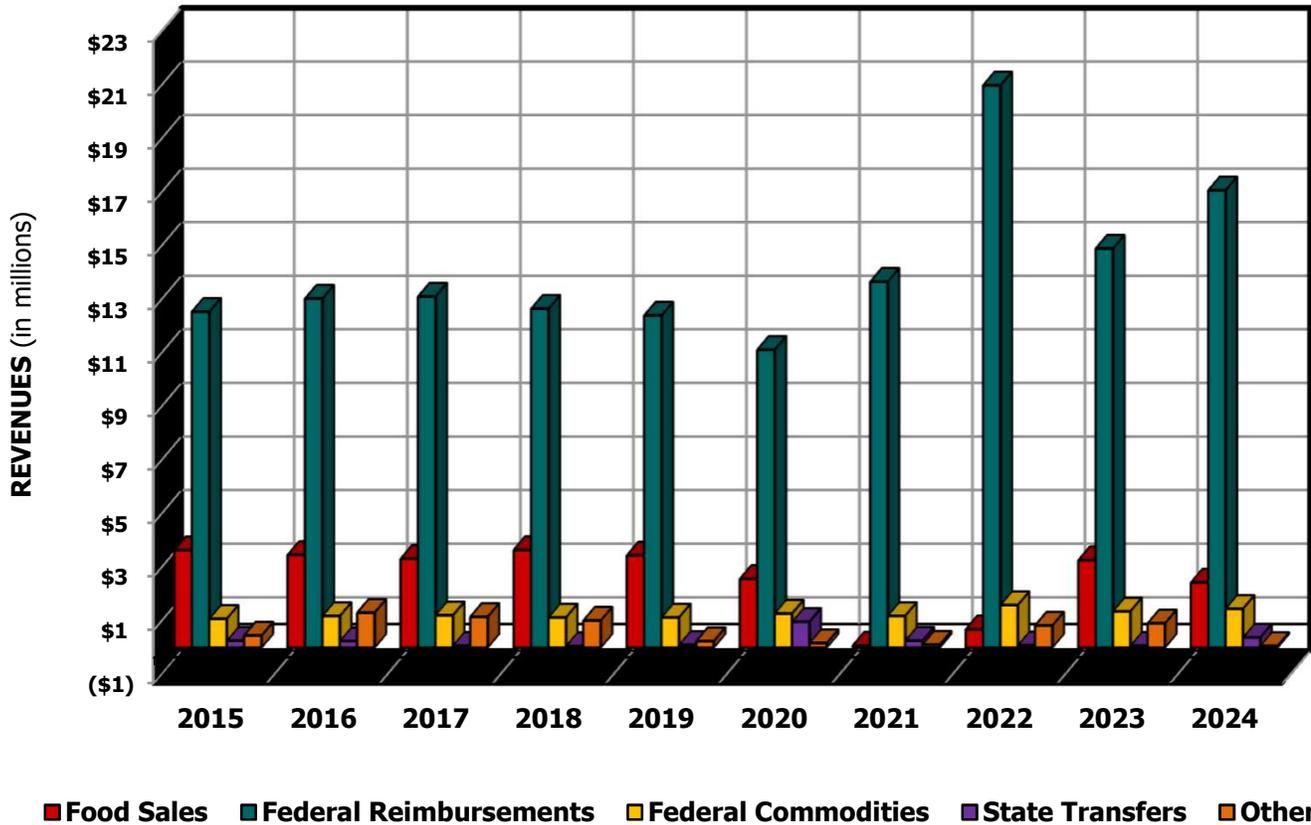


Year Ended June 30	2015	2016	2017	2018	2019
Revenue					
County	\$ 1,771,953	\$ 3,102,660	\$ 1,350,819	\$ 1,353,419	\$ 1,195,234
County Bonds	5,845,318	6,895,158	34,230,662	19,013,047	12,533,250
State of North Carolina	419,873	382,120	776,902	1,320,638	1,362,340
Total Revenue	\$ 8,037,144	\$ 10,379,938	\$ 36,358,383	\$ 21,687,104	\$ 15,090,824
Total Expenditures	\$ 8,738,396	\$ 10,637,059	\$ 38,019,163	\$ 22,948,254	\$ 14,959,684
Year Ended June 30	2020	2021	2022	2023	2024
Revenue					
County	\$ 2,226,931	\$ 1,176,425	\$ 1,753,082	\$ 8,859,413	\$ 2,830,148
County Bonds	31,259,117	20,089,786	3,396,570	5,133,867	42,273,959
State of North Carolina	1,294,495	1,315,528	456,593	39,645	-
Total Revenue	\$ 34,780,543	\$ 22,581,739	\$ 5,606,245	\$ 14,032,925	\$ 45,104,107
Total Expenditures	\$ 33,523,173	\$ 21,811,508	\$ 5,540,570	\$ 14,190,427	\$ 45,210,566

SOURCE: 2015 - 2024 Gaston County Board of Education annual financial statements

GASTON COUNTY BOARD OF EDUCATION
Proprietary Fund - Food Service Operations
Revenues by Source
Last Ten Fiscal Years

Table 7



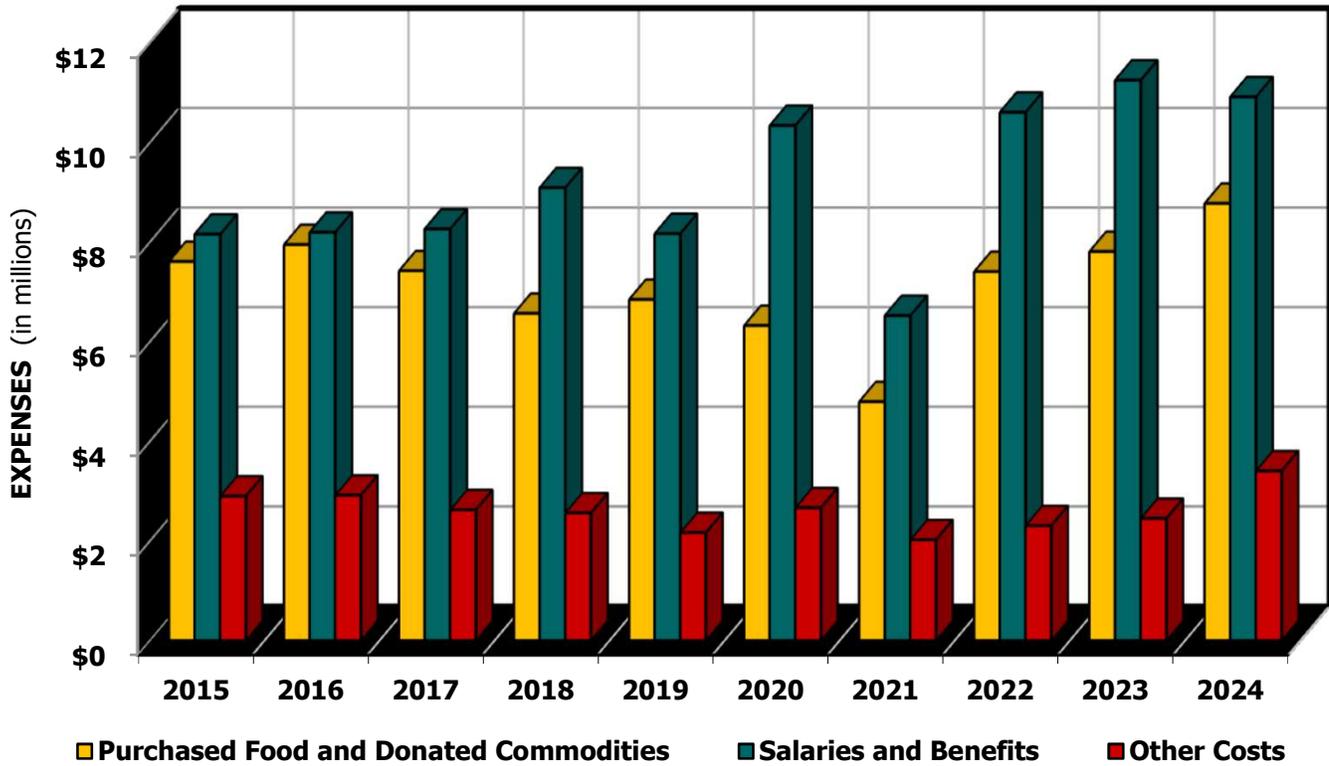
Year Ended June 30	2015	2016	2017	2018	2019
Food Sales	\$ 3,630,453	\$ 3,450,282	\$ 3,311,309	\$ 3,640,725	\$ 3,432,214
Federal Reimbursements	12,526,265	13,016,569	13,094,222	12,634,761	12,385,553
Federal Commodities	1,069,047	1,172,420	1,198,856	1,118,758	1,119,505
Transfers and Capital Contributions	246,876	237,090	64,773	50,977	98,485
Other	441,464	1,296,143	1,141,092	1,008,454	236,606
Totals	\$ 17,914,105	\$ 19,172,504	\$ 18,810,252	\$ 18,453,675	\$ 17,272,363

Year Ended June 30	2020	2021	2022	2023	2024
Food Sales	\$ 2,556,257	\$ 72,894	\$ 674,736	\$ 3,254,830	\$ 2,415,913
Federal Reimbursements	11,104,744	13,647,011	20,980,726	14,885,376	17,055,872
Federal Commodities	1,264,573	1,175,666	1,578,193	1,346,416	1,441,805
Transfers and Capital Contributions	957,061	250,237	79,224	64,609	367,068
Other	161,964	104,399	819,613	898,092	54,266
Totals	\$ 16,044,599	\$ 15,250,207	\$ 24,132,492	\$ 20,449,323	\$ 21,334,924

SOURCE: 2015 - 2024 Gaston County Board of Education annual financial statements

GASTON COUNTY BOARD OF EDUCATION
Proprietary Fund - Food Service Operations
Expenses by Category
Last Ten Fiscal Years

Table 8



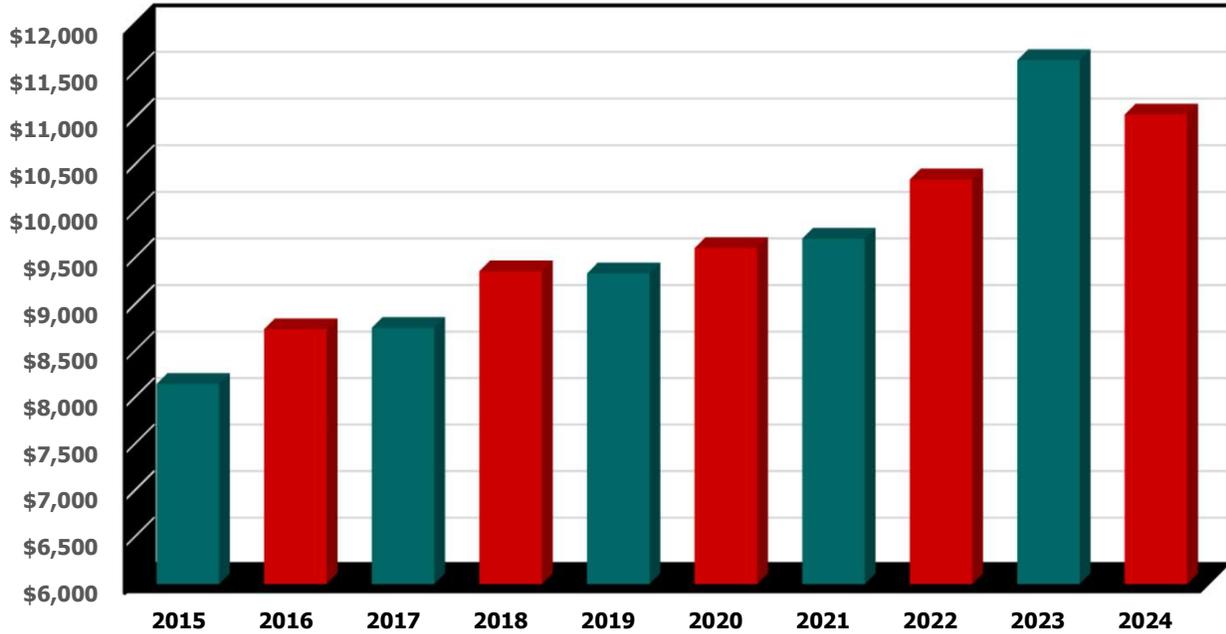
Year Ended June 30	2015	2016	2017	2018	2019
Purchased Food and Donated Commodities	\$ 7,603,468	\$ 7,942,885	\$ 7,416,516	\$ 6,566,614	\$ 6,841,081
Salaries and Benefits	8,152,935	8,189,994	8,256,301	9,085,963	8,163,977
Other Costs	2,893,538	2,911,539	2,618,677	2,556,371	2,161,033
Totals	\$ 18,649,941	\$ 19,044,418	\$ 18,291,494	\$ 18,208,948	\$ 17,166,091

Year Ended June 30	2020	2021	2022	2023	2,024
Purchased Food and Donated Commodities	\$ 6,316,169	\$ 4,788,714	\$ 7,391,096	\$ 7,803,746	\$ 8,772,816
Salaries and Benefits	10,335,426	6,516,499	10,633,604	11,246,688	10,905,605
Other Costs	2,659,341	2,016,231	2,348,346	2,446,652	3,402,835
Totals	\$ 19,310,936	\$ 13,321,444	\$ 20,373,046	\$ 21,497,086	\$ 23,081,256

SOURCE: 2015 - 2024 Gaston County Board of Education annual financial statements

GASTON COUNTY BOARD OF EDUCATION
Operational Expenditures Per Pupil
Expenditures by Function
Last Ten Fiscal Years

Table 9



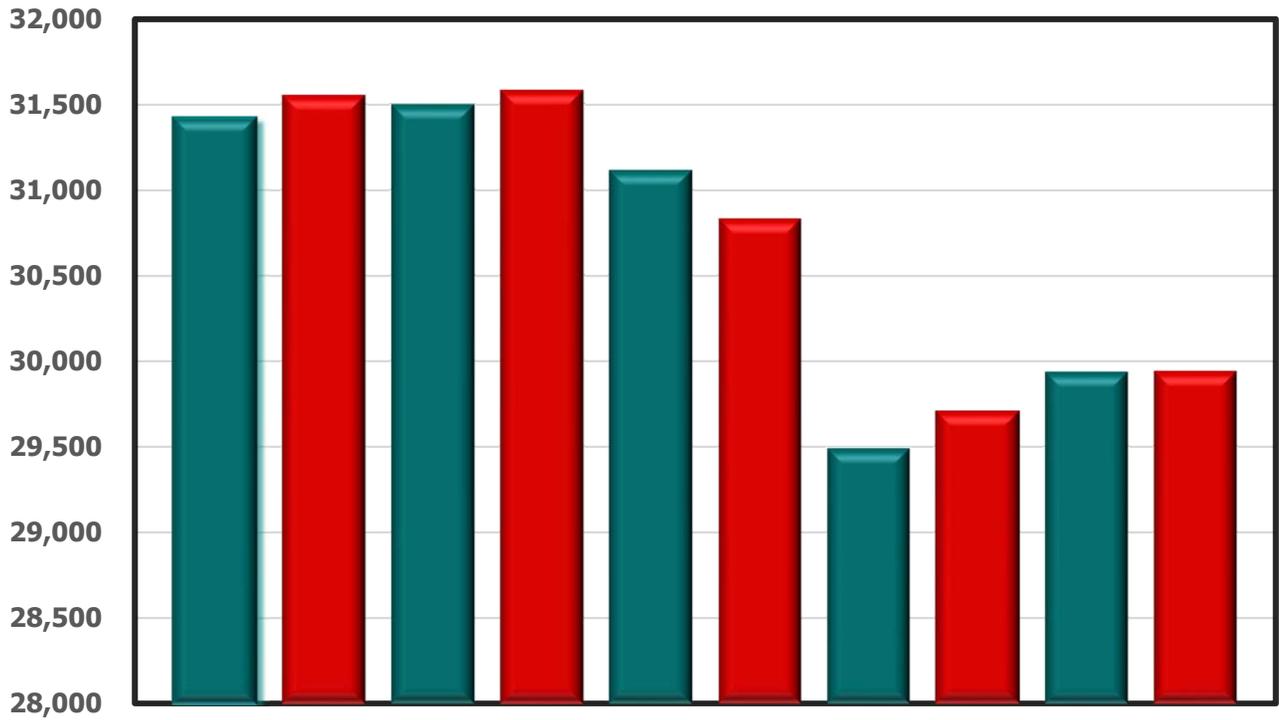
Year Ended June 30	2015	2016	2017	2018	2019
Average daily membership (ADM)	31,421	31,555	31,499	31,581	31,116
Expenses					
Instructional	\$ 6,592	\$ 7,166	\$ 7,179	\$ 7,738	\$ 7,713
Support services	1,455	1,459	1,461	1,508	1,500
Ancillary services	9	5	5	3	4
Non-programmed charges	95	109	109	113	122
Operating expenses per pupil	\$ 8,151	\$ 8,739	\$ 8,754	\$ 9,362	\$ 9,339
Year Ended June 30	2020	2021	2022	2023	2024
Average daily membership (ADM)	30,834	29,489	29,704	29,936	29,937
Expenses					
Instructional	\$ 7,676	\$ 7,734	\$ 8,359	\$ 9,233	\$ 8,863
Support services	1,789	1,699	1,701	1,974	1,952
Ancillary services	2	72	37	40	11
Non-programmed charges	145	206	250	379	217
Operating expenses per pupil	\$ 9,611	\$ 9,711	\$ 10,348	\$ 11,626	\$ 11,043

SOURCES: ADM - Principal's Monthly Report - Month 01
 2015 - 2024 Gaston County Board of Education annual financial statements

All dollar amounts are expressed in nominal dollars

GASTON COUNTY BOARD OF EDUCATION
Average Daily Membership
Last Ten Fiscal Years

Table 10



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ADM	31,421	31,555	31,499	31,581	31,116	30,834	29,489	29,704	29,936	29,937

SOURCE: Principal's Monthly Report - Month 01

GASTON COUNTY BOARD OF EDUCATION
Full-Time Employees by Category
Government-Wide
Last Ten Fiscal Years

Table 11

Category	Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administrators, Managers	42	41	38	36	36	38	43	49	48	85
Principals	56	54	54	54	54	54	57	56	54	63
Assistant Principals	63	63	69	70	69	68	66	72	73	72
Teachers	1,881	1,874	1,864	1,908	1,890	1,840	1,904	1,936	1,882	1,705
Guidance Counselors	85	83	84	88	93	94	90	108	99	93
Psychologists	15	17	22	19	17	17	14	13	10	7
Media Specialists	51	51	49	48	48	47	48	56	47	47
Other Professionals	194	220	216	199	198	204	191	190	143	175
Teacher Assistants	416	429	425	419	408	377	393	412	422	365
Technicians	17	16	17	17	16	16	18	14	16	15
Clerical, Secretarial	176	178	180	188	185	183	188	207	199	210
Service Workers	203	193	204	214	224	240	262	282	211	429
Skilled Crafts	46	49	49	51	52	53	54	62	53	54
Total Full-Time Employees	3,245	3,268	3,271	3,311	3,290	3,231	3,328	3,457	3,257	3,320

SOURCES: North Carolina Public Schools Statistical Profile, EEO-5 Data Collection Report

Other Professionals include persons who cannot be properly placed in any classification such as non-classroom teachers, speech therapists, school social workers, community workers, attendance officers, attorneys, registered nurses and other non-instructional staff.

GASTON COUNTY BOARD OF EDUCATION
School Building Data
June 30, 2024

Table 12

School	Grade Span	Average Daily Membership	Age (Years) of Original Construction	Date of Original Construction
<u>Elementary Schools</u>				
Beam Intermediate	4-5	189	76	1948
Belmont Central	2-5	687	55	1969
W.A. Bess	K-5	641	42	1982
Bessemer City Central	3-5	355	25	1999
Bessemer City Primary	K-2	411	48	1976
Brookside	K-5	506	30	1994
Carr	K-5	617	63	1961
Catawba Heights	K-5	253	65	1959
Chapel Grove	K-5	355	70	1954
Cherryville	K-3	377	68	1956
Costner	K-5	453	59	1965
Gardner Park	K-5	533	60	1964
H.H. Beam	K-5	553	50	1974
Hawks Nest	4-5	351	22	2002
Kiser	3-5	336	76	1948
Lingerfeldt	K-5	396	71	1953
Lowell	K-5	373	46	1978
McAdenville	K-5	174	75	1949
New Hope	K-5	541	69	1955
North Belmont	K-5	316	48	1976
Page	K-1	336	51	1973
Pinewood	K-5	460	55	1969
Pleasant Ridge	K-5	882	72	1952
Rankin	K-5	494	74	1950
Robinson	K-3	406	70	1954
Sadler	K-5	331	20	2004
Sherwood	K-5	473	55	1969
Springfield	K-2	287	48	1976
Tryon	K-5	319	84	1940
Woodhill	K-5	492	57	1967

SOURCES: Principal's Monthly Report - Month 01
Gaston County Schools Operations Department

GASTON COUNTY BOARD OF EDUCATION
School Building Data
June 30, 2023

Table 12
(continued)

School	Grade Span	Average Daily Membership	Age (Years) of Original Construction	Date of Original Construction
<u>Middle Schools</u>				
Belmont	6-8	765	3	2021
Bessemer City	6-8	502	70	1954
Chavis	6-8	395	73	1951
Cramerton	6-8	919	26	1998
W.C. Friday	6-8	612	54	1970
Grier	6-8	587	69	1955
Holbrook	6-8	786	70	1954
Mount Holly	6-8	552	85	1939
Southwest	6-8	809	53	1971
Stanley	6-8	606	65	1959
York Chester	6-8	381	85	1939
<u>High Schools</u>				
Ashbrook	9-12	1,341	54	1970
Bessemer City	9-12	548	60	1964
Cherryville	9-12	508	68	1956
Stuart W. Cramer	9-12	956	11	2013
East Gaston	9-12	908	53	1971
Forestview	9-12	1,116	26	1998
Gaston Early College	9-13	234	*	*
Gaston Early College of Medical Science	9-13	155	*	*
Highland School of Technology	9-12	528	70	1954
Hunter Huss	9-12	1,134	62	1962
North Gaston	9-12	1,083	54	1970
South Point	9-12	983	60	1964
<u>Special/Alternative Schools</u>				
Gaston Virtual Academy	K-12	323	N/A	N/A
Warlick	6-12	153	75	1949
Webb Street	K-12	156	75	1949

* Housed on the campus of Gaston College

GASTON COUNTY BOARD OF EDUCATION
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Table 13

Year Ended June 30	Governmental Activities	Demographic Information		Capital Leases per Capita	Capital Leases as a Percentage of Personal Income
	Capital Leases	Per Capita Personal Income	Population		
2024	\$ -	\$ *	243,242	\$ *	*
2023	-	52,373	241,175	*	*
2022	-	49,674	234,215	*	*
2021	374,507	48,508	231,337	*	1.295%
2020	1,185,755	44,739	228,514	*	0.377%
2019	2,428,916	41,535	226,140	10.82	0.171%
2018	2,614,505	41,379	224,204	11.66	0.158%
2017	1,458,101	39,578	220,969	6.62	0.271%
2016	424,805	38,261	217,748	1.96	0.901%
2015	461,080	36,950	213,856	2.16	0.801%

SOURCES: 2015 - 2024 Gaston County Board of Education annual financial statements
North Carolina Public Schools Statistical Profile
U.S. Department of Labor, Bureau of Labor Statistics

* Information not available



This section provides statistical data from Gaston County.



GASTON COUNTY, NORTH CAROLINA
Governmental Funds Expenditures by Function
Last Ten Fiscal Years

Table 14

Year Ended June 30	General Government	Public Safety	Environmental Protection	Economic & Physical Development	Human Services
2024	\$ 50,789,171	\$ 109,387,974	\$ 63,070	\$ 6,869,645	\$ 84,511,842
2023	46,987,116	102,747,589	79,386	6,464,195	77,553,881
2022	48,555,750	86,306,054	82,754	5,502,464	83,139,382
2021	38,505,544	74,652,785	-	4,470,307	59,708,312
2020	34,322,360	75,182,323	69,718	4,393,547	59,251,335
2019	31,726,839	84,276,206	65,385	4,496,983	57,772,654
2018	30,290,301	65,452,881	81,533	4,417,548	56,434,756
2017	26,805,601	63,057,252	60,916	4,567,632	61,589,102
2016	26,296,804	60,586,898	64,799	4,192,734	61,931,748
2015	25,227,484	58,366,090	83,892	3,457,506	58,703,124

SOURCE: Gaston County Finance Department

GASTON COUNTY, NORTH CAROLINA
Governmental Funds Expenditures by Function
Last Ten Fiscal Years

Table 14
(continued)

Year Ended June 30	Cultural & Recreational	Education	Capital Projects	Debt Service	Total
2024	\$ 8,777,448	\$ 60,978,024	\$ 72,000,852	\$ 36,288,699	\$ 429,666,725
2023	9,007,456	60,182,352	32,003,724	30,416,264	365,441,963
2022	7,947,537	59,153,869	22,687,960	31,311,385	344,687,155
2021	6,884,869	57,240,267	36,781,478	32,860,308	311,103,870
2020	6,064,538	57,591,462	47,436,706	46,168,999	330,480,988
2019	5,902,072	55,485,329	31,036,309	26,214,094	296,975,871
2018	5,819,668	54,073,032	28,481,094	88,979,085	334,029,898
2017	5,548,764	51,384,897	38,538,487	28,349,107	279,902,658
2016	5,384,033	49,693,622	16,317,490	25,316,479	249,784,607
2015	5,235,321	49,517,556	10,176,139	25,492,642	236,259,754

GASTON COUNTY, NORTH CAROLINA
Property Tax Rates
 (Per \$100 of Assessed Value)
 Last Ten Fiscal Years

Table 15

Municipality	Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
County	0.8700	0.8700	0.8700	0.8700	0.8700	0.8300	0.8300	0.8100	0.6100	0.5990
Cities and Towns										
Belmont	0.4750	0.4750	0.4750	0.4750	0.5150	0.5150	0.5150	0.4950	0.4550	0.4550
Bessemer City	0.4300	0.4300	0.4500	0.4500	0.4700	0.4500	0.4500	0.4500	0.4500	0.5500
Cherryville	0.4600	0.4600	0.4600	0.4600	0.4600	0.5200	0.5200	0.5200	0.4800	0.4800
Cramerton	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4450	0.4350
Dallas	0.3800	0.3800	0.4000	0.4000	0.4000	0.4000	0.4200	0.4200	0.4200	0.4200
Gastonia	0.5300	0.5300	0.5300	0.5300	0.5300	0.5200	0.5200	0.5200	0.4700	0.4700
Gastonia Service Distr.	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
High Shoals	0.4100	0.4100	0.4100	0.4100	0.4100	0.3800	0.3800	0.3800	0.3200	0.3200
Kings Mountain	0.4000	0.4000	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4800	0.4800
Lowell	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4900	0.4900	0.4900	0.3550
McAdenville	0.3000	0.3000	0.3000	0.3300	0.3300	0.3300	0.3300	0.3900	0.3900	0.3900
Mt. Holly	0.5300	0.5300	0.5300	0.5300	0.5300	0.4850	0.4850	0.4850	0.4050	0.4050
Ranlo	0.3700	0.4000	0.4000	0.4000	0.4000	0.4000	0.5000	0.5000	0.4500	0.4500
Spencer Mountain	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Stanley	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.5400	0.4900	0.4900
Fire Districts										
Agriculture Center	0.0630	0.0630	0.0730	0.0730	0.0730	0.0920	0.0112	0.1200	0.1100	0.0850
Alexis	0.0850	0.0900	0.0900	0.0950	0.0950	0.0790	0.0990	0.1060	0.1100	0.0850
Chapel Grove	0.0950	0.1050	0.1050	0.1050	0.1050	0.0930	0.0930	0.1240	0.1100	0.0850
Chestnut Ridge	0.0800	0.0840	0.0840	0.0840	0.0950	0.0810	0.1010	0.1200	0.1100	0.0850
Community	0.1000	0.1000	0.1000	0.1000	0.1200	0.0990	0.1190	0.1210	0.1100	0.0850
Crouse	0.0740	0.0740	0.0740	0.0740	0.0860	0.0690	0.0750	0.0750	0.1100	0.0850
East Gaston	0.0840	0.0840	0.0840	0.0840	0.0840	0.0720	0.0920	0.0980	0.1100	0.0850
High Shoals	0.1030	0.1030	0.1030	0.1030	0.1030	0.1040	0.1040	0.1040	0.1100	0.0850
Hughs Pond	0.1010	0.1010	0.1010	0.1100	0.1100	0.1050	0.1050	0.1050	0.1100	0.0850
Long Shoals	0.1030	0.1030	0.1030	0.1030	0.1030	0.1040	0.1040	0.1040	0.1100	0.0850
Lowell	0.0500	0.0500	0.0740	0.0740	0.0740	0.0680	0.0680	0.0680	0.1100	0.0850
Lucia-Riverbend	0.1050	0.1050	0.1050	0.1100	0.1140	0.0930	0.1130	0.1250	0.1100	0.0850
New Hope	0.0800	0.0880	0.0880	0.0880	0.1000	0.0840	0.0970	0.0970	0.1100	0.0850
Ranlo	0.0840	0.0840	0.0740	0.0840	0.0840	0.0880	0.0910	0.0910	0.1100	0.0850
South Gastonia	0.0950	0.1050	0.1050	0.1050	0.1050	0.0930	0.0930	0.1240	0.1100	0.0850
South Point	0.0640	0.0640	0.0500	0.0400	0.0400	0.0360	0.0500	0.0500	0.1100	0.0850
Spencer Mountain	0.0700	0.0800	0.0800	0.0800	0.0800	0.0930	0.1030	0.1030	0.1100	0.0850
Tryonota	0.0800	0.0840	0.0840	0.0840	0.0950	0.0810	0.1010	0.1200	0.1100	0.0850
Union Road	0.0670	0.0770	0.0770	0.0770	0.0770	0.0650	0.0760	0.0760	0.1100	0.0850
Waco	0.0730	0.0730	0.0730	0.0950	0.0950	0.0810	0.0950	0.0950	0.1100	0.0850

SOURCE: Gaston County Finance Department

GASTON COUNTY, NORTH CAROLINA
Commercial and Industrial Permits Issued and Total Deposits
Last Ten Fiscal Years

Table 16

Year Ended June 30	Commercial Permits	Institutional Permits	Bank Deposits x \$1,000
2024	\$ 300,385,949	\$ 8,584,000	\$ 3,532,788
2023	538,686,585	47,000	3,634,625
2022	236,962,123	75,000	3,768,767
2021	244,330,679	-	3,363,125
2020	94,056,648	-	2,960,947
2019	33,436,947	6,922,773	3,316,064
2018	116,548,437	5,404,798	3,244,933
2017	148,170,838	13,208,389	3,124,742
2016	207,061,632	26,293,418	2,378,335
2015	61,141,664	31,029,991	2,331,107

SOURCES: Gaston County Inspection Department
State of North Carolina Banking Commission

GASTON COUNTY, NORTH CAROLINA
Property Tax Levies and Current Collections
Last Ten Fiscal Years

Table 17

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
2024	\$ 206,144,442	\$ 204,085,150	99.00%
2023	179,402,454	177,885,307	99.15%
2022	176,450,171	174,965,654	99.16%
2021	170,971,588	169,413,769	99.09%
2020	166,281,606	163,922,402	98.58%
2019	147,062,463	145,746,820	99.11%
2018	143,478,862	141,959,045	98.94%
2017	139,161,704	137,616,976	98.89%
2016	134,957,472	133,397,408	98.84%
2015	134,740,856	132,998,045	98.71%

SOURCE: Gaston County Finance Department

GASTON COUNTY, NORTH CAROLINA
Ten Principal Taxpayers for Gaston County
Current Year and Nine Years Ago

Table 18

TAXPAYER	2024			2015		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Carolinas LLC	\$ 648,627,749	1	1.9%	\$ 402,344,986	1	0
FMC Lithium USA	198,738,389	2	0.6%	50,960,018	6	0
NP Gastonia Ind.	191,161,880	3	0.6%	-	-	-
Daimler Trucks	182,628,452	4	0.5%	91,155,042	2	0
Triangle Real Estate	125,344,270	5	0.4%	-	-	-
Public Service Company	101,920,548	6	0.3%	63,882,771	3	0
Progress Residential Borrower LLC	78,153,030	7	0.2%	-	-	-
Glatfelter Mt Holly LLC	77,691,204	8	0.2%	-	-	-
Owens Corning	73,452,653	9	0.2%	-	-	-
American & Efid	55,864,649	10	0.2%	-	-	-
BellSouth	-	-	-	53,837,204	4	0.4%
Bud Antle, Inc.	-	-	-	51,036,603	5	0.4%
Pharr Yarns	-	-	-	47,285,428	7	0.3%
Southwood Realty Company	-	-	-	44,114,600	8	0
Mann+Hummel (formerly WIX Filtra	-	-	-	42,237,836	9	0.3%
Rutherford EMC	-	-	-	34,847,979	10	0.2%
	\$ 1,733,582,824		5.14%	\$ 881,702,467		6.03%

GASTON COUNTY, NORTH CAROLINA
Principal Employers for Gaston County
Last Ten Fiscal Years

Table 19

Employer	2024			2023			2022			2021		
	Number of Employees	Rank	Type									
Caromont Health	1000+	1	Health Services	1,000+	1	Health Services	1,000+	1	Health Services	1,000+	1	Health Services
Gaston County Schools	1000+	2	Education	1,000+	2	Education	1,000+	2	Education	1,000+	2	Education
Daimler Trucks North America LLC	1000+	3	Manufacturing	1,000+	3	Manufacturing	1,000+	3	Manufacturing	1,000+	3	Manufacturing
County of Gaston	1000+	4	Public Administration	1,000+	4	Public Administration	1,000+	4	Public Administration	1,000+	4	Public Administration
Wal-Mart Associates, Inc.	1000+	5	Retail Trade	1,000+	5	Retail Trade	1,000+	5	Retail Trade	1,000+	5	Retail Trade
American & Efird, Inc.	1000+	6	Manufacturing	1,000+	7	Manufacturing	1,000+	7	Manufacturing	1,000+	7	Manufacturing
Mann+Hummel Filtration (formerly WIX Corporation)	1000+	7	Manufacturing	1,000+	6	Manufacturing	1,000+	6	Manufacturing	1,000+	6	Manufacturing
City of Gastonia	500-999	8	Public Administration	500-999	8	Public Administration	500-999	8	Public Administration	500-999	9	Public Administration
Food Lion	500-999	9	Retail Trade	500-999	9	Retail Trade	500-999	9	Retail Trade	500-999	#	Retail Trade
Gaston Family Health Services Inc	500-999	10	Health Services	500-999	10	-	-	-	-	-	-	-
Trion Solutions, Inc.	-	-	-	-	-	-	-	-	-	-	-	-
Pharr Yarns, Inc.	-	-	-	-	-	-	-	-	-	-	-	-
Gaston College	-	-	-	-	-	Education	500-999	10	Education	-	-	-
Sara Lee Corporation	-	-	-	-	-	-	-	-	-	-	-	-
Bud Antle, Inc.	-	-	-	-	-	-	-	-	-	500-999	10	Manufacturing

SOURCE: Gaston County Economic Development Commission

GASTON COUNTY, NORTH CAROLINA
Principal Employers for Gaston County
Last Ten Fiscal Years

Table 19
(continued)

Employer	2020			2019			2018			2017		
	Number of Employees	Rank	Type	Number of Employees	Rank	Type	Number of Employees	Rank	Type	Number of Employees	Rank	Type
Caromont Health	1,000+	2	Health Services	1,000+	2	Health Services	1,000+	2	Health Services	1,000+	2	Health Services
Gaston County Schools	1,000+	1	Education	1,000+	1	Education	1,000+	1	Education	1,000+	1	Education
Freightliner Corporation	1,000+	3	Manufacturing	1,000+	3	Manufacturing	1,000+	3	Manufacturing	1,000+	3	Manufacturing
County of Gaston	1,000+	4	Public Administration	1,000+	4	Public Administration	1,000+	4	Public Administration	1,000+	4	Public Administration
Wal-Mart Associates, Inc.	1,000+	5	Retail Trade	1,000+	5	Retail Trade	1,000+	5	Retail Trade	1,000+	5	Retail Trade
American & Efird, Inc.	1,000+	6	Manufacturing	1,000+	6	Manufacturing	1,000+	6	Manufacturing	1,000+	6	Manufacturing
Mann+Hummel Filtration (formerly WIX Corporation)	1,000+	7	Manufacturing	1,000+	7	Manufacturing	1,000+	7	Manufacturing	1,000+	7	Manufacturing
City of Gastonia	500-999	8	Public Administration	500-999	9	Public Administration	500-999	8	Public Administration	500-999	8	Public Administration
Food Lion	-	-	-	-	-	-	-	-	-	-	-	-
Gaston Family Health Services Inc	-	-	-	-	-	-	-	-	-	-	-	-
Trion Solutions, Inc.	500-999	9	Professional and Business Services	500-999	8	Professional and Business Services	-	-	-	-	-	-
Pharr Yarns, Inc.	-	-	-	500-999	10	Manufacturing	500-999	9	Manufacturing	500-999	9	Manufacturing
Gaston College	-	-	-	-	-	-	500-999	10	Education	500-999	10	Education
Sara Lee Corporation	-	-	-	-	-	-	-	-	-	-	-	-
Bud Antle, Inc.	500-999	10	Manufacturing	-	-	-	-	-	-	-	-	-

GASTON COUNTY, NORTH CAROLINA
Principal Employers for Gaston County
Last Ten Fiscal Years

Table 19
 (continued)

Employer	2016			2015		
	Number of Employees	Rank	Type	Number of Employees	Rank	Type
Caromont Health	1,000+	2	Health Services	1,000+	2	Health Services
Gaston County Schools	1,000+	1	Education	1,000+	1	Education
Freightliner Corporation	1,000+	3	Manufacturing	1,000+	3	Manufacturing
County of Gaston	1,000+	4	Public Administration	1,000+	5	Public Administration
Wal-Mart Associates, Inc.	1,000+	5	Retail Trade	1,000+	4	Retail Trade
American & Efird, Inc.	1,000+	6	Manufacturing	1,000+	6	Manufacturing
Mann+Hummel Filtration (formerly WIX Corporation)	1,000+	7	Manufacturing	1,000+	7	Manufacturing
City of Gastonia	500-999	8	Public Administration	500-999	8	Public Administration
Food Lion	-	-	-	-	-	-
Gaston Family Health Services Inc	-	-	-	-	-	-
Trion Solutions, Inc.	-	-	-	-	-	-
Pharr Yarns, Inc.	500-999	9	Manufacturing	500-999	9	Manufacturing
Gaston College	500-999	10	Education	-	-	-
Sara Lee Corporation	-	-	-	500-999	10	Manufacturing
Bud Antle, Inc.	-	-	-	-	-	-

GASTON COUNTY, NORTH CAROLINA
Average Employment and Unemployment Rate
Last Ten Fiscal Years

Table 20

Year Ended June 30	Employed	Unemployment Rate
2024	238,659	4.00%
2023	114,221	3.90%
2022	109,620	4.10%
2021	105,288	5.30%
2020	98,149	8.30%
2019	109,329	4.40%
2018	106,884	4.10%
2017	103,388	4.20%
2016	100,489	5.20%
2015	97,358	6.30%

SOURCE: Gaston County Economic Development Commission

GASTON COUNTY, NORTH CAROLINA
Per Capita Personal Income
Last Ten Fiscal Years

Table 21

Year Ended June 30	Per Capita Income	Per Capita Rank Within State of NC	Total Personal Income <small>(in thousands of dollars)</small>
2024	\$ *	*	\$ *
2023	52,373	44	12,425,162
2022	49,674	*	11,634,395
2021	48,748	46	11,277,151
2020	44,808	46	10,239,160
2019	41,313	46	9,342,541
2018	39,354	*	8,823,284
2017	38,945	*	8,605,557
2016	37,425	29	8,149,218
2015	36,949	33	7,901,694

SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis
U.S. Department of Labor, Bureau of Labor Statistics

* Information not available

GASTON COUNTY, NORTH CAROLINA
Ratio of Annual Debt Service Expenditures for General
Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years

Table 22

Year Ended June 30	Total Debt Service Expenditures ⁽¹⁾	Total General Governmental Expenditures	Ratio of Debt Service to Total General Expenditures
2024	\$ 36,288,699	\$ 429,666,725	8.4%
2023	30,416,264	365,441,963	8.3%
2022	31,311,385	344,687,155	9.1%
2021	32,860,308	311,103,870	10.6%
2020	46,168,999	330,480,988	14.0%
2019	26,214,094	296,975,871	8.8%
2018	88,979,085	334,029,898	26.6%
2017	28,348,246	278,765,947	10.1%
2016	25,316,479	249,784,607	10.1%
2015	25,492,462	236,259,754	10.8%

(1) Excludes debt service on certificates of participation and installment purchase agreements; thus, this amount will not agree with debt service expenditures on the "General Governmental Expenditures by Function" schedule.

SOURCE: Gaston County Finance Department

GASTON COUNTY, NORTH CAROLINA
Estimated Actual Value of Taxable Property,
Ratio of Net General Bonded Debt to Assessed Value,
and Net General Bonded Debt Per Capita
Last Ten Fiscal Years

Year Ended June 30	Net General Bonded Debt	Estimated Actual Value of Taxable Property x \$1,000	Assessed Value x \$1,000	Ratio - Debt to Assessed Value	Population	Debt Per Capita
2024	\$ 235,615,129	\$ 34,833,891	\$ 33,708,757	0.70%	243,242	\$ 969
2023	174,951,446	32,163,590	22,086,737	0.79%	241,175	725
2022	188,174,420	25,340,070	21,202,037	0.89%	234,215	803
2021	203,400,222	20,745,544	20,546,387	0.99%	231,337	879
2020	234,753,198	19,934,655	19,745,275	1.19%	228,514	1027
2019	269,601,609	17,379,041	16,855,932	1.80%	226,140	1192
2018	186,341,784	14,761,918	16,437,043	1.13%	224,204	831
2017	195,722,876	15,344,435	15,943,318	1.23%	220,969	886
2016	213,575,436	14,112,891	13,808,053	1.55%	217,748	981
2015	178,203,288	12,631,152	13,693,432	1.30%	213,856	833

SOURCE: Gaston County Finance Department